



Policy Guidelines and Administration

Daily Bookkeeping Activities

- Preparation of (weekly/fortnightly/monthly/quarterly) Financial Statements as agreed with client
- Preparation of (weekly/fortnightly/monthly) payroll as agreed with client
- Preparation of Payment Summaries and Annual ATO Payment Summary Statement
- Preparation of Business Activity Statements/Instalment Activity Statements
- Accounts Payable Services
- Accounts Receivable Services
- Reconciling Bank Accounts
- Data entry as required

(Sample)

1. Bookkeeping Activities

As this is a small business with an annual turnover of less than \$2 million it is eligible to take advantage of the concessions for small business entities. The accounts of the business will kept on an “accrual” basis.

1.1 Daily

- Invoice customers immediately upon completion of sale or service. It's a good idea to keep a hard copy of the customer invoice, either in a monthly file or in a file for each individual customer.
- If you have a cash register, prepare your daily sales summary – and enter into Accounting System via Sales Receipt. You can use one customer - "Cash Register Sales" or something like. Post your bank deposit to Undeposited Funds. Do a separate Sales Receipt for each method of payment (eg. Cash, Cheque, Visa, Mastercard)
- Make bank deposits the same day you receive the payments if possible. If you've previously invoiced the customer, go into Receive Payments and deposit to Undeposited Funds. If you've entered the invoice as a Sales Receipt, the payment should already be in Undeposited Funds. Then create a bank deposit, choosing the applicable undeposited funds. Print the deposit summary. A good idea is to photocopy any cheques you deposit and attach the copies to the deposit summary. You can file the deposit summaries with your monthly bank statement or in a separate "Deposit Summary" folder.
- Place any vendor bills received and not paid into a "To be paid" file folder, to be paid weekly OR on the due date. (Of course if the bill is due immediately, pay immediately.)
- Every time you do any work in Accounting system, make a separate backup copy to a USB drive. If you're working for several hours, it's a good idea to do a backup every couple of hours. It is also a good idea to have another backup off-site at least monthly.

1.2 Weekly

- Set aside time each week to pay bills. Actually block off time in your schedule to do this. If you pay bills by the due date, and they aren't due yet, just keep them in the "To be paid" folder for another week. You can either enter the bill into Accounting system, and then pay via Vendors/Pay bills, or you can just write a cheque in Accounting system, posting the transaction at that time. If you only have time to pay the bills, and not enough time to enter them into Accounting system, place the paid bills in a folder marked "Date, Paid by". (eg. March 2013, ABC Cheque). Create a separate folder for each possible method of payment for each month (Cheque account, Savings account, Visa, Mastercard, Cash). Clearly write on each bill the date paid, which method it was paid via (cheque, Visa, Mastercard, bank transfer, cash) and the amount paid. (Sometimes the amount may not be the amount showing on the invoice).
- Reconcile your float if you have it. Do this immediately after a deposit to ensure that the float balance is correct.

1.3 Monthly

- Reconcile all statements: bank and credit card. Do the bank first as there may be credit card payments to enter, and they will already be entered then when you go to balance your credit card statement. (You can enter credit card payments as a transfer or you can write a cheque from the bank.) Ensure all banking transactions are entered – if your bill payments have not been entered on a weekly basis do them now. I find it helpful to work from the statement, ensuring that you have match-up for each transaction. If you've been entering the bank deposits on a daily (or as received) basis, all the deposits should be entered. Once all transactions have been entered, do a Bank Reconciliation in Accounting system. Print out both the Summary and the Detail, and attach to the

statement. Depending on the size of your business, file the statement and all the match-up in the folder you have already created (eg: March 2013 ABC Cheque).

- Also reconcile your loans monthly if possible- most bank statements now show the principal and interest and balance of your loans monthly. Excel also has a Loan Calculator template that is usually quite accurate if your loan isn't through your bank.
- Reconcile your petty cash if you have it. Ensure you have backup for all transactions. File in a separate file for Petty Cash (eg. March 2013 Petty Cash).
- Reconcile all vendor statements. Ensure you have received and entered all the bills on the statement. Take advantage of any "early payment discounts" that you can.
- Make a Separate Backup Copy to a USB drive and store off-site if possible.

1.4 Quarterly

- If you are a quarterly filer, file your PAYG Instalment and GST report on BAS form. The due date would be one month after the last day of the reporting period on the form.
- It's a good idea to do a "test restore" of your backup data, to ensure that the backups are working correctly. Restore to a "test" location, ensure everything looks fine, and then delete the restored data.

1.5 Accessing software tools

You can use our product register to search for tax-related software products. The products listed on the register are commercially available and meet our requirements.

Using products listed on the register will help you:

- increase the quality of your business management and record keeping
- streamline your accounting practices
- increase compliance with your tax obligations
- avoid intrusive audits.

MYOB Accounting Plus is recommended to be used in this practice on top of general accounting functions, it includes payroll and time billing software that's ideal for businesses with up to 20 staff. Streamline pay runs; calculate PAYG withholdings and bill for time the way you want to. It also includes the following reports for tax requirements:

- Pay as you go withholding (PAYGW) - payment summary annual report
- Pay as you go withholding (PAYGW) - self print payment summary
- Electronic funds transfer (EFT)
- Goods and services tax (GST) - calculation sheet method
- Goods and services tax (GST) - derived from accounts method
- Goods and services tax (GST) - simplified accounting method (hot bread business)
- Luxury car tax (LCT)
- Pay as you go withholding (PAYGW) - small withholders
- Pay as you go withholding (PAYGW) - medium withholders
- Pay as you go (PAYG) - instalment amounts
- Wine equalisation tax (WET) - taxable supply
- Employer reporting obligations for superannuation contributions