



THE LANDGEEK

The Art of Passive Income Podcast With Mark Podolsky, AKA The Land Geek

Today's Guest: [Ben Day](#)

Transcript

Mark: Hey, it's Mark Podolsky the Land Geek with your favorite, favorite nichey real estate land website www.TheLandGeek.com and today's guest is really one of those people that are going to take one of the biggest pain points in your business and solve it.

But before we talk to our guest I'd be remiss if I didn't properly introduce my cohost you know him, you love him Scott Todd, from ScottTodd.net, LandModo.com and PostingDomination.com/TheLandGeek if you're going to automate your Craigslist and your Facebook postings and now knowledge is power InvestorNinjas.com. Scott Todd, how are you?

Scott: Mark, I'm great. How are you?

Mark: Pulse is still normal, respiration is fine. But you know what my books are a freaking mess. They're just a mess, Scott.

Scott: Why? You haven't executed what I taught in Accounting for Land Investors? Come on, man.

Mark: I took the Accounting For Land Investors Course and you know what, I'm just it's not that I don't understand it, it's that I don't want to do it.

Scott: There you go.

Mark: I don't want to do it. But you know who does want to do it?

Scott: Our guest.

Mark: Who loves bookkeeping? Ben Day, from LionShareBookkeeping.com. Ben, if you don't know Ben Day is the owner of Lionshare Bookkeeping and he gives business owners back three things that you got the business for time, money and sanity. I'm really excited to learn what this guy is going to do and to help us out because he specializes in small businesses and real estate investors: from wholesalers, flippers, rentals and let's face it Ben Day, real estate bookkeeping is complicated. How are you?

Ben: Men, I am doing well. I am so excited to nerd out about just all of the fun things that bookkeeping isn't and all the things that we can get done. I'm doing well but yeah, I mean real estate isn't necessarily something that you can just niche down and say oh yeah, it's just this goes here and this goes there. There are so many moving pieces that it really eats people's lunch every day.

Mark: Okay, so let's rewind the tape and tell us how in the heck did you start and why did you start LionshareBookkeeping.com?

Ben: Sure. So I'll be 26 in a month and I graduated from the University of Oklahoma with a bachelor's degree in Music and a bachelor's degree in Accounting and only one of those I wanted, the other one was dad saying, "Hey, someday I want my grandkids to eat. So, would you please get something that will get you a real job?" So I went, I got the music degree and I loved it and I was working as the contractor for a music guy in town and doing a lot of really cool projects locally and internationally and then the funds dried up, the money dried up. The guy was really passionate and was really doing what he loved but had no idea how his money was working and so over really literally overnight we lost the funding in a project that we are working on that was in the six figures turned into a project that we were doing out of somebody's garage and it was just bad, it was just not good.

I had been in enough businesses and seen enough of this happen in multiple rounds, in multiple venues that I was like okay, one I really don't ever want to depend on somebody else for a paycheck ever again if I can. I know how money works. I've got this figure out, I'm good with that. Let's start a business that helps other people do the same thing and every wins and at the time I had just read *Rich Dad Poor Dad* maybe like the third time or

something like that and it clicked for me. I was like you know what, I should just become financially literate, get financially clear, find some clarity on what's happening and if I can help other people do the same.

I wanted to help microbreweries because I'm a beer junkie. I love a good craft beer and very quickly I realized, Oklahoma City may not be the scene to break into that for but real estate. I tell people all the time you can go to a different real estate meetup three times a week in Oklahoma City if you're doing it right. So, I just got in front of people. My dad is a community bank lender he does single family rental loans all day and he was really sick of looking at numbers of a legal pad or a posted note or a bar napkin. So, we just sort of got together, figured out a system that we've just been helping people really leverage their money, their time and figure out how to pay themselves and all of that stuff for the last two years now.

Mark: Wow, fantastic. So, my first question is, why is bookkeeping killing people's businesses?

Ben: Oh my gosh. So here's kind of the... especially, in real estate some businesses you can just lean in and say okay, I'm just going to go sell. I'm just going to go sell, I'm going to move my product and that's fine and we just live off of the bank balance and everything is peachy and then at the end of the year you owe a whole bunch of taxes and you're like, oh darn I better go sell some more so I can pay these taxes. Real estate sometimes has that luxury and sometimes it doesn't. Sometimes you can just go solve the problem like, pounding the pavement but if your cash flow isn't like that or if you don't even know what your cash flow is in the first place, you're really setting yourself up for failure.

