



# Financial Mistakes to Avoid When You Own a Blog

WITH SYLVIA INKS

## ABOUT SYLVIA

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Sylvia Inks is a business coach, finance expert, and speaker who teaches small business owners how to grow profitable businesses by focusing on systems, cash flow, and building multiple income streams.

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[00:00:07.830] - Liz Stapleton

Business finance isn't just personal finance for your business. It takes a lot more to keep your business finances on the up and up. But many entrepreneurs make mistakes that can cost you in the long run. Hi, I'm Liz Stapleton from Elizabethstapleton.com and host of the Blogger Breakthrough Summit. Welcome to the podcast.

[00:00:23.940] - Liz Stapleton

In today's episode, we're going to hear about some of the biggest mistakes entrepreneurs like you are making every day from finance expert Sylvia Inks. Sylvia shared solutions to these problems during the 2021 Blogger Breakthrough Summit. And I can't wait for you to hear them now. Let's get to it.

[00:00:40.260] - Sylvia Inks

Mistake number one, co-mingling your personal business money. When you worked in corporate America, did you ever loan your boss or the company money? Assuming the answer is no, if you would never do that in your corporate job, then why are you doing that in your own small business? Remember that the business in you and your personal life, these should be kept separate.

[00:01:07.050] - Sylvia Inks

Now, if you've been making this mistake and you've been co-mingling your funds and if you are ever audited by the IRS, you could, one, lose the legal protection on your business, and, two, get fined and have to pay a penalty and interest fees if any of the expenses had been incorrectly flagged as a business expense, but was actually a personal expense.

[00:01:31.710] - Sylvia Inks

Mistake number two, not having an emergency fund or savings fund for the business. Most people hear about having a emergency fund for their personal finances. So they do this for their personal money and shop around for the best rates and the best accounts.

[00:01:49.740] - Sylvia Inks

But for their business, I find that many small business owners keep all of their money in one checking account. So by keeping the money separate and having a separate account, it just gives you that mental permission to spend or invest when you know that you have enough money set aside for emergencies. And by keeping it in a separate account, you can't accidentally spend it on non-emergencies.

[00:02:17.190] - Sylvia Inks

So I want to share with you a couple real life examples. So I had a client who was consistently keeping around \$70,000 in her one checking account. She didn't feel like she had enough money to open multiple accounts. But after working together, she opened a savings account just for the business emergency and she made \$35 in the first month. And she also shared that it allowed her to easily see how much money she had to invest in business opportunities when they came up.

[00:02:46.650] - Sylvia Inks

Mistake number three, not having tax money automatically taken out. So if you worked in corporate America, the company does this for you. When you start a job, HR hands you form, a tax form to complete. And so the company does this for you and takes the taxes out before it gives you your paycheck.

[00:03:07.470] - Sylvia Inks

And so when you start and have your own business, remember that you are the company. You need to make sure that you take taxes out before you pay the rest of your bills and yourself. Because you don't want to be empty handed when it comes time to pay your quarterly taxes or your monthly sales tax, because this can cause a lot of stress if you realise too late that there isn't enough money in the checking account to pay the taxes.

[00:03:38.680] - Sylvia Inks

Mistake number four, willing to work for free, a.k.a. not having a paycheck. A lot of small business

owners tell me that they haven't paid themselves yet. They gave me lots of reasons, including the business isn't making enough money yet, or sales fluctuate, so I don't know how much I can pay myself. Or they pay them sporadically throughout the year and say, whenever I look in the checking account, if there's enough money, I'll pay myself a paycheck.

[00:04:07.690] - Sylvia Inks

But having this money mindset can actually hold you back even if your business is doing better and making six figures. Because I've known small business owners who do have a six figure business, but they haven't paid themselves a steady paycheck or owners drop. And it's for not for lack of money coming in.

[00:04:28.450] - Sylvia Inks

So let me ask you, would you work for another company without the promise of a paycheck? I'm assuming the answer is no. But even if you had a sales job that was a hundred percent commission, you would be expected to be paid based on your results, right?

[00:04:48.020] - Sylvia Inks

If that's the case, when you start your own business, why wouldn't you treat yourself the same way? So essentially, think of yourself as employee number one of your small business.

[00:04:59.750] - Liz Stapleton

Okay, so hopefully these tips have given you some ideas on how you can better protect your business finances. To hear more great business finance tips from Sylvia and learn more about blogging, head over to [bloggerbreakthrough.com/podcastdeal](https://bloggerbreakthrough.com/podcastdeal) to find out how you can hear all of the 2021 Blogger Breakthrough Summit talks in the full.

[00:05:18.320] - Liz Stapleton

And be sure to join me next time when we take a look at how you can improve your business's branding. It takes more than just a logo. I'll catch you then.