

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.

GIVE TODAY!



PRIORITIES

STORIES

RESOURCES

ABOUT US

GIVING

GET INVOLVED



We boldly navigate climate and economic change with island and coastal communities to expand opportunities and deliver solutions.



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
- 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)

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
-

Balance Sheet

- **Assets-** items with longer term value
- **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)

Spreadsheets



- Can set up spreadsheet easily for free
- Easy to use
- Better than paper?

- Doesn't offer functionality like invoicing, payroll, sales reports etc.
- Challenging to "grow" with the 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

What system should you use?

- 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.

Positioning for Future Funding

- Well-organized finances increase eligibility for grants and loans.
- Lenders require clear financial statements.
- Investors look for strong financial management.

Key Takeaways

- Keep personal and business finances separate.
- Organize finances early to avoid future issues.
- Choose the right system for your needs.
- Proper tracking leads to better financial health and funding opportunities.

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Getting Started – mainesbdc.org



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A screenshot of the mainesbdc.org website. The top left features the logo for 'AMERICA'S SBDC MAINE'. To its right is the text 'Maine Small Business Development Centers' and the tagline 'Building Maine's Future, One Business at a Time.'. In the top right corner, a yellow button with the text 'REQUEST ADVISING' and a right-pointing arrow is circled in red. Below the header is a dark navigation bar with white text for 'ADVISING', 'LEARNING', 'RESOURCES', 'CLIENT STORIES', 'LOCATIONS', and 'ABOUT'. The main content area has a background image of a forest. A semi-transparent white box in the center contains the 'AMERICA'S SBDC MAINE' logo, the heading 'Business Advising', and the text 'Providing no-cost, confidential business advising to help entrepreneurs in the creation, growth, and success of their small businesses.'. At the bottom of the page, there are two buttons: 'NEW BUSINESS' with a leaf icon and 'EXISTING BUSINESS' with a tree icon.



Questions?

type into chat or come off mute