So what do you do? You go buy QuickBooks and learn how to and basically superglue the bookkeeper hat on, in addition to the handyman hat and legal assistant hat and all of this fun stuff or do you loop your aunt in or your sister in or your cousin in. Somebody who wants to help, but really doesn't know what you need, doesn't know the language, isn't a professional on the software but is willing to help you out for cheap and suddenly you're two years down the road you've got this empire, but you actually have no idea what you're doing, you have no idea what your numbers say and the person that's been doing your books has no idea how to answer those questions and now you're sitting on this two-year mess and this is every day for me.

Like I'm helping a guy today, right now actually, who has had a different bookkeeper and accountant both every month like clockwork for the last three years and it's just because they don't know what's going on and nobody knows what's going on. Nobody is willing to engage and ask him the

hard questions and give him the help that he needs so that he can go talk to bankers and lenders and say, here's really what my portfolio is and he can't go talk to investors and say here's how our last deal performed. Do you maybe want to give me some money that we can leverage in a private money deal? We're just helping him begin to peel back the onion so to speak and really find the good stuff and how he can begin to grow his business and you just can't get that without good bookkeeping.

So it's like you know, can you go sell? Sure, but bookkeeping is killing your business by keeping you in the dark. So, if you can build that part out now suddenly the world is your oyster if you can do all of that other stuff as well. This just it... like I'm too light up about this all the time. I can ramble about this forever but just a start without a good bookkeeping system or a good bookkeeper in your corner you have no idea what's going on and that is how it kills most businesses.

Mark: Scott Todd?

Scott: Well, look the reality is that you know, like in my experiences when you start to do your bookkeeping a lot of times people who didn't go to school to become accountants or bookkeepers and they start this business. So, then all of a sudden you have this business flowing all this money around and without knowing the concepts, the basics, the whys behind it, what happens is you advocate here just take care of this stuff and then you get these numbers at the end of the year and you're like, well are these even right? Because you don't understand the foundation or the concrete behind it. And it's been said if you have a bookkeeper that's just going through the motions well accounting is very... You can systemize accounting. It doesn't take anybody like you said...

Ben: Exactly yeah, it doesn't take a genius to get their bookkeeping done yeah I know, but it's the knowledge behind it that's really critical.

Scott: Yeah and so you know, essentially if you don't have the foundation or the why this is occurring and that's what we kind of teach in Accounting For Land Investors right there is the fact that you're making these transaction because this is the impact on it. So, what we do is like when we're teaching that class, we're teaching the transaction and we're teaching the fundamentals behind it so, we dig down into it too. So that everybody can understand oh okay, it's this approach. Because now when you go sit down with your banker or more importantly with your CPA all of a sudden you're educating your CPA on how to do this and then they're like oh okay, I got it no problem. So, now you come with speed.

Oh Mark, funny story like we this last tax season that went through 2019 tax season, it's funny because we did Accounting for Land Investors, we gave our students the knowledge that they needed to do the one-two punch on their accountants. I can't tell you how many people came to me after they met with their accountants and said, "My accountant said I can't do this." And I'm like here's the tax code by the way and here's the why behind it. Here are the accounting principles behind it. Ask them why you can't do it. You know no one came back to me. No one came back to me and said my accountant says you're wrong. It doesn't happen, because what happens is they're so accustomed to just saying the same thing over and over again sometimes you have to have the foundation to say stop, that's not right here's the reality. Oh okay, that makes sense. So, you really need to arm yourself with some knowledge here if you're going to run a successful business. You don't have to do it, don't do it but you need to understand the foundations behind it.

Mark: Yeah, absolutely. I mean so many people just blindly take their CPAs advice without knowing like, no one person can completely understand the entire tax code. It's massive. So, you've got to go to somebody that is a specialist in your niche and then maybe you get some good advice there. So Ben, that leads me to your next question. What is some of the worst advice you see or hear given in bookkeeping?

