

# Bank Balance ≠ Available Cash

## A Simple Guide for Contractors Who Want Clarity Before Growth

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### Why This Matters

If you run a construction business, you've probably asked yourself this question:

**"There's money in the bank... so why does everything still feel tight?"**

You're not alone.

Most contractors don't struggle because of lack of work. They struggle because they're making decisions without clear financial visibility.

This short guide will help you understand: - Why a bank balance lies - How being behind on bookkeeping creates false confidence - What needs to be true *before* you risk your own cash

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### The Costly Myth

#### Myth:

If there's money in the bank, I can afford it.

This belief sounds logical.

But in construction, it's one of the fastest ways to create stress, cash crunches, and bad decisions.

A bank balance only shows what passed through your account. It does **not** show what that money is already committed to.

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### A Real Scenario

Mike runs a solid construction business.

Steady work. Good crews. New opportunities coming in.

He was considering taking on larger jobs that required using his own funds upfront.

On the surface, things looked fine.

But under the hood: - His books hadn't been reconciled in over a year - Transactions were miscategorized - QuickBooks didn't match the bank - Job costs were incomplete

When Mike asked:

**"Can I afford to front the money for these jobs?"**

The honest answer was:

**We don't know.**

That uncertainty is the real risk.

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## **Why the Bank Balance Lies**

Your bank balance does **not** account for: - Outstanding vendor bills - Payroll timing - Job costs not yet recorded - Credit card balances - Sales tax or income tax owed

So while the balance may look healthy, that money may already be spoken for.

This is how contractors end up: - Overextending themselves - Stressing about payroll - Using personal funds unnecessarily

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## **The Pattern I See Repeatedly**

Busy businesses. Full schedules. And owners still guessing.

Being behind on your books doesn't just slow things down. It creates **false confidence**.

And false confidence is worse than knowing you're unsure.

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## **What Actually Creates Clarity**

There is a clear order that works.

### **Step 1: Get the Books Current and Accurate**

Not "mostly right." Not "we'll fix it later."

You need: - Reconciled bank and credit card accounts - Correct categorization - Job costs reflecting reality

Until this is done, every decision is a guess.

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## **Step 2: Understand Real Cash Flow**

Once the books are clean, you can see: - What money is actually available - What's already committed - Whether fronting cash is safe

This is where confidence comes from. Not from a bank balance.

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## **The Shift That Changes Everything**

Clarity comes **before** growth.

When your numbers tell the truth: - Decisions get easier - Stress drops - Growth becomes intentional

You stop reacting. You start choosing.

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## **How I Help Contractors Do This**

I focus on two things:

### **Construction Bookkeeping Cleanup & Foundation Build**

A one-time engagement to: - Clean up messy books - Fix structure - Align job costing - Establish reliable reporting

This is about correcting the foundation.

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### **Ongoing Monthly Bookkeeping**

Once the foundation is solid: - Books stay current - Job costs stay accurate - Reports stay decision-ready

No backlog. No surprises. No guessing.

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## **Ready for Clarity?**

If you're behind on your books and making decisions off a bank balance,

it's time to stop guessing.

**Book a free consultation.** We'll look at where you are, what's blocking clarity, and what needs to happen next.

Because knowing exactly what money is available changes everything.

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*Schmidt Bookkeeping, LLC* Construction-focused bookkeeping built for clarity, control, and confidence.