

THE ESSENTIAL FINANCIAL HEALTH CHECKLIST FOR VETERINARY PRACTICES

**Understand your numbers.
Reduce overwhelm. Make
confident decisions.**

By **Amanda Grimes**
Veterinary Bookkeeping Specialist



WELCOME

As a practice owner, you make important decisions every day. Your financials should help you – not confuse you.

In this guide, you'll learn:

- The essential reports to review each month
- How to spot early financial red flags
- What financially healthy vet practices have in common
- How to get more clarity and control over your numbers

This isn't a DIY Bookkeeping guide – it's a roadmap to understanding what matters most.

WHY FINANCIAL HEALTH MATTERS



**Financial
Clarity =
Better
Decisions**

Your financials tell the real story of your practice.

When they're clean, updated, and easy to understand, you can:

- Plan ahead with confidence
- Pay yourself consistently
- Reduce surprise expenses
- Make smarter management decisions

A healthy practice starts with clear, accurate numbers.

WHAT MOST VET OWNERS STRUGGLE WITH

You're Not Alone

Most Veterinary practice owners face the same challenges:

- ✓ Books that aren't updated consistently
- ✓ Unclear profitability
- ✓ Rising costs without explanation
- ✓ Cash flow that feels unpredictable
- ✓ Confusion about what financial reports actually mean

You're not expected to know all of this – that's why specialists₄ exist.

MONTHLY CHECK #1: PROFIT & LOSS STATEMENT

1. Review Your Profit & Loss (P&L)

The P&L gives you a monthly snapshot of your practice's performance. Look for:

- Is the practice profitable this month?
- Are expenses trending up or down?
- Are gross margins healthy?

You don't need to build this report – just understand the story it tells.

MONTHLY CHECK

#2: BALANCE SHEET

2. Understand Your Balance Sheet

Your balance sheet reflects long-term financial health.

Key things to review:

- Available cash
- Loans and debts
- Equipment and assets
- Owner's equity



This report helps you see whether your practice is gaining financial strength over time.

MONTHLY CHECK #3: CASH FLOW

3. Review Your Cash Flow

Cash flow reveals whether your practice can comfortably meet financial needs.

Look at:

- How consistently money is coming in
- Whether expenses are timed well
- Whether you have a healthy buffer

Profit alone doesn't keep a practice running – steady cash flow does.



METRIC #1:

REVENUE PER DVM

4. Revenue per Veterinarian

This metric helps you understand productivity and growth potential. It shows:

- How much revenue each DVM generates
- Whether staffing levels match client demand
- Opportunities to increase efficiency

Stronger revenue per DVM builds a more profitable practice.

METRIC #2: PAYROLL PERCENTAGE



5. Payroll as a Percentage of Revenue

Payroll is one of the largest expenses in every veterinary practice. Tracking it helps you see:

- Whether your staffing costs match your revenue
- Which roles are most resource-heavy
- Whether labor cost increases are intentional

High payroll isn't bad – it should simply be aligned with goals.

METRIC #3: COGS & INVENTORY COSTS

6. Monitor COGS & Inventory

Your Cost of Goods Sold (COGS) gives insight into:

- Drug and supply costs
- Inventory usage
- Shrinkage or waste
- Pricing alignment

Healthy COGS keeps your margins strong and predictable.

METRIC #4:

OPERATING EXPENSES

7. Track Your Operating Expenses

Operating expenses can slowly creep up without notice. Review:

- Marketing
- Rent and utilities
- Software subscriptions
- Administrative costs



Small leaks can add up – reviewing expenses monthly keeps you ahead.

METRIC #5: CLIENT VISIT TRENDS

8. Monitor Client Visit Patterns

Tracking visits helps you understand:

- Peak and slow months
- Staffing needs
- Preventive care opportunities
- Seasonal trends

Your visit patterns show where growth is possible.



METRIC #6: AVERAGE TRANSACTION VALUE

9. Average Transaction Value (ATV)

ATV helps you understand how client spend per visit. Even small increases can:

- Boost monthly revenue
- Improve profitability
- Support better margins

This metric shows whether your services are priced and communicated effectively.

