



Accounting 101 for Small Businesses

Brought to you by Mastercard Digital Doors®

RAMONA CEDEÑO

CPA, CFP®, CEO at FiBrick

- **Fractional CFO, Accounting & Bookkeeping, Tax Advisor, Speaker**
- **20+ years in the industry helping entrepreneurs build profitable powerhouses**
- **Over 200+ businesses supported by FiBrick, guiding founders through funding rounds, exits, and mergers**
- **Author of ‘Simple Choices Big Rewards in Money’**



Ramona Cedeño

AGENDA

Why Accounting Matters

Understanding Financial Statements

Essential Bookkeeping Best Practices

Tax Basics for Small Businesses

Automation Tools for Efficiency



WHY ACCOUNTING MATTERS



Growth & Stability

Accounting provides the financial clarity needed for long-term success.

Avoid Costly Mistakes

Accurate financial management reduces errors and maximizes profitability.

Strategic Decisions

Use financial data to plan for growth and navigate challenges.

INTRODUCTION TO BOOKKEEPING AND ACCOUNTING



What is Bookkeeping?

Recording financial transactions systematically

Connection to Accounting

Provides the foundation for creating reliable financial statements.

Impact on Success

Good bookkeeping ensures better decision-making and tax compliance.

FINANCIAL STATEMENTS

& DECISION MAKING

Profit & Loss Statement

Reflects company performance over a period.

Balance Sheet

Shows financial position at a specific point in time.

Cash Flow Statement

Details cash inflows and outflows.

Profit & Loss Statement

Reflects company performance over a period.

Revenue and Expenses

Tracks income and costs to show net profit or loss.

Gross Profit and Net Profit

Calculations and their significance.

FINANCIAL STATEMENTS

	A	B	C	D	E	F	G
1	Profit And Loss Template		Hist.	Hist.	Proj.	Proj.	Proj.
2			Period 1	Period 2	Period 3	Period 4	Period 5
3	<i>All figures in millions unless otherwise stated</i>						
4							
5	Profit and loss statement						
6	Revenues		100.0	110.0	111.0	112.0	115.0
7	Cost of goods sold		(50.0)	(55.0)	(55.5)	(56.0)	(56.5)
8	Gross profit		50.0	55.0	55.5	56.0	58.5
9							
10	Operating costs		(10.0)	(11.0)	(12.0)	(11.0)	(12.0)
11	Operating profit (or EBIT - Earnings Before Interest and Tax)		40.0	44.0	43.5	45.0	46.5
12							
13	Equity income		2.0	3.0	3.0	3.0	3.0
14	Interest income		1.0	1.0	1.0	1.0	1.0
15	Interest expense		(7.0)	(8.0)	(9.0)	(10.0)	(11.0)
16	Profit before tax		36.0	40.0	38.5	39.0	39.5
17							
18	Tax expense		(10.8)	(12.0)	(11.6)	(11.7)	(11.9)
19	Net profit		25.2	28.0	27.0	27.3	27.7
20							
21	Net profit to non controlling interests		(1.5)	(1.7)	(1.6)	(1.7)	(1.7)
22	Net profit to common shareholders		23.7	26.4	25.3	25.7	26.0
23							
24	Shares outstanding		10.0	10.0	10.0	10.0	10.0
25	Earnings per share		2.37	2.64	2.53	2.57	2.60
26							
27	Margin ratios						
28	Gross profit margin		50.0%	50.0%	50.0%	50.0%	50.9%
29	Operating profit margin		40.0%	40.0%	39.2%	40.2%	40.4%
30	Net profit margin		25.2%	25.5%	24.3%	24.4%	24.0%
31	Net profit to common shareholders margin		23.7%	24.0%	22.8%	22.9%	22.6%

Balance Sheet

Shows financial position at a specific point in time.

Assets

Current and long-term assets overview.

Liabilities

Current and long-term liabilities.

Equity

Owner's equity and retained earnings.

