

Time to GET ORGANIZED!

Quit wasting time looking for paperwork and digging through shoeboxes for tax receipts, and make this year your most productive one yet.

Springtime can make us full of good intentions to get our home and business lives organized. But how many of us are still facing the same mess, if not larger, than what we had this time last year? Make this your season to get organized, and it will be so much easier to find important documents, be ready for tax filing, and never miss an important appointment.

Here are some organizing tips from home-based business owners just like yourself, as well as advice from the pros.

Start With Structure—Your Office Set-Up

Since 1997, Dorothy Madden of Penfield, New York, has been keeping hundreds of clients in control of their office environments through her professional business, ORGANIZE IT!

“If you are serious about running a home-based business, you need to set up an office that is separate from the rest of your house, preferably with a door you can close. Even if it is in a corner of your basement, you should set clear boundaries between your home and business. Find an area with good lighting and ambience, and if you are fortunate enough to have a window, position your desk so you have to turn sideways to look out. Otherwise, you’ll get too distracted. If you have clients stopping by for meetings, it is nice to have a separate entrance to your home as well.”

For ambience, Madden recommends hanging up inspiring artwork, family photos, or any awards you have received. Music and a refrigerator close by are also nice to have. (For some of us, though, this could be dangerous!) She does not recommend a bulletin board full of notes to yourself, as you don’t want to feel overwhelmed every time you look at it. “Also, be sure to keep near at hand the things you use frequently, whether it is pencils, files, or electronic devices.”

Calendars—Consolidate or Separate?

Everyone has a personal preference when it comes to calendars. Whether you keep track of important appointments and deadlines with a smart phone or a wall-size calendar, you need to enter everything and not try to keep it all in your head. Madden believes it is fine to keep separate calendars, but at some point, you should merge them so you don’t double book yourself.

“It’s perfectly OK to manage family and business matters all on one calendar, and you can always color code the non-business vs. business-related items. If you frequently set up appointments while away from your office, you are obviously going to need something portable, or carry notes to yourself as to your future availability.”

Gary DeFranco, owner of Design Office in Honeoye Falls, New York, has used day timer books, Palm Pilots, and most recently, an iPhone to keep track of his calendar. “Regardless of the device I use as a repository for contacts and schedules, I still rely on a 3” x 3” Post-It note attached to my desk monitor that lists the day’s important events. The night before, I look at the next day’s schedule on my calendar (or due dates for projects) and jot down one- or two-word titles on the note. It is always in front of me (instead of having to look it up on a digital device) and I can take it with me, checking off accomplished meetings or tasks as I go.”

To take calendar management a step further, check out Sage’s ACT! contact-management system. It includes functions for contact lists, a calendar, reminders, records of last contact dates, and even birthdays. ▶



Manage Paper

“The best way to manage all the paper that comes your way is to attack it as soon as it enters your home,” advises Madden. “Your goal is to handle each piece only once. Then you avoid having stacks of documents all over the place and not being able to find anything.” Her best advice is to set up a “mail station” right inside your door. “Whether it is in your mud room or on a desk in your kitchen, have close at hand a letter opener, recycle bin, and folders. Junk mail goes immediately into the bin and bills go directly into a folder or right to your office desk if you pay everything online. Have another folder for correspondence that needs responding to. For the ever-increasing number of catalogs you receive, put them in a nice basket near the TV or a reading area. You can save them for a long car trip or bring a few along on your next visit to the dentist, but also try to clean out an old one for every new one you put in.” To reduce the number you receive in the first place and get only the catalogs you want, Madden highly recommends signing up with www.catalogchoice.org.

Keep Track of Your Money (and Time)

If you are fortunate to have a lot of revenue coming in from a variety of sources, you need to have a system in place to keep track of who has paid and who still owes you money. Many home-based business owners use Intuit’s QuickBooks designed for small businesses or Quicken for personal finance management. Here you can track revenue and also enter expenses, making tax preparation a snap. DeFranco prefers the personal finance version of Quicken.

“I can easily categorize each payment or expense according to its relevance to business or personal. At any time of the year, and particularly at the end of the year, I can run a customized report to get detailed summaries of the information I need. I also use it to keep track of when to expect payments for billed assignments. I can run a report or simply look at the register and see at-a-glance what is coming due...or who should be called because they’re overdue.”

The Tax Man Cometh

Carol Cerasuolo operates a tax advisement and preparation service out of her home in Rochester, New York. Not only does she have to keep careful records for her own taxes, but she needs to get her clients organized as well. Her best advice is to not scramble around at the last minute finding all the necessary information, but rather to keep records in a way that works for you all year long.

“Keeping receipts you will need to prepare your taxes can be as easy as labeling a few envelopes, manila folders, or a multi-pocket accordion file,” Cerasuolo suggests. “First, look at last year’s taxes and identify all the categories for which you incurred expenses. This could include advertising, travel and entertainment, office supplies, or professional services. Simply put your receipts in the correct envelope or folder and it will be a quick task to just add them all up by category at the end of the year.”

If you prefer something a little more sophisticated, an Excel spreadsheet can be set up, or use QuickBooks or Quicken. You just need to discipline yourself to enter in the necessary information or hire someone to do it for you. Cerasuolo strongly recommends keeping your personal and business bank accounts separate, as well as your credit cards.

“This will make it so much easier to distinguish your actual business expenses; plus, if you are ever audited, the IRS will expect to see everything separated. If you have a receipt from an office supply store, for example, as soon as you get home, circle the business-related items and place it in your tax file.”

Organization Must-Haves for the Home Business Owner

Step Sorter: This slanted vertical file holder makes it easy to see all files at a glance and is compact enough to fit on your desk.

Expandable pocket files: Choose folders with multiple pockets for all your tax-deductible receipts to make tax preparation a breeze.

Make a List and Check It Twice

“People who keep lists rarely forget to do something, and they have an amazing ability to juggle multiple projects,” Madden believes. “Whether you have two lists for business vs. personal tasks, or separate lists into things to do, calls to make, and errands to run, you will not forget anything if it is written down. It’s also a great feeling to cross things off. Take the last 15 minutes of each work day, or even right before you go to bed, and make a list of what needs to be accomplished tomorrow and in the near future. If you break down large tasks into smaller steps, you are more likely to get them done. You will sleep better knowing everything you need to accomplish is in writing, so you don’t need to worry about forgetting.”

Delegate!

There are probably numerous tasks you do throughout the day that take you away from revenue-generating activities. This might include scheduling appointments, shipping out product, or sending out invoices and recording expenses. Why not consider hiring someone to do this “unskilled labor” for you? Cerasuolo hopes to find someone to just answer her phone during the first busy weeks of tax season each year. “Often I will be meeting with a client and feel it would be rude to continually interrupt them to take a call. However, if I ignore the phone, I may miss out on a new client, and sometimes it is hard to connect with customers when I do have time to return their call.”

Finding the Time—and the Motivation

We all have good intentions to get ourselves organized, but where to find the time is usually the problem. Your first priority is to generate revenue, so where does that leave administrative work?

Madden recommends scheduling time right on your calendar at least monthly to file documents, record revenue and expenses, and generally tidy up your office space. “If you pay all your bills once or twice a month, perhaps this would be a good time to file and do your other record keeping.” Others have had success immediately filing a document when they are finished with it, or making it a point to end the day with a clean, organized desk.

DeFranco believes keeping track of documents, expenses, and time is really a matter of self-discipline.

“It is often tedious work, especially for a ‘creative’ type like myself, and it is all too easy to let it slide. So a commitment to keeping on top of these tasks helps me stay profitable and professional.” ■