

5 Things Your Construction Bookkeeper Wants You to Know

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Fast Easy Accounting

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5 Things Your Construction Bookkeeper Wants You To Know

Written by [Randal DeHart](#)

If a Contractors Bookkeeping Services System doesn't work and they want it fixed but will not allow any changes, they need a magician, not a construction bookkeeper. Our workflow removes paperwork frustrations only if the contractor is also willing to do their part.

It hurts when we have to let a contractor client go elsewhere because we are not able to help them. We sincerely believe we can help all contractors have more freedom, by earning more money, working fewer hours and sleeping better at night by taking the pressure off their bookkeeping so they can focus on [financial reports](#) and [job costing reports](#), instead of data entry.

In a few rare cases, contractor clients have wanted specific financial and job costing reports, but they flatly refused to allow us to make changes in their contractors bookkeeping services system which would have made it possible.

We understand they are operating from a primeval survival instinct of "Fight or Flight," which means these good people are reacting to circumstances rather than responding to them. People have a significant advantage over other inhabitants of this planet in that between stimulus and response there is a space, and in that space is the opportunity to choose to stop, think, evaluate and then respond.

In many cases, contractors have spent the day with one of us and just talked it all out. Having someone who cares enough about you as a person and understands what it is like to own and operate a construction company, who pays attention to you and shows respect by turning off cell phones and other interruptions and just listens and makes a sincere effort to understand you and what you have to say without judging or offering solutions or attempting to sell you something may be just what you need.

Often that is all it takes for a contractor to get clear about the direction they need to steer their construction company. There is a reason you were called to join the ranks of the family of construction company owners, and sometimes in the middle of it all, you tend to forget that.

Once you re-connect with your purpose, it can be a great awakening which can lead to momentous accomplishments.

Here are the five valuable insights, we (your construction bookkeeper) want you to know:

1. We cannot help the good men and women who insist on using QuickBooks online.

QuickBooks Online appears to work well for many industries, but construction is not one of them. Don't expect to get all the same financial and [job costing reports](#) they can get from QuickBooks for contractors desktop version. The issue is having access to [QuickBooks For Contractors desktop version online](#) costs a few dollars more. These same contractors know better than to buy low-cost tools and designed for homeowner's weekend fix-up projects and expect to use them in their construction company.

2. We cannot help contractors with unreasonable expectations.

For instance, bringing your construction accountant an Excel sheet or piece of paper with grand totals for sales, expenses and net profit without any supporting documentation and expecting us to put it into QuickBooks for Contractors and generate financial reports.

3. The bank does not know and will not know all the details.

Downloading transactions from the bank works well for a lot of industries; but not construction. There are many different places transactions need to be coded to. Expecting the bank to know which item, schedule of values, account, customer, job name, job costing account, work-in-process account, direct and indirect cost account, expense account, liability account, asset account, split transaction account or other income and expense account each transaction needs to go to is not going to happen.

Chaos from paying vendors online and expecting the bank to know which bill, accounts payable, item, schedule of values, account, customer, job name, job costing account, or other income and expense account each transaction needs to go to is also not going to happen.

