#### **Tools for Industry Diversification & Entrepreneurship (TIDE) Webinar Series**

# Welcome!

## Foundations for Financial Success-Organizing your Business Finances

Thursday March 6, 2025, 10-11am

Presented by Jenn Dobransky, Business Advisor, ME SBDC





#### Housekeeping

- Thank you for being here today.
- This webinar is being recorded, we will share it later.
- We will send you the slide deck.
- Please stay muted unless you have a question.
- Please put your questions in chat.







**PRIORITIES** 

STORIES

RESOURCES

ABOUT US

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#### **Maine SBDC**

No-cost, confidential, statewide, professional, individualized business advising for current and aspiring entrepreneurs

- Business Planning
- Strategy & Growth
- Financing
- Marketing
- Operations & Management
- Buying/Selling / Exit Planning
- o And More!

Our mission is to assist Maine entrepreneurs in the creation, growth, and success of their small businesses.



#### **TIDE Webinar Series, Thursdays 10-11am**

- March 6 Foundations for Financial Success- Organizing Your Business Finances
- March 20- Foundations for Financial Success- Planning & Budgeting
- April 3-Tax Prep for Commercial Fishing- Organize, File & Stay Compliant
- April 17 Funding Opportunities for Commercial Fishing
- May 1-Building Better Credit- Strengthening Your Financial Future



#### Foundations for Financial Success: Planning and Budgeting



Webinar - TIDE Series: Foundations for Financial Success - Planning and Budgeting

MARCH 20, 2025 - 10:00 AM - 11:00 AM

Island Institute and the Small Business Development Centers of Maine have partnered to host the Tools for Industry Diversification and Entrepreneurship (TIDE) webinar series. From budgeting and bookkeeping to tax preparation, credit building, and financing, each webinar offers practical strategies tailored for lobster fishing families and businesses. Participants will find the...

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#### **Profit Decoder webinar- tomorrow!**



Webinar - Online Financial Tool Training for Lobster Fishermen with Profit Decoder

MARCH 7, 2025 - 10:00 AM - 11:00 AM

About this Webinar: Island Institute, in partnership with Profit Decoder, is excited to offer a customized financial management tool designed specifically for Maine's lobster industry. This tool helps lobstermen gain greater control over their business finances, make informed decisions, and navigate the challenges of an evolving industry. As part of...

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# A note about the qualities of a person that chooses this industry-

- Work ethic & grit
- Adaptability & problem-solving
- Patience & perseverance
- Physical & mental resilience
- Attention to detail
- Respect for the ocean & sustainability
- Independence & self-reliance
- Business sense & financial awareness
- Teamwork & communication
- Passion & love for the sea





#### Specific industry requirements/ burden

- Detailed records are required for regulatory compliance, financial tracking and business operations.
  - Catch & Effort
  - Licensing & Permits
  - Financials
  - Vessel & equipment maintenance
  - Sales & quotas
  - Safety & compliance
  - Environmental (water, temps, tides, marine mammal/species)



AMERICAS

## Specific industry requirements/burden

- Proper recordkeeping is crucial for commercial fishermen and lobstermen to stay compliant, maximize profits, and maintain sustainable fishing practices.
- Many of these records are legally required, while others are helpful for business management.





## Goals for Today- who, what, why

- Why is tracking your finances/being organized important?
- What exactly are we tracking/organizing?
- What system should you use?/different options
- Tips, review & questions





## Why financial organization matters?

- Ensures better financial decision-making
- Critical for business success and sustainability
- Essential for tax compliance (and cost of tax prep)
- Required to take advantage of funding opportunities





#### **Personal & Business Finances**

- Open/have a dedicated business bank account
- Use the business bank account appropriately
- Use a business credit (or debit) card for expenses
- This allows you to establish record-keeping practices





### **Recordkeeping Basics**

- Bookkeeping is the practice of tracking and recording financial transactions within your business.
- Transactions (make a sale, pay a bill, take out a loan/buy equipment) change the value of your business.





### Recordkeeping categories/ "accounts"

- Income- sales, revenue
- Costs of Goods Sold- Direct costs of operation
- Expenses- Necessary +ordinary costs of running a business

- Assets- items with longer term value
- Liabilities- loans, balances
- Equity-money invested/removed by owner(s); profit or losses of the businesses impact equity





#### **Financial Reports**

Profit & Loss/
Income statement

- Income- sales, revenue
- Costs of Goods Sold- Direct costs of producing a product
- Expenses- Necessary +ordinary costs of running a business

Assets- items with longer term value

**Balance Sheet** 

- Liabilities- loans, balances
- **Equity**-money invested/removed by owner(s); profit or losses of the businesses impact equity





#### Industry is COGS/direct costs heavy

- Bait, hooks, lines, nets, traps, buoys, ropes, weights, ice, crates
- Fuel & vessel operating costs
- Crew wages/shares and/or payroll, taxes and insurance related to crew
- Gear maintenance & replacement (traps, nets, line & ropes, winches, pulleys, etc.)
- Docking, offloading, & permits fees (includes licensing & quota leasing costs)





## Costs of doing business/(not COGS)

- Vessel insurance
- Office expense
- Advertising/marketing
- · Legal & accounting





#### Different financial tracking methods

- Paper-based ledgers Traditional but less efficient.
- Spreadsheets (Excel, Google Sheets) Simple & customizable.
- Accounting software Automated and scalable.
- Bookkeeper.





## Paper system



 No technology or internet connection required



- Requires accounting/bookkeeping knowledge
- Prone to mistakes
- Time consuming
- Does not easily get you the reports you need
- Still need to create a system to keep source documents (digital, or paper files)











Can set up spreadsheet

easily for free

Easy to use

Better than paper?



etc.
Challenging to "grow" with the

invoicing, payroll, sales reports

business





## **Bookkeeping Software**



- Fast and automated
- Professional financial reporting
- Accountant has access remotely



- Cost
- Needs good internet connection
- Requires training
- Garbage in means garbage out (you can mess it up)





#### Bookkeeper



- Professional and accurate
- Less work for you
- Typically offers tax prep (or works with someone who does)
- Hybrid option
  - You categorize transactions
  - Bookkeeper reconciles, looks for errors, handles certain accounts like depreciation, etc.



- Most expensive option
- Less control and/or understanding of your business







- Assess your needs-size, complexity, growth, what does your accountant say?
- · Ultimately it is your decision.





### **Preparing for Tax Season**

- Keep receipts and transaction records.
- · Categorize expenses properly.
- Understand deductible expenses for fishing businesses.
- · Work with a tax professional if needed.









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# Questions?

type into chat or come off mute







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