METRIC #7: TAX READINESS

10. Stay Prepared for Taxes

Tax season doesn't have to be stressful when:

- Books are updated monthly
- Expenses are categorized correctly
- You know what to expect with quarterly estimates

Clean books = no tax season surprises



WHAT A HEALTHY PRACTICE LOOKS LIKE

Signs Your Practice Is Financially Healthy

A strong veterinary practice has:

- Clean, accurate monthly books
- Clear understanding of revenue and expenses
- Predictable cash flow
- Confident decision-making
- No surprise tax bills
- A consistent plan for owner pay

Clarity leads to confidence – and
confidence leads to growth.

WHY YOU DON'T NEED TO DO THIS ALONE



**You Don't
Have to
Handle All
of This
Yourself**

Running a veterinary practice is demanding. Managing financials on top of that?

That's a second full-time job.

With the right bookkeeping support, you can:

- Save hours each month
- Reduce stress
- Get clean, reliable financial reports
- Finally feel confident in your numbers

Your time belongs with your clients – not in your accounting software.

HOW I HELP VETERINARY PRACTICES

How I Support Vet Practice Owners

I specialize in bookkeeping for veterinary practices, providing:

- Monthly bookkeeping
- Clean, easy-to-read financial reports
- Accurate expense tracking
- Veterinary-specific financial insights
- A calm, supportive approach without jargon

My goal is simple: to give you clarity and peace of mind.

**FINANCIAL
RED FLAGS
EVERY VET
PRACTICE
SHOULD
WATCH FOR**

Even when your practice feels busy, certain patterns in your numbers can signal that something needs attention. These aren't emergencies – just signs that your financials deserve a closer look.

Here are a few red flags that can help you spot issues early and keep your practice healthy.

RED FLAGS IN YOUR P&L

- Stable revenue, shrinking profit
 - Often caused by rising payroll, overtime, or creeping expenses.
 - COGS increasing faster than revenue
 - Pharmacy + lab costs may be eating into margins.
 - Unusual jumps in expenses
 - Sudden spikes usually mean something slipped through without context.
-

RED FLAGS IN YOUR CASH FLOW

- Cash shortages during predictable times of the year
- Indicates lack of forecasting or a mismatch between revenue cycles and expenses.
- Difficulty covering payroll
- A major sign that cash flow planning is off.
- Frequent transfers from savings or personal funds
- Suggests cash timing issues or overspending.

OPERATIONAL RED FLAGS THAT IMPACT FINANCES

- Overtime climbing month after month
- Often signals staffing imbalance or scheduling gaps.
- Inventory growing but revenue not increasing
- Indicates over-ordering or slow-moving stock.
- High accounts receivable
- Too many unpaid client balances can restrict cash flow.

REMEMBER – RED FLAGS AREN'T FAILURES

They're simply indicators that your practice might benefit from more clarity, better reporting, or a fresh perspective on your numbers.

When you understand what your reports are telling you, these red flags become opportunities – not stress points.

Now that you know what to look for, take a moment to assess where your practice currently stands.

Next: Your Financial Clarity Self-Assessment

VET PRACTICE FINANCIAL CLARITY SELF-ASSESSMENT

Rate each statement from 1 (Not True) to
5 (Very True).

Section 1: Financial Understanding

- I understand what my monthly Profit & Loss report is telling me.
- I know my biggest revenue drivers.
- I feel confident in my expense trends.

Section 2: Cash Flow Confidence

- I can predict upcoming slow or busy periods.
- I rarely worry about making payroll.
- I know how much cash I should keep in reserve.

Section 3: Practice Growth Readiness

- I know when I can afford to hire additional staff.
- I feel confident planning big purchases (equipment, expansion).
- I have clear revenue goals for the year.

*if you scored below 3 in any area, a short
consultation can help bring clarity.*

READY FOR FINANCIAL CLARITY?

Ready to Feel Confident About Your Numbers?

If you want clarity, confidence, and a financial partner who understands the veterinary world, I'd love to help.

Schedule Your Free Consultation

Let's discuss where you are now, where you want to be, and how to make that happen.



WHAT TO EXPECT ON THE CALL

What Happens During Your Free Consultation

During our call, we'll:

- Review your current financial setup
- Identify your biggest financial opportunities
- Discuss ways to strengthen your financial systems
- Answer your questions clearly and simply

There's no pressure – just clarity and support.

THANK YOU FOR READING

Your practice deserves financial clarity, and you deserve support that gives you peace of mind.

When you're ready, I'm here to help.



**Book your free consultation
anytime**