



## RENTAL PROPERTY TAX ACCOUNTING CHECKLIST

Below are step-by-step instructions for setting up your rental property tax accounting, as well as ongoing tasks to implement. These steps will aid in your rental property organization and make tax time a heck of a lot easier, as well as clarify for you the profitability of your rental(s). The “other items” are additional steps we suggest taking during the process of setting up your rental(s).

### INITIAL SETUP *(the key is to eliminate comingling of personal and rental property funds):*

- 1) Establish a separate checking account at your bank for **each** unique rental property \*\*
- 2) Establish a separate debit/credit card for **each** unique rental \*\*
  - a. Link the payments for this card to the appropriate rental bank account *(setup in #1 above)*
- 3) Setup accounting software *(we suggest using something simple like “YNAB”)*
  - a. See page 2 of this document for instructions on implementing YNAB into your rental property accounting

### DAILY TASKS, AS APPLICABLE:

- 1) Deposit all rental-related income into that rental’s account *(but never deposit “non-rental” items)*
  - a. Via direct deposit or manual ATM/bank deposit
- 2) Pay all rental-related expenses from that rental’s account *(but never pay “non-rental” expenses)*
  - a. Via written checks, debit card, credit card
- 3) (Manually) Log transactions into your accounting software as they occur, categorizing as applicable \*\*\*
  - a. Contact Chad with questions on categorizing

### MONTHLY TASKS:

- 1) (Automatically) Log transactions into accounting software by importing bank & credit account files \*\*\*
- 2) Categorize & approve imported transactions as applicable
  - a. Contact Chad with questions on categorizing

### TAX TIME TASKS:

- 1) Provide Chad with your Profit & Loss Report each tax year *(provides income/expense info for tax return)*

### OTHER ITEMS:

- Checkout our Blog article titled “[6 Tips For Owning Rental Properties](#)”
- Checkout our Blog article titled “[Implications of Converting Your Home To A Rental](#)”

**\*\*** *These are in addition to your existing personal checking account and personal credit cards. Does not necessarily need to be a “business” type account as banks and credit cards will charge you more if it’s labeled as business. You just need to know it’s for your rental business accounting...it can still be a “personal” checking account if no DBA name affiliation is required for your rental(s).*

**\*\*\*** *The manual step is applicable if you prefer to log as you go, or if your bank/credit card vendors don’t allow transaction exporting. Some also choose a combination of both, with daily logging of written checks and direct bank deposits/withdrawals, and monthly (automatic) importing of credit card transactions.*



## IMPLEMENTING YNAB FOR RENTAL PROPERTY ACCOUNTING

Below are step-by-step instructions for setting up YNAB as the software for your rental property accounting. Please note that the instructions may adjust slightly if YNAB & Dropbox adjust their processes, etc.

### SOFTWARE SETUP

- 1) Purchase/download YNAB by [clicking here](#)
  - a. Once the software opens, **do NOT** open any files. Minimize the window until you select the following template for Rental property finances: [Click Here](#)
  - b. NOTE: If you don't already have Dropbox, you'll now need to create a new account & download the software
- 2) Once downloaded and the Dropbox browser opens, hit the blue "Download" button
- 3) Then hit "Save to my Dropbox"
- 4) Go back to the YNAB program
- 5) Click File > Open
- 6) Select "Open another budget"
- 7) Select "Open a YNAB 4 budget"
- 8) Search for the applicable "Client Template -1- Business (rental property)" file in your computer's Dropbox folder...once you locate and select this file, your new rental property budget will open
- 9) DO NOT make any changes to the order of things, etc. before speaking with us

### ACCOUNTING SETUP

- 1) Implement a rental property budget, after consulting with Chad
  - a. Customize category names and amounts in YNAB (*from Chad's template*)
  - b. Employ a "draw" to "smooth" out irregular income - [click here](#) for a helpful article on this

### ONGOING TASKS

- 1) See previous page for daily, monthly, and tax time tasks