Ben: Sure, so there's this and this is a big spectrum. I mean there are so many. Like, I'm obviously not your CPA, whatever disclaimer I need to throw in there but some of the worst pickles I've ever seen people get into are things where the accountant just didn't know and the investor didn't know how to talk about what they did know. So, I've seen I'm working a set of books right now where it's a house flipper who did a whole lot of capital improvements to the property, but he claimed them all last year and now he's sold the property this year and he's setting himself up for a huge failure in taxes. He's just going to owe way more because he claimed them all in the wrong set and his cash flow is not going to match. That's a big issue where unless your CPA is living with you, they're not going to know and you don't know unless you know, unless you've learned once you've gone through something like Accounting for Land Investors, where it's like hey, some of these words are really important and you really need to be able to say this one word in this conversation to move the needle and get what you actually want. That's just on the tax side.

So, another really big thing for at least on account of the rental and cash flow side is working with bankers, right. I mean nobody wants to pay taxes. Everybody wants to pay exactly as much as the government needs them to pay and then please leave me alone. I don't want to give you any more of

my money especially, right now. So, everybody goes to their CPA and the knee-jerk reaction is, how do I pay absolutely nothing in taxes? How do I make sure the government doesn't rob me? And some CPAs will say okay, we can do that and they'll jump through all of these hoops and then they pull out all the stops in the 179 and all these fun stuff and then they're like okay, cool, no taxes and they go to the bank and that can't get a loan. Because now, there's this whole other spectrum of financing in real estate that makes it so powerful but if it doesn't look like you make any money nobody is going to give you any money. So now, there's this balancing act.

So, when we begin to work with people we're like, how can we bridge either in the knowledge that we give you or we could just be the bridge between you and your partners, your tax preparer and your banker. Then again the big mistakes are, you calling things the right thing for your tax perspective? Are you calling them, you know, capital expenditures instead of expenses and then it's, you know, do you know what you're spending that you're going to spend again next year? Did you have \$100,000 in rehab that makes it look like you're a horrible business owner? When in reality that's just the name of the game and you've got this rehab and then you're going to cash flow and it's going to be great. You'll flip and you'll do your CAPEX to your land, your carrying costs, you'll move it and you'll make your money and we're good to go here easily to the biggest issues that we run into consistently and it's those two big things.

Mark: Yeah, I mean that's a really good point. I want to ask you when people are just starting off getting set up is there a certain way of setting up today that you are recommending as opposed to like let's say, a one person LLC, S Corp, C Corp?

Ben: So, and this is always fun. So, whenever we kind of get into this area people are asking from like a protection perspective or like a tax shelter entity perspective the answer will always be, it depends but I don't ever like to lead with that. I like to lead with is do what it takes to get the deal done because you're first and foremost a business owner. People are sweating, you know how many LLCs, do I need one property per LLC, like how do we split this up and the truth is that if you're spending all of your time figuring out what legal entity is going to be housing whatever deal that you're doing you're not actually doing the deal you're spinning your wheels. A lot of people lose valuable time or don't even ever take action because they're worried about the legal protection.

While I can't officially give any guidance on that without knowing a whole lot more about you the first thing I'll say is just do the deal. Just go do one, make some money and then you can afford to go pay somebody whatever it

takes. In Oklahoma, it is incredibly easy to form an LLC. You can do it an afternoon with a pen or even email, so it's like what? Like form an LLC, get a little professional, it wouldn't be that hard and then you can just go do deals. That is the most important thing and that's where we always start people with.

Unless you're a partnership in which case partnerships the current conversation always starts the same way, do you have an operating agreement? And if you don't know in your heart that you're getting married to that person and you need to have a mediator get involved as early as possible. Then, like that's otherwise you're really setting yourself up for failure. That is a very common question and the answer is making sure that your operating is right first.

Mark: Yeah. I mean speaking of setting yourself up for failure, as far as bookkeeping or just the tools. So, Scott Todd is a Xero sort of proponent. Ben Day, what about you, what are you more of a proponent for as far as just getting set up the right way from day one with your software tool?

Ben: Sure. So, I've stalked Accounting for Land Investors with Scott Todd, I've seen all the stuff. I saw the REtipster or whatever and I think it is an excellent program. So, much so that I'll say that the first tool you should use is mentorship every time. Get education, get training because it's not your job to reinvent the wheel it's your job to have a wheel. So, by all means go and get in an educational program where someone is going to hold your hand to help you set that up.

