AN INSIGHT TO THE SPACE OF BOOKKEEPING

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An ordinary person may sometimes wonder how does a company, a business or an entity work with regards to its financial undertakings? Well, simple! Effective bookkeeping is the key!

“How’s that?”, you may ask.

To refresh... here’s how.

Bookkeeping technically involves the recording of all the daily financial transactions of the agency or company. With this focused daily task, in my understanding, the company is able to follow through all the money concerns such as investments, operations, so as in financing decisions.

Relative to such, bookkeepers or shall I say “competent bookkeepers” are entrusted persons who take care of the financial data and matters of the company. Without them, any company will be in “a state of lost” in the arena of the business world. Primarily so, because accurate bookkeeping is indeed crucial to financial institutions, to our government, investors and organizations that require the most sought reliable information to make better investments or lending decisions.

The likes of measuring the agency’s or company’s performance, general strategic moves and decisions, and even bench marking for its income and payables are the three primordial roles of bookkeeping.
Sadly, many people who intend to start a new business at this point in time, sometimes overlook the importance of matters such as keeping records of every penny spent.

In view of this discrepancy, most small time businesses struggle and eventually shut down. On the other note, big time companies do the other way around.

Here’s the rationale as to why hiring and keeping a competent bookkeeper to do the complex financial matters of the company is vital, regardless of the high compensation paid for their significant service.

References:

https://lyfeaccounting.com/blog/bookkeeping-is-important/?fbclid=IwAR37UeGW0XuFZtg4QcY7W0Sm0EQJcwifwwDv_Pe9zDD5NShDXaCp7ok7faA