

## 2. Records.Evaluation

	<b>Question</b>	<b>Answer</b>	<b>Conclusion</b>	<b>Answer</b>	<b>Conclusion</b>
<b>1</b>	Does the client (do you) have a separate checking account for their (your) business?	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
<b>2</b>	Does the client (do you) have one or more dedicated credit cards only used for their (your) business?	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
<b>3</b>	Does the client (do you) use one checking account for business and non-business items or one checking account for multiple businesses and for personal items?	Yes	Foundational practice is NOT in place.	No	Foundational practice is in place.
<b>4</b>	Does the client (do you) often use the same credit card for personal and business expenses?	Yes	Foundational practice is NOT in place.	No	Foundational practice is in place.
<b>5</b>	Does the client (do you) have a system for keeping original receipts or keeping electronic copies of original receipts?	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
<b>6</b>	Does the client (do you) have a system for recording business miles driven in their (your) personal vehicle?	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
<b>7</b>	Does the client (do you) have a system for recording each financial transaction with a notation explaining what it was for, or in a system that will correctly group the transaction with other transactions of the same type? (Does not need to be a formal bookkeeping system, could be a manual system or a spreadsheet system)	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.

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8	Does the client have a system and practice for reviewing bank statements and credit card statements each month and comparing what is recorded on the statements to what they have recorded in their system? (Does not need to be a formal bank or credit card reconciliation but does involve actively reading each statement each month. See question 11 for definition of a formal reconciliation.)	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
9	Does the client (do you) keep a list of assets used in the business?	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
10	Does the client (do you) make sales on account (allows the customer to pay later)? If not, skip this question. If yes, does the client (do you) have a system for reviewing accounts receivable to identify slow-paying customers and record when payments are received?	Yes	Foundational practice is in place.	No	Foundational practice is NOT in place.
11	Does the client (do you) have a system and practice for reconciling bank and credit card statements each month? A formal reconciliation is a mathematical proof that every transaction recorded by the financial institution is recorded in the accounting system and every transaction recorded in the accounting system is either also recorded by the financial institution or can be explained as a cash transaction, uncashed check, etc.	Yes	Best practice is in place.	No	Best practice is NOT in place.

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	<b>Final conclusion: If most answers indicate that foundational practices are NOT in place, Training 2 is highly recommended.</b>
	<b>Final conclusion: If most answers indicate that foundational practices are in place, Training 2 may still be of value if the client (if you) want to learn more about what records the IRS requires and how long to keep records.</b>