FINANCIAL STATEMENTS

	A	B	C	E	F	G	H	I	J	
1	© Corporate Finance Institute. All rights reserved.			Historical Results						
2	Financial Model			2014	2015	2016	2017	2018		
77										
78	Balance Sheet									
79										
80	Assets									
81	Cash			81,210	83,715	111,069	139,550	159,474	188,000	
82	Accounts Receivable			5,904	6,567	7,117	7,539	8,179	8,179	
83	Inventory			9,601	9,825	10,531	11,342	15,267	15,267	
84	Current Assets			96,715	100,107	128,717	158,430	182,920	211,446	
85	Property & Equipment			42,350	40,145	38,602	37,521	45,017	50,000	
86	Goodwill									
87	Total Assets			139,065	140,252	167,319	195,951	227,937	261,446	
88										
89	Liabilities									
90	Short Term Debt									
91	Accounts Payable			4,800	4,912	5,265	5,671	7,061	7,061	
92	Current Liabilities			4,800	4,912	5,265	5,671	7,061	7,061	
93	Long Term Debt			50,000	30,000	30,000	30,000	30,000	30,000	
94	Total Liabilities			54,800	34,912	35,265	35,671	37,061	37,061	
95	Shareholder's Equity									
96	Equity Capital			70,000	70,000	70,000	70,000	70,000	70,000	
97	Retained Earnings			14,265	35,340	62,053	90,280	120,876	151,446	
98	Shareholder's Equity			84,265	105,340	132,053	160,280	190,876	221,446	
99	Total Liabilities & Shareholder's Equity			139,065	140,252	167,319	195,951	227,937	261,446	
100										
101	Check			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
102										

Statement of Cash Flow

Details cash inflows and outflows.

Operating Activities

Cash flows from core business operations.

Investing Activities

Cash flows from investment transactions.

Financing Activities

Cash flows from borrowing and equity.

A	B	C	D	E	F
Cash Flow Statement Template		Hist.	Hist.	Proj.	Proj.
		Period 1	Period 2	Period 3	Period 4
<i>All figures in millions unless otherwise stated</i>					
Cash Flow Statement					
Net income				100.0	101.0
+ Depreciation and amortization				80.0	81.0
(Increase) decrease in operating working capital				(30.0)	(25.0)
Cash flow from operating activities				150.0	157.0
(Capital expenditure)				(400.0)	(402.0)
Cash flow from investing activities				(400.0)	(402.0)
Increase (decrease) in long-term debt				50.0	(5.0)
Dividends				(30.0)	(30.3)
Issuance of equity				50.0	0.0
Cash flow from financing activities				70.0	(35.3)
Beginning cash				100.0	(80.0)
Net cash flow				(180.0)	(280.3)
Ending cash			100.0	(80.0)	(360.3)

ESSENTIAL BOOKKEEPING

BEST PRACTICES



Separate Personal & Business Finances

Use dedicated business accounts to avoid mixing funds.

Timely Reconciliation

Regularly reconcile bank and credit card accounts to ensure accuracy.

Track Business Expenses

Record and categorize all expenses promptly for accurate bookkeeping.

BOOKKEEPING FOR TAX READINESS

BEST PRACTICES

Expense Categorization

Properly classify costs to maximize deductions.

Save Documents

Maintain receipts, invoices, and contracts.

Audit Preparation

Be ready with detailed, up-to-date records.



TAX BASICS FOR SMALL BUSINESSES

BEST PRACTICES



Why It Matters

Accurate bookkeeping supports tax compliance and minimizes penalties.

Common Deductions

Home office, equipment, and marketing expenses.

Stay Compliant

File taxes on time and follow local regulations.

CASH FLOW MANAGEMENT

BEST PRACTICES

Timely Billing & Collections

Invoice promptly and follow up on overdue payments.

Credit Readiness

Maintain a good credit score for business loans or lines of credit.

Emergency Fund

Set aside 3–6 months' worth of operating expenses for unexpected events.



Automation Tools in Accounting

Bookkeeping

QuickBooks Online:

Automatic transaction import, bank reconciliation, expense tracking, invoicing.

Xero:

Automated bank feeds, expense claims, invoicing, and payroll integration.

Wave:

Automated invoicing, expense tracking, payroll processing.

Financial Reporting

Sage Intacct:

Real-time financial reporting, automated consolidations, expense management.

NetSuite:

Real-time dashboards, financial planning, and analysis, automated reporting.

Workday:

Budgeting, forecasting, and reporting automation, scenario planning.

Tax Preparation

TurboTax:

Step-by-step tax preparation, automatic import of financial data, error-checking.

H&R Block Tax Software:

Guided tax preparation, data import from financial institutions, audit support.

Credit Karma Tax:

Guided tax preparation, educational credits and deductions.

Overall Automation Tools

Bill.com: Automated bill payment, invoicing, approval workflows.

Expensify: Automated expense reporting, receipt scanning, reimbursement.

BlackLine: Account reconciliation, task management, financial close automation.

FiBrick



Free 7-Day Step by Step Taxes and Growth Course



Ramona Cedeno



@FiBrickFinance



FiBrickFinance



FiBrickFinance



www.fibrick.com