

The Ultimate Checklist for Separating Personal and Business Expenses

By following this checklist, you'll be well on your way to separating your personal and business expenses, which is crucial for financial success and legal compliance as a small business owner.

- 1. Establish a Legal Business Entity:**
 - Consult with an attorney or accountant to determine the best legal structure for your business (LLC, S Corp, etc.).
 - Register your business with the appropriate governmental agency.
- 2. Open Separate Bank Accounts:**
 - Research and select a bank that caters to your business needs.
 - Open a business checking account.
 - Open a business savings account if necessary.
- 3. Get a Business Credit Card:**
 - Apply for a business credit card.
 - Use this card strictly for business-related expenses.
- 4. Implement Accounting Software:**
 - Research different accounting software (QuickBooks, Xero, etc.)
 - Purchase and set up the chosen software for your business.
 - Use this software to track all business-related expenses.
- 5. Maintain Regular Bookkeeping:**
 - Set a routine to update your business income and expenses regularly.
 - Regularly reconcile your business bank account and credit card statements with your bookkeeping records.



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- 6. Keep Business Receipts:**
 - Keep all business receipts in a specific location.
 - Consider a digital receipt scanning app for ease and organization.

- 7. Pay Yourself a Salary:**
 - Decide on a reasonable salary for your work.
 - Set a regular schedule for these payments.

- 8. Use Business Funds for Business Expenses Only:**
 - Always use your business account for business expenses, even if personal funds seem more convenient at the moment.
 - Return personal purchases made in error with business funds and vice versa.

- 9. Understand What Qualifies as a Business Expense:**
 - Learn what expenses can be considered business-related.
 - When in doubt, consult your accountant or tax advisor.

- 10. Regularly Review and Audit Your Processes:**
 - Schedule quarterly reviews of your processes to ensure personal and business expenses remain separate.
 - Use these reviews to make necessary adjustments.

And remember, at Valliance Bank, we are always here to help. Whether you have questions about the checklist, need advice on setting up business banking, or just want to explore more ways we can support your business, don't hesitate to [get in touch](#).

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