



Understanding Small Business Financials

RESOURCE GUIDE

Many entrepreneurs are often surprised and overwhelmed by the responsibility of managing the financials for their small business. Yet, it is one of the most important tasks when predicting the overall success of any business.

The Carolina Small Business Development Fund (CSBDF) has developed this Resource Guide to assist you in getting the support you need to develop and manage accounting practices properly giving you more time to focus on other equally important areas of your business.



Understanding Small Business Accounting

The first step to developing and managing your small business financials is having a clear understanding of the 3 main financial statements used in reporting business – Profit and Loss (Income Statement), Cash Flow Statement and Balance Sheet. Click on the links below for a quick overview of each. There is a worksheet at the end of each module.

[Preparing a Profit and Loss Statement](#)

[Preparing a Balance Sheet](#)

[Preparing a Cash Flow Statement](#)

Using Financials to Manage your Business

Recent studies show that most small businesses fail because they do not use their financial statements to oversee the financial activities of the business. The first step is deciding who will be responsible for compiling and managing this data on a monthly basis. Every business is different; therefore, it is important to decide if this responsibility will be handled internally – business owner or employee or externally using a third party provider. If you are considering hiring a bookkeeper, the link to the article below will give you an overview on how to begin that process.

[Hiring a Bookkeeper](#)

Choosing an Accounting Software

One of the most important purchases for small businesses is an accounting software. Establishing such tools can be challenging initially, so when choosing an accounting software make sure that the company has adequate and assessable technical support and that your financial team are all experienced or trained in using the software you choose. QuickBooks On-Line is a very popular accounting software amongst small business owners ([click here to learn more](#))

To help you compare what's out there, click on the link below.

[Best Small Business Accounting Software 2018](#)

Other Entrepreneurial Resources

[SBA.Gov](#) Click on “Local Assistance” to find a location near you.

[SBA NC District Offices](#)

[SCORE Small Business Coaching and Mentoring](#)

[Small Business Technology Development Center \(SBTDC\)](#) Be sure to look out for “Upcoming Events”

[Small Business Center Network \(SBC\)](#) Located within various community colleges. Enter your state to find one nearest you.

For Veterans in NC

[VA.Gov for Veteran Entrepreneurs](#)

For Women in NC

[Western Women's Business Center](#)

[Women's Business Center of Charlotte](#)

[Women's Business Center of Fayetteville](#)

[Women's Business Center of NC](#)

[Eastern Women's Entrepreneurship Center](#)

Other Interesting Reads

[7 Creative Ways for Your Small Business to Save Money](#)

[Financial Statements as a Management Tool](#)

[21 Accounting Things To Do and When](#)

[Forbes Articles for Veterans](#)

[What is a P&L Statement](#)

[P&L Worksheet](#)

[What is a Balance Sheet](#)

[Balance Sheet Worksheet](#)

[What is a Cash Flow Statement](#)

[Cash Flow Statement Worksheet](#)