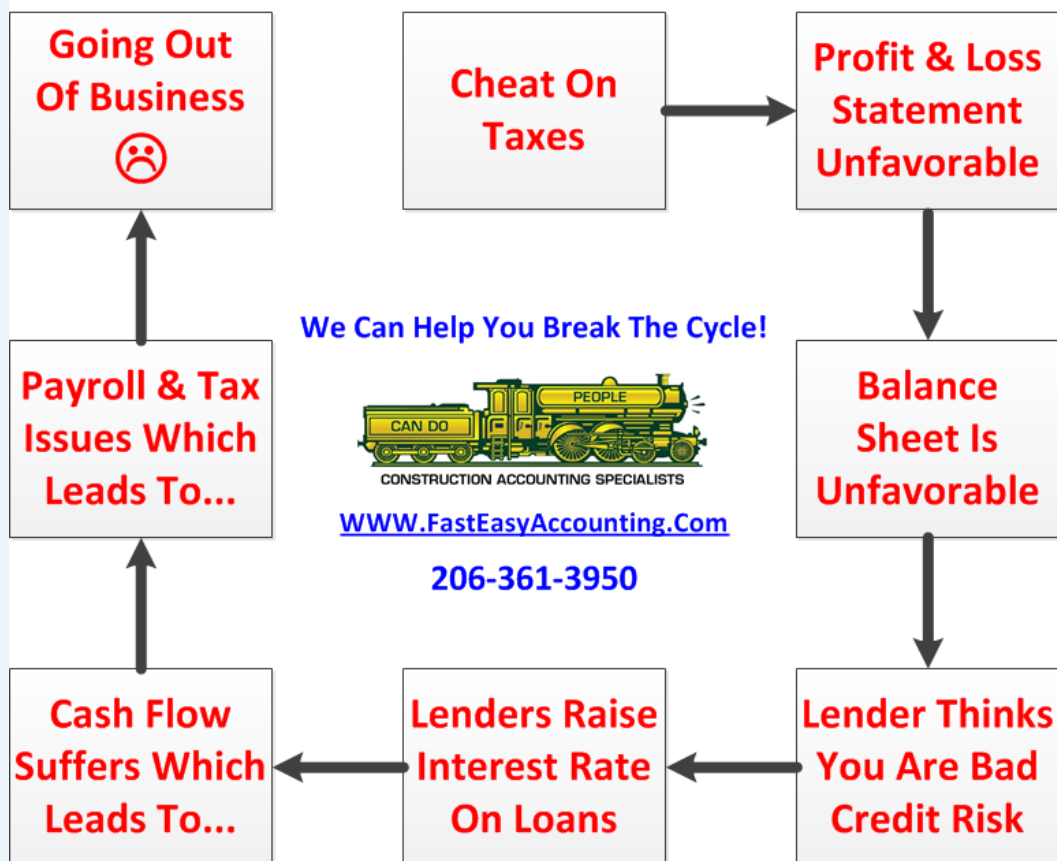
4. Contractors who cheat on taxes lose in the end.

From several decades of experience and observations as construction accountants serving contractors all across the USA including Alaska

and Hawaii, we have proof that contractors who cheat on their taxes lose out on enjoying big cash flow and profits in the long run. Their financial statements give lenders and creditors the impression they do not know how to run a Construction Company, which in most cases is false!

However, to protect themselves - the banks, credit card companies, vendors, suppliers, car and truck financing companies require big down payments which hurts cash flow even more and to add insult to injury they charge higher interest rates and steep penalties for late payment on loans and lines of credit. What happens next is a predictable chain of events, as shown in the image below:

Contractors Who Cheat On Taxes Lose In The End



5. Listen to our technology recommendations.

Successful contractors adapt to change and optimize technology advancements in their business processes. We embraced reduced dependency on people by automating our systems. Cloud Backup, Time Card Calculator, Cloud-Based Financial Reports, and Online Bill Payment and Customer Invoicing are some of the services we offer to streamline your unique bookkeeping needs. We help you implement the right technology for your business to operate and grow your construction company.

In conclusion

As a non-employee, we can give helpful, honest advice to improve your procedures and overall efficiency. The good news is over the years several contractor clients that we have parted ways returned a while later. The most common reason given is that something clicked in their head and they realized that other trusted sources were validating everything we said. We do not have all the answers, just a few important ones that seem to work well for contractors. We have been where you are now and care about you and your construction company.

About The Author:



Randal DeHart, PMP, QPA is the co-founder of Business Consulting And Accounting in Lynnwood Washington. He is the leading expert in outsourced construction bookkeeping and accounting services for small construction companies across the USA. He is experienced as a Contractor, Project Management Professional, Construction Accountant, Intuit ProAdvisor, and QuickBooks For Contractors Expert. This combination of experience and skill sets provides a unique perspective which allows him to see the world through the eyes of a contractor, Project Manager, Accountant and Construction Accountant. This quadruple understanding is what sets him apart from other Intuit ProAdvisors and accountants to the benefit of all of the construction contractors he serves across the USA.

Visit <http://www.fasteasyaccounting.com/randal-dehart/> to learn more.

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