BRIZ BOOKKEEPERS • FREE RESOURCE

Are Your Business & Personal Finances Getting a Little *Too Friendly?*

A 2-Minute Separation Checkup for Business Owners

> Nobody mixes business and personal money on purpose. It happens one *"I'll sort it out later"* swipe at a time. Take two minutes, score yourself, and pick one thing to clean up this week.

THE QUICK CHECKUP

Check every box that's true — nobody's grading this but you.

- ☐ My business has its **own bank account**, and only business money moves through it.
- ☐ No groceries, vacation gas, or birthday gifts on the business card **this quarter**.
- ☐ When I take money out, I record it as an **owner draw** — not "miscellaneous."
- ☐ I reimburse myself with a **documented expense report**, not a random transfer.
- ☐ Payroll and personal spending **never share** a transaction.
- ☐ My business has **its own card**. My personal wallet has its own.
- ☐ When I put my own money in, I record it as an **owner contribution**.
- ☐ I keep a **receipt** (photo or paper) for business purchases over $75.
- ☐ My accounts get **reconciled monthly** — not every April.
- ☐ Asked **"what was this charge?"** I could answer without scrolling my texts.

YOUR SCORE

Add up your checkmarks.

- **8–10 Healthy Boundaries.** Your books tell a clean story. Your CPA adores you.
- **5–7 It's Complicated.** A few habits are muddying your numbers. Pick one fix below and start this week.
- **0–4 Let's Talk.** Your books are playing detective instead of bookkeeping. Good news — this is fixable in a weekend.

THREE QUICK FIXES, IN ORDER

STEP 1 — THIS WEEK

Business on business. Personal on personal.

One card each. One account each. That's the whole rule.

STEP 2 — EVERY TIME

Used the wrong card? Document it.

Don't hide it and don't guess. A labeled owner draw takes 30 seconds. A guess in April takes hours.

STEP 3 — MONTHLY

Reconcile every single month.

Twelve small check-ins beat one giant year-end cleanup. Every time.

Why it matters: GAAP calls it the **economic entity assumption** — your business's activity gets reported separately from yours. In plain English: mixed money turns every report into a guess. Clean separation means that a year from now you can answer a lender, a buyer, or a partner in minutes instead of weeks, and make your next growth decision on real numbers. It also frees the people who help you — your CPA, your bookkeeper, your spouse at the kitchen table — to advise you instead of hunt receipts. (Commingling can also weaken the liability protection of an LLC or corporation — worth a conversation with your attorney.)

Your books shouldn't have to play detective.

Clean separation = clearer reports, easier tax prep, and better decisions — this year and every year after.