



**FOR EYES**  
Bookkeeping

# Bookkeeping Do's and Don'ts

for Professional Optometrists

# Hey, Doc!

Thanks for downloading my Free Bookkeeping Don'ts and Do's Guide for Optometrists. As an OD myself with over 25 years of experience as a former practice owner, I know what it's like to walk in your shoes. Running a practice is hard work and the pressure of knowing that your family, your patients, and your staff are all relying on you can be an even greater challenge.

When I was in your position just a few years ago, I discovered that a key piece of feeling confident about my practice - and the outcomes for my staff members - was having a strong financial foundation. As most ODs do, I always took the financial well-being of my practice very seriously. But in my early years, the more I learned about bookkeeping, the more I realized how delicate these processes can be and how quickly money can fly out the window if things go awry.

So, let me ask you. Do you...

- Spend many, unnecessary hours away from family and patients trying to get your Quickbooks to match your bank account? Or do you just ignore your QuickBooks altogether?
- Think your income might be overstated or your expenses under-stated on your taxes?
- Dread the whole bookkeeping process so much that it affects your emotional and physical well-being?
- Trust your financial statements enough to hold up in, heaven forbid, an IRS audit?

These feelings are more than an annoying reminder that things aren't completely optimized. They're a glaring HELP signal from your bottom line. So, if you've had to ask yourself these questions in the past, you probably already know that you're in need of some help.

## Luckily, For Eyes Bookkeeping is here to help!

After retiring from my practice, I founded For Eyes Bookkeeping, LLC to help my colleagues finally get the specialized bookkeeping support they need, and deserve, so that they can stop wasting money, stop losing time, stop losing productivity, stop the worry and get back to growing their practice in a way that is both smart and sustainable.

Think your practice could use some financial TLC? Start with this informative guide! And if you need any help, give me a call! I started this business to support you!

# Wade Weisz

Founder, owner, and principal bookkeeper

For Eyes Bookkeeping, LLC

[www.foreyesbookkeeping.com](http://www.foreyesbookkeeping.com)

(408) 214-1222

---



**FOR EYES**  
Bookkeeping



# 3 Bookkeeping Don'ts for Optometrists

---

At For Eyes Bookkeeping, we always end things on a positive note. So today, we'll begin with some of the most common mistakes Optometry practices make when it comes to bookkeeping. Then, we'll show you some of the key ways to fix these mistakes!

## Ready to get started? Let's Dive in!

---

### *#1 Set it and Forget it Tactics*

If you've seen any Quickbooks Online (QBO) commercials recently, it'd be easy to believe that it's a magical solution to all your problems and that manual bookkeeping is a thing of the past. Don't be fooled, friends! This couldn't be more untrue.

Though technology has certainly advanced since I began bookkeeping for my business back in the 90s, the same mistakes persist. The most common one I see is a trail of miscategorized income and expenses, made possible by QBO's limited ability to categorize transactions without explicit direction on the back end.

Here's what you need to understand. Just because you write the check through Quickbooks, doesn't mean it will automatically show up as an expense on your end-of-year financials. The same goes for deposits. QuickBooks is a wonderful program but can quickly turn into your worst nightmare if it's not set up correctly from the beginning. In order to produce accurate financial data for tax season, your QBO account must be fully organized from the ground up. This starts with setting up a perfect, optometry-specific, Chart of Accounts and continues through the long list of setup options across the entire platform.

Still, the only way to ensure your company data is 100% accurate is to have a qualified bookkeeping professional check to make sure your financials are solid. Even then, poor bookkeeping throughout the tax year can result in a ton of missed opportunities and wasted cash. For better results, you must optimize your processes from start to finish and employ constant attention to your company's QBO account.



## #2 Giving Your CPA a Major Headache at Tax Season

Did you know that CPAs charge much higher fees for cleanups compared to the average bookkeeper? If you've arrived at your CPA's office during tax season with a shoebox of receipts and a totally defunct QBO account, you've probably spent thousands of dollars in excessive fees already. The truth is, CPAs specialize in tax preparation and tax projections, not in cleaning up your messes. And because of this, the trouble you cause them during their busiest season will cost you.

