

# Financial Planning Checklist

Use this checklist to effectively manage your side hustle income and stay tax-compliant.

## 1. Track Your Income and Expenses

- ✓ Open a separate business bank account for your side hustle.
- ✓ Keep detailed records of all income sources and expenses.
- ✓ Use accounting software like QuickBooks or Wave for tracking.
- ✓ Save all receipts and invoices for financial documentation.

## 2. Budgeting and Savings

- ✓ Allocate a portion of earnings to business reinvestment.
- ✓ Set aside money for taxes and unexpected expenses.
- ✓ Create an emergency fund to cover slow business periods.
- ✓ Follow a clear monthly budget to manage cash flow.

## 3. Tax Compliance

- ✓ Understand tax obligations for your specific business structure.
- ✓ Set aside at least 25-30% of earnings for taxes.
- ✓ Keep track of deductible expenses to reduce taxable income.
- ✓ Consult a tax professional or use tax software for filing.

## 4. Invest and Grow

- ✓ Reinvest profits into marketing, tools, or training.
- ✓ Explore passive income opportunities to diversify revenue streams.
- ✓ Consider retirement plans like a Solo 401(k) or SEP IRA.
- ✓ Stay informed about financial trends relevant to your business.

✓ **Manage your finances wisely to ensure the long-term success of your side hustle!**