
TOP 10 BOOKKEEPING MISTAKES THAT COST SMALL BUSINESSES THOUSANDS

1. Mixing Personal and Business Expenses

When business and personal spending blends together, it becomes difficult to track true profitability and claim deductions accurately.

How to avoid it: Use a dedicated business bank account and business credit card for all transactions.

2. Not Reconciling Bank Accounts Regularly

If your accounts aren't reconciled, errors go unnoticed — leading to incorrect BAS, missed income, or duplicated expenses.

How to avoid it: Reconcile weekly or fortnightly to keep your books accurate and up to date.

3. Ignoring GST Obligations

Incorrect GST coding or forgetting to track GST-free items can lead to ATO penalties or overpaying tax.

How to avoid it: Review GST coding regularly and ensure your accounting software is set up correctly.

4. Falling Behind on Data Entry

When transactions pile up, mistakes multiply — and catching up becomes overwhelming.

How to avoid it: Set a weekly bookkeeping time block or automate data entry with tools like Hubdoc or Dext.

5. Not Keeping Receipts or Documentation

Without proper records, you risk losing deductions or failing an audit.

How to avoid it: Digitise receipts immediately and store them in organised folders or software.

6. Incorrectly Categorising Expenses

Misclassification can distort your financial reports and lead to incorrect tax claims.

How to avoid it: Use a clear chart of accounts and review categories regularly.

7. Forgetting to Track Accounts Receivable

Unpaid invoices reduce cash flow and profitability.

How to avoid it: Send invoices promptly, set reminders, and follow up overdue payments consistently.

8. Not Backing up Financial Data

Losing your records due to a computer crash or software issue can be devastating.

How to avoid it: Use cloud-based software or automatic backups to protect your data.



9. DIY Bookkeeping Without Understanding the Basics

Well-intentioned business owners often make costly mistakes simply because they don't know what they don't know.

How to avoid it: Invest in training or outsource to a professional bookkeeper.

10. Not Reviewing Financial Reports

Ignoring your Profit & Loss, Balance Sheet, or Cash Flow means missing early warning signs.

How to avoid it: Review reports monthly to stay in control of your business performance.



Stop guessing and start feeling confident about your numbers. If you're ready to avoid costly mistakes and get your books in order, schedule your free 15-minute consultation today. Let's get your business finances running smoothly.

Despoken Bookkeeping
SERVICES