When I first started I was Xero certified, I was running my practice out of that. Since then, we actually moved everybody to QuickBooks Online Plus and then some people actually need the new version of QuickBooks online which is QuickBooks Online Advanced, which is a whole other hot button. But really it's you first and foremost need to get involved in something that will give you per property and overall business numbers. So, class tracking or category tracking I think is what it is in Xero is so critical and then the next big thing that you need to realize is that if you're not going to be doing it yourself you need a system that someone else can use so don't. Like you can go use a property management software for your record-keeping if you want but now your criteria for hiring people is: understands Buildium, understands Cozy, understands Corecon, whatever it is. The more complex a niche that you make that the harder it is to find a person to fit that role. So, really if you're going to pick a system categories or classes and someone else's system - got to be.

Mark: Got it. Scott Todd?

Scott: I always say look, you've got to find the tool, you've got to find the website, you've got to find whatever you feel like you need that's going to connect with you. Sometimes Xero connects with people, sometimes it doesn't. Sometimes QuickBooks connects, sometimes it doesn't at the end of the day I've heard people tell me oh, I can't use Xero because my accountant uses QuickBooks. I'm like well tell him to use Xero if that's what you want. That's like letting the tail wag the dog it doesn't happen, the dog wags the tail. Like you cannot run your business based on what your accountant uses to run his business or what he likes, that's not the way that it works. So, if one is going to work for you, better great.

I think that the most important thing is not necessarily which applications you're using but do you understand the fundamentals as to why and how to use it. Because if you don't know how to use it and you're never going there to look at your numbers well then, you're not performing as business owner because the business owner knows his numbers. That's like rule number one of Shark Tank, isn't it.

Ben: Oh my gosh.

Mark: It really is. Do you know what rule number two is?

Scott: What's that?

Mark: Get paid on an automated basis on a set it and forget it system. You know how you do that? By using the sponsor of the podcast which is GeekPay.io. Go to TheLandGeek.com/GeekPay, you can start getting your down payments as easily as \$9 a month and automate it via ACH \$99 a month. Plus, if the ACH fails you can have a backup on file as many ACHs as you want, a credit card you're going to get paid. It automates notifications.

No longer do you ever have to deal with the borrower calling up and saying what my current balance is? They can login and see. No longer do you have to take that call hey, can I make a prepayment this month? They can log in and do it. It's so simple and there's no note setup fees, it is the most affordable, the simplest program to get started with. Learn more and a free demo GeekPay.io and get started TheLandGeek.com/GeekPay.

So Ben, if I wanted to learn more about just bookkeeping in general besides going to Scott Todd Accounting for Land Investors Course, is there a favorite book that you have on bookkeeping that you'd recommend as a reference?

Ben: Sure, just for people to get started.

Mark: Yeah.

Ben: I mean, the simple ones are best. Usually the popular one that I use as a reference that not many people I think will reference in this context is like, Rich Dad Poor Dad. I mean, it's what do you need? You need to get financially literate, you need to understand that there are assets and liabilities and that what you're calling them may be different than what your accountant is calling them but, here's how.

We also have, we've got references, and we've got free stuff all over the place on our website that people can go check out for this. We actually just launched a free mini course all about accounting terms for real estate where it's here's the weird stuff, here's what your chart of accounts can look like and here's why. It's started to build in that just a little bit of content, that little thing that's going to give you the language to know what questions to ask and how to talk about stuff. But for people that are just getting started, go read *Rich Dad* eight more times and understand that yeah, some of these words mean different things than what you think that they mean and you need to get involved with somebody that can help you get to the next step.

Mark: Phenomenal. Scott Todd?

Scott: Man, I don't know. I didn't have a plan on this one, Mark. Let's see I'm going to pull this one out, right?

Mark: Oh no, we're not going to the tip of the week yet?

Scott: Oh I missed it.

Mark: I'm not putting you on the spot.

Scott: It's like that. What happened?

Mark: You seemed like you had something on your mind.

Scott: I was worried about the tip of the week.

Mark: [00:21:33] [indiscernible]

Scott: You caught me off guard.

Mark: [00:21:36] [indiscernible]. I'm going to give you time, don't worry about it and I can always bail you out if you need a tip. So Ben, let's just skip to it now. Shall we?

Ben: Yeah sure, I'm ready.

