CEO
MEDIUM

The First-Year Founder Finance Checklist

18 rules from real founders on books, pay, and pricing.
Print it, check them off, revisit quarterly.

01 SET UP YOUR BOOKS

- [ ] **Open a separate business bank account before your first dollar of revenue.** Run 100% of business money through it. Mixing personal and business spending is the single biggest source of bookkeeping pain.
- [ ] **Use cash-basis accounting.** Record income when money hits your account and expenses when it leaves. It matches your bank statement, and the IRS accepts it for most small businesses.
- [ ] **Pick one bookkeeping tool and connect your bank feed.** Wave has a genuinely free tier; QuickBooks and Xero are the paid workhorses most accountants already know. Stop keeping records in a spreadsheet.
- [ ] **Keep a short chart of accounts.** Revenue, contractors, software and tools, marketing, travel, office supplies, taxes, owner draws. Fifteen categories you actually use beat fifty you never touch.
- [ ] **Block 30 minutes every week.** Categorize every transaction, photograph receipts, nudge invoices overdue by more than 14 days, and glance at your monthly profit and loss. Thirty minutes a week beats eight hours at year end.
- [ ] **Price your work like someone who pays taxes.** On top of income tax, you owe 15.3% self-employment tax on net earnings. If you want to take home $80K, you must bring in far more than $80K.

02 PAY YOURSELF RIGHT

- [ ] **Write down your survival number.** Rent, food, insurance, debt minimums. Not your old salary. Your floor. If you cannot name it from memory, you are not ready to set a founder salary.
- [ ] **Write down the business's number.** Monthly revenue minus real costs minus a three-month cash buffer. That is the most the business can pay you without eating itself.
- [ ] **Take the lower of the two.** If the lower number is zero, keep the day job or live on savings. A $0 salary with a plan beats a $5,000 salary with a prayer.
- [ ] **Fix your reinvestment percentage before you fix your salary.** Even 30 to 40% back into the business changes the math completely. Your salary becomes the remainder, not the starting point.

- [ ] **Set a raise trigger in writing and revisit quarterly.** Example: when revenue covers all costs for three straight months, my salary moves to $X. Year two is a new decision, not a continuation.
- [ ] **If you run an S corporation, talk to a CPA first.** The IRS requires "reasonable compensation" for shareholder-employees. You cannot take a $0 salary and pull everything as distributions to dodge payroll taxes.

03 PRICE WITH CONFIDENCE

- [ ] **Price your results, not your insecurity.** Write down your three strongest customer results and set a price that matches them. Confidence follows evidence. Collect the evidence first and let the price follow.
- [ ] **Name one owner for pricing.** Give them a simple scoreboard: conversion rate, average revenue per user, churn, expansion revenue. Review it monthly. When one person is accountable, pricing becomes a system you can improve.
- [ ] **Put a pricing review on the calendar twice a year.** Companies that update pricing regularly see nearly double the revenue-per-user gains of slower peers. Pricing is a habit, not a one-time decision.
- [ ] **Price against your value metric, not per-seat by default.** Ask the harder question: what number goes up in your customer's world when your product works? Price against that, and their growth becomes your revenue growth.
- [ ] **Audit your free tier this week.** Gate the features that create real outcomes. Freemium converts 2 to 8% of free users; if the free plan solves the whole problem, you built a charity with server costs.
- [ ] **Stop apologizing for your price.** A confident price filters for customers who respect the work and repels the ones who haggle and drain your support time. Price for the customer you want.