

MONTHLY FINANCIAL HEALTH CHECK UP-CHECKLIST

- Reconcile all of your bank accounts
- Pull your Balance Sheet, Profit and Loss (Income Statement), and Statement of Cash Flows from last month.
- Check the Net Income amount on all three statements and make sure that it matches.

Note: If you do not see Net Income on The Statement of Cash Flows you are using a different reporting method. As an alternative, you can simply check to see that the CASH AT THE END OF THE PERIOD matches your TOTAL CASH line on the Balance Sheet.

- Look at the Balance Sheet and check to see that the Total Equity is positive. If not, has it improved from the last month?
- Check the Profit and Loss statement. Is Net Income positive?
- Calculate Gross Profit Margin - at least 30% preferably closer to 40%

Gross Profit - service providers wages (trainers, instructors, ect.)

Total Sales

Note: If you already include your staff salary in COGS (Cost of Goods Sold) you do not need to subtract it again.

- On the Statement of Cash Flows, is Net Cash Provided by Operating Activities positive?

DONE!

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