Not only does the cleanup cost exceed that of a bookkeeper, extensive cleanups can also lead to the need to file a tax extension. When you file an extension, the IRS waives your failure to file penalty, but failure to pay penalty remains. If your income is understated and you pay the amount you think you owe on the due date but find out you owe more later, you'll end up with a costly penalty. Just think of where that money could have gone instead! Could you have purchased new equipment? Hired a new staff member? The opportunity cost here can be astounding!





## #3 Relying on Quickbooks to Produce Instant, Perfect Reports

Alone, Quickbooks is a far cry from being a hands-off solution for your practice's bookkeeping needs. If you rely on Quickbooks to provide a clean set of End-Of-Year Financials or even End-of-Month financial statements, you could be burning cash as you go. Or worse, you could be setting yourself up for a painful run-in with the IRS.

You see, Quickbooks is only as accurate as the data you provide it. If your transactions are miscategorized or your income is understated, trouble could be on the horizon. Here some of the greatest financial risks associated with relying on Quickbooks in this capacity:

### **Underpayment Penalties**

If your transactions are miscategorized but you rely on Quickbooks' Profit and Loss statement to determine your estimated taxes, you could face serious underpayment penalties from the IRS.

### **Tax Evasion**

Just because you didn't mean to categorize that income as an expense doesn't mean the IRS won't penalize you for it. Especially if your business brings in a lot of cash, a simple bookkeeping mistake could actually result in tens of thousands of dollars in evaded taxes. This not only puts your family and your business at risk. It could also have a devastating effect on your staff members depending on the severity of the situation. Protect your business and those you care about by making sure things are set up properly now.

### **Poor Decision Making**

One of the most powerful things about great bookkeeping is that it can give you amazing insights into your business performance and possibilities for growth. But what happens when reports based on inaccurate financial data are informing some of your biggest decisions? If your expenses are overstated, you risk losing out on opportunities for growth. If your expenses are understated, you could bite off more than you can chew on that new piece of equipment you've been eyeing. Avoid this mistake every time by maintaining accurate data from the start!

# 4 Bookkeeping Do's for Optometrists

---

Feeling stressed, yet? After writing this, I know I do! Thinking about the most common mistakes takes me back to the days when I felt overwhelmed by my practice finances and experienced the anxieties that come with being responsible for your business and your team. But somewhere along the line, things changed for me. I had to stop these fears from keeping me up at night and take action to protect my practice and put a stop to missed financial opportunities.

The solution? Implementing great bookkeeping and financial practices! This list of Do's is not exhaustive, but it's a great start! Let's dive in.

**The solution? Implementing great bookkeeping and financial practices!**

**This list of Do's is not exhaustive, but it's a great start! Let's dive in.**

**Need help  
optimizing your  
practice's finances?**

**Click here to  
schedule a free  
discovery call**

## #1 Set up an Effective, Optometry-Specific Chart of Accounts

Understanding and utilizing your financial statements is an important step toward growing your practice. But first, you'll need to set up an optometry-specific Chart of Accounts. Your Chart of Accounts should list your assets, liabilities, and shareholders equity first, followed by revenues and expenses from your income statement.

The trickiest part of setting up your Chart of Accounts is to ensure that your transactions are continually posting to the right categories. This can be a challenge for ODs not only because Quickbooks Online doesn't always categorize things correctly but also because there can be some grey area about what counts as a deductible expense or what counts as taxable income.

When done correctly, your Chart of Accounts holds a lot of power. Not only can it help you get a quick snapshot of your company's financial standing, it is also the basis of key financial reports, like your Income Statement (aka Profit and Loss), your Statement of Cash Flows, and your Balance Sheet. That means that when your Chart of Accounts is fully optimized, you gain more knowledge across the entire financial scope of your entire practice!

**Need a Chart of Accounts specialized for optometric practices?**

**Schedule a FREE discovery call to get a Chart of Accounts that can be uploaded directly to Quickbooks Online.**



## #2 Use Bank Rules to Appropriately Record Transactions

If you struggle to reconcile your accounts, incorrect categorizations could be the culprit. Luckily, Quickbooks Online has a tool that can help get recurring transactions right every time. Although these rules aren't effective for more unique transactions, these small steps can help you avoid excessive data corrections on expenses that you pay each month.