Mark: I mean he's the guest Scott, let's just put Ben on the spot.

Scott: Go ahead. I do have one now. Now that we're talking about it so, we'll hear what Ben says.

Mark: All right. So your tip of the week a website, a resource, a book something actionable where the Art of Passive Income listeners can go improve their businesses, improve their lives. What have you got?

Ben: Sure. So, whether it's your accountant or your VA or your business partner or whoever it is, communication is always the hardest part of any business regardless of the business type. For communication, what we've started doing is using a website, you can find it at [UseLoom.com](https://useloom.com). Loom, it's a Google... Google Chrome there we go plug-in where I can just click play, I can record a video, it will have my face on it, it will have the screen on it. I can click around and show people whatever I'm talking about, talk through content, build a slide deck whatever it is and immediately email that and send that to people.

I think that they just started a pay plan for like 10 bucks a month but you get your first hundred videos for free. I've used this to like, I think it's 99% of my communication now is in an email with the words that I said in the video showing them what's going on and then when I get feedback it's the exact same way. So, there's no more oh, I thought you met this. No, no, no click this button, go here. Communication problem solved. I love Loom, huge proponent of that. Go use that tool.

Mark: Love it. All right Scott, tip of the week.

Scott: All right, this is going to be self-serving Mark, but it's okay right?

Mark: Of course.

Scott: Look we just made a change, the change is that we took Posting Domination and Accounting for Land Investors, we put it under the umbrella of Investor Ninjas. Look, you don't have to buy it separately, go to Investor Ninjas it is included Accounting for Land Investors is included on Investor Ninjas with your Posting Domination. Go learn how to build basically your

accounting system for your business, go do it. Why not? It's there go check it out.

Mark: Yeah, absolutely. You know, what is cool I'm going through the Zapier course right now *Automate Your Business With Zapier* in Investor Ninjas.

Scott: It's pretty cool, right?

Mark: It's so cool. I mean I've got Posting Domination here, I've got WordPress 101, I've got Yield My Favorite Metric, Crowdfunding Real Estate Investments, Accounting for Land Investors, Automation, there are more to come. I love it.

Scott: You should see what's coming out this week. It's cool. You already know this one but, it's LastPass. LastPass is coming out this week.

Mark: Oh LastPass.

Ben: So good.

Scott: We're going to walk you through how to use LastPass and share the stuff with your VAs. This are the tools that everybody needs, this is what we're talking about on Investor Ninjas.

Mark: Yeah, awesome and my Wholesaling course is going to be in here.

Scott: It is, yeah.

Mark: Yeah, and the Launch Kit I think is coming in there. There's going to be a bunch of stuff in there. I've got a bunch of land stuff. So Ben Day, do you want to know what my tip of the week is?

Ben: I would love to know your tip of the week.

Mark: It's going to be get your sanity back, it's going to be, get your time back, it's going to be focus on making some money get yourself out of bookkeeping let the experts handle it and learn more go to LionshareBookkeeping.com focus on working on your business and growing your business and allow the bookkeepers that are experts in it to make your life better, improve your cashflow, do some tax planning, LionshareBookkeeping.com I'll have a link to it. Ben Day, are we good?

Ben: Man, I think that's great. I can talk forever but I don't know if I can say anything else after that.

Mark: All right. Well, I want to thank you so much for being on the podcast. I want to remind the listeners the only way, the only way we're going to get the quality of guests like a Ben Day, from LionshareBookkeeping.com is if you go on the inner webs and you go to social medias and you share the podcast. Your favorite podcast episodes go ahead and share it and then you've got to subscribe, you've got to rate and you've got to review the podcast. Send us a screenshot of that review to support@TheLandGeek.com we're going to send you \$97 *Passive Income Launch Kit* course for free. So please do that. Scott Todd, we good?

Scott: We're great, Mark.

Mark: All right, let's do this one, two, three. Let...

Scott: ...freedom...

Mark: ...ring. Ben is like just...

Ben: I forgot all about this until it was like always oh wait yeah, we're doing that Liberty Bell stuff, whatever it is.

Scott: Liberty bell?

Mark: Liberty Bell, he's like man are they geeky.

Ben: Love it.

Mark: Love it, man. All right, well thanks everybody and see everyone next time.

[End of Transcript]