

## The pitfalls of DIY Bookkeeping

Modern book keeping is indispensable in making the business accountable and streamlining the expenditure. Small Businesses may be reluctant to deploy a professional bookkeeper to economize expenses however it turns out to be a huge misconception. They try to monitor the expenses and cash flow regularly whilst missing out on vital details. In fact, it is not a walk in the park but requires assistance from the specialists to maintain accuracy and precision

Majority of business owners are focused on the core competencies of their business and have pretty little time for peripheral functions such as **book keeping**. They undergo great stress while handling multiple tasks belonging to different domains. If you are not an experienced professional, you may end up committing clerical errors while preparing the ledger book. Small mistakes could have a disastrous impact on the final accounting statements.

Amateur book keepers often create faulty entries and reconciliations statements. Sometimes people miss out on diverse information such as credit card statements along with sales tax accounts. It creates financial problems for the company and requires the supervision of professionals so that vital details are not overlooked.

Bookkeeping is extremely necessary for most businesses because they might not be able to handle the accounting software on their own. Professionals comprehend the intricate details of the application and are knowledgeable about the information required by the system. Prevention is better than cure is an age old adage; therefore validation of the data by experts plays a very important role in optimizing the expenditure.

If the entrepreneurs opt for DIY accounting, they might fail to submit BAS statement to the relevant authorities on time. It may also lead to excessive penalties and wasteful expenses for the company. A Professional bookkeeper can easily manage the situation and is perfectly capable to accomplish the task within the prescribed time limit.

DIY heroics might lead to incorrect disbursement of the superannuation of employees leading to hefty fines from the Australian tax department. A dedicated bookkeeper makes sure that all superannuation obligations are duly met without any hassles. People who try to complete the task on their own might prepare the sales or purchase invoice incorrectly. It can lead to grave human errors and reflect in the final accounting statements in the form of inconsistent information. As a result, the cash flow of the company gets affected which in turn may post losses. In order to avoid such situations, hire good quality professional and get respite from the business worries.