### How to Set Up Bank Rules in Quickbooks

#### Method #1

1. Open up Quickbooks Online and navigate to Banking.
2. Click the down arrow next to File upload and select Manage rules. Then, click New rule.
3. Use the fields provided to set guidelines for how Quickbooks should categorize incoming transactions.

Feeling overwhelmed?

Click here to schedule a FREE initial assessment and learn how we can take bookkeeping off your hands

#### Method #2

1. Navigate to your Bank Feed
2. Click on the transaction you want to work on.
3. Click the Create a Rule link at the bottom of the transaction line.
4. Use the fields provided to set guidelines for how Quickbooks should categorize transactions like this one in the future.

### Just one important note here...

Make sure you set up every bank rule perfectly or every transaction processed thereafter the setup will be incorrect. If you need help, we're here to help and can answer your questions.

## #3 Run Periodic Reports to Monitor and Confirm your Practice's Factual Financial Activity

Compliance isn't the only reason bookkeeping is so important for optometric practices. America's biggest and most successful corporations have entire teams dedicated to analyzing historical financial data and making decisions based on that information. Why? Because when it comes to growing a business, your historical data is golden!

Here are the three main reports you'll want to be sure you pay attention to: u gain more knowledge across the entire financial scope of your entire practice!

### Income Statement

Your income statement details your company's revenues and expenses. It includes sales, operating expenses, and interest on business loans.

### Cash Flow Statement

Your cash flow statement brings together your income statement and balance sheet to show you a full picture of your business' finances. It shows you how your assets and liabilities are factored into your business' finances over a period of time.

### Balance Sheet

Your Balance Sheet shows your business's assets, liabilities and equity. Your assets are purchases that add value to your business and depreciate over time. For example, your work computer or your inventory would be considered an asset. Your liabilities are what your business owes to others, like a small business loan or a balance on your business credit card. Your equity is what would be left over if you subtract your liabilities from your assets. Equity is what belongs to the business owner or shareholder.

### Helpful Hint!

Adopt a standard amount for what is considered an asset

## #4 Make sure someone *Qualified, Experienced, and Trustworthy* manages your Books

When it comes to financial compliance, the risks you and your practice face can be serious. Not only do you risk getting in trouble with the IRS and facing harsh penalties in the case of mistakes, you could also waste tens of thousands of dollars each year simply by deploying sub-optimal bookkeeping strategies. As a former practice owner myself, I know that every dollar is precious and that adding another expense for bookkeeping can seem like a hit to your profits on the surface. After all, I got into this business by being cheap and doing it myself!

But, when I became a real bookkeeper and saw how much money I - and my colleagues - had been wasting, I was stunned! I found that we all make the same mistakes. Mistakes like...

### **Putting your office assistant in charge of bookkeeping**

This one is tempting - I know! But even the best office assistant in the world doesn't have the tools, or often the time, to avoid the fatal "Don'ts" we started with at the beginning of this guide.

### **Giving messy records to your CPA and letting them deal with it**

Not to sound like a broken record, but we just can't say enough how much money you could be wasting with this mistake. Also, CPAs are more interested in a top-level view of your financial health and seldom drill down into the the individual, day-to-day transactions to make sure that statement numbers are an accurate result of correct daily numbers.

### **Hiring a full time bookkeeper instead of outsourcing**

Not only does hiring a full time bookkeeper cost a lot more money than outsourcing, most practices have no need for a 40 hour/week bookkeeper. This often leads to bookkeeping staff being assigned busy work, leading to general job dissatisfaction and high turnover. Our solution? Outsource it to avoid the hassle and cost of hiring and rehiring for a position that doesn't need to be full time in the first place.

**Best of all, an outsourced bookkeeper is 100% tax deductible!**





# Love this Guide?

Follow Us on Facebook for Weekly Tips and Tricks!



---

## Contact Us

For Eyes Bookkeeping, LLC

[www.foreyesbookkeeping.com](http://www.foreyesbookkeeping.com)

(408) 214-1222

[info@foreyesbookkeeping.com](mailto:info@foreyesbookkeeping.com)