

BUSINESS SYSTEMS BEGINNER 12 min

Founder's finance stack in the first 90 days

A practical UK founder guide to setting up the core finance systems in the right order, from banking and bookkeeping to payroll, automation and working properly with your accountant.

The finance stack you build in the first few months of a business shapes how much time, friction and rework you create for yourself later. Get the foundations right early and most of the admin runs quietly in the background. Get them wrong and you usually end up cleaning up categories, chasing missing paperwork and paying for avoidable migration work. This guide focuses on the operational setup order for a UK founder. It is about the systems you use day to day, not funding, credit or investment. The goal is to build a simple stack that is clean, connected and proportionate to the stage of the business.

9 STEPS

01 Open a dedicated business bank account first

Before you send invoices or start taking regular payments, separate the business from your personal finances. A proper business account makes bookkeeping cleaner, protects the audit trail and avoids the running mess that starts when personal and company spending are mixed together.

For most new UK limited companies, a modern digital bank is enough as long as it gives you reliable exports, open banking feeds and suitable access for anyone else who needs visibility. Traditional banks tend to make more sense only where you genuinely need branch services, foreign currency support or heavier banking infrastructure.

If the account cannot feed cleanly into bookkeeping software, it will create work every month.

02 Choose the accounting software before transactions build up

Your accounting software becomes the centre of the stack. It is where bank transactions are categorised, where VAT and corporation tax data ultimately comes from, and where your accountant usually works. That is why this decision matters more than picking a receipt app or reporting add-on.

For most UK founders, QuickBooks Online, Xero or FreeAgent are the realistic options. The right choice depends on your business shape and whether your accountant has a strong working preference. What matters most is Making Tax Digital readiness, bank-feed reliability, usable invoicing and a setup that you can actually maintain.

Do not start in spreadsheets if you already expect regular invoicing, VAT or accountant collaboration.

03 Set up invoicing properly before the first invoice goes out

For most service businesses, invoicing inside the accounting software is the simplest option because it keeps debtors, payments and bookkeeping in one place. Set the template up early so you are not improvising legal details when a client is waiting for paperwork.

Make sure the template includes the company details that should appear on UK invoices, a clear numbering system, sensible payment terms and precise payment instructions. This is basic infrastructure, not branding polish.

A clean sequential numbering system is easier to manage than ad hoc invoice references.

04 Add receipt and expense capture once the core stack is live

Receipt capture is usually the highest-leverage automation in a small finance stack. Instead of collecting paper, hunting through email and trying to remember what a payment was for months later, you capture the document at the point of spend and let the software push it into the accounts with the evidence attached.

If transaction volume is light, the built-in tools in QuickBooks or Xero may be enough. Once the volume rises, a dedicated tool such as Dext often earns its keep very quickly through better OCR accuracy and cleaner workflows.

The rule is simple: capture receipts when they happen, not at quarter end.

05 Create one organised home for business documents

Every business ends up with a growing trail of contracts, supplier paperwork, insurance documents, bank exports, HMRC correspondence and statutory records. The mistake is letting those documents live half in email, half in downloads and half in someone else's cloud folder.

Pick one cloud storage system and create a structure that will still make sense in two years' time. Date-based filenames and clear folders for statutory, tax, bank and commercial documents are enough. The main goal is retrieval under pressure.

If you would struggle to find a document during an HMRC query, the filing system is not finished.

06 Check that the stack actually connects end to end

By the second month, the systems should be talking to each other. Bank activity should flow into the accounts, invoices should be issued from the same system that tracks payment, and receipt data should land where the bank transactions can be matched.

If you are still copying figures manually between tools, that is usually a sign that something has been wired in the wrong order or with the wrong software choice. It is much cheaper to fix the integration gap early than to normalise manual workarounds.

Manual re-entry is usually a systems problem, not a discipline problem.

07 Add payroll only when salary or hiring makes it necessary

Payroll is not a day-one requirement for every founder, but it becomes essential as soon as you decide to run a director salary or bring in employees. That means registering for PAYE, choosing payroll software and making sure RTI submissions are handled properly.

For a solo director or a small team, keep this proportionate. BrightPay, Xero Payroll or QuickBooks Payroll are usually enough depending on the rest of the stack. Add workplace pension duties once you cross into employee territory where they apply.

Do not pay salary casually and decide to formalise payroll later.

08 Layer in automation and reporting after the basics are stable

Once the foundations are in place, you can start removing repetitive monthly work. Typical wins include bank rules for recurring items, recurring invoices for retainers, basic cash-flow forecasting and mileage tracking where travel is a real business cost.

The order matters here as well. Automation is only useful when the underlying chart of accounts, bank feeds and workflows are already sensible. Otherwise you simply automate bad categorisation faster.

Automate the repeatable tasks that already work manually. Do not automate confusion.

09 Make the accountant part of the operating system

By day 90, your accountant should not be an occasional emergency contact. They should have the right software access, the right HMRC authorisations and a clear understanding of what is included in the relationship versus what triggers extra work.

This is also the point to agree the review rhythm. Some low-activity companies only need light-touch annual support, while others benefit from quarterly check-ins. The objective is to replace last-minute panic with a regular finance cadence that fits the business.

A good accountant relationship works best when the records are current and the expectations are explicit.

KEY TAKEAWAYS

By the end of the first 90 days, the stack should feel boring in the best possible way. Money flows through the business account, bookkeeping stays current, receipts are captured as they happen, and the accountant can get what they need without an email chase.

Keep the setup lean. Do not buy advanced tools before the business actually needs them, and do not let personal and business finances blur together. Most finance pain in year one comes from weak setup discipline rather than lack of software.