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from the ICB

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Somebody is doing the books in every business

We're seeing far too much time spent on doing the basic books. We also see far too much cost incurred in creating the tax-driven set of books.

The trick is to ensure that your obligatory investments of time and money to do the books are effective and efficient.

Many choose to spend no time on the compliance record-keeping and leave it all to the once-a-quarter (for most) BAS time and then reluctantly create some records to justify the BAS.

Some choose to remain in the once-a-year paradigm: paying instalments of GST and PAYG, then doing a 'meet all your obligations and wait for the bad news' process.

Best-practice bookkeeping is a different world.

Best-practice bookkeeping

Today's business software should be used to run the business.

Sales should be made using a device or invoicing system where the bookkeeping happens at the same time.

- This is you, as a retailer, having a point-of-sale system that interacts with your business software so that *nothing* is being rekeyed and the sales information, stock details etc have just appeared in your records.
- This is you, as a service provider, generating the invoice on the spot, using even a mobile phone, then receiving payment immediately on your mobile

phone. Your invoice includes your bank details, allowing the customer to pay you directly.

You should also record purchases using the best technology to suit your business. Every business suffers from loss of paperwork.

Maybe adopt a program that includes mobile-phone snapshots of receipts or even supplier invoices. Photo taken, the program requests the information required and sends it all to the office; the office receives the information for review but *already* as a transaction recorded in the software. No rekeying!

There's more best practice to do with payroll, banking, end of year and employing people.

A change for the better

'This is all too hard!' I hear you say. 'This is all too much change! I do not want to do this! I will waste even more time!'

…or will you?

Every business is making sales and spending money.

We see most businesses wasting time and money because they pay someone else to come along later and rethink everything the business has done so that the 'thing' that was done is now recorded.

Professional bookkeepers, guided and assisted by a professional association such as ours, are at the cutting edge of knowing what efficiencies software is bringing to the business process; they know how to provide

the correct information at end of year to ensure accountants can perform their task efficiently; and they know what the Tax Office and others get worried about, so they can ensure that your business isn't in their sights.

Bank feeds are today's way of life!

Your bookkeeper (whoever that is: it could be you, your partner, your receptionist, a professional bookkeeper or your accountant) *must* use software that uses direct feeds of the bank statements into your business software.

The *best* use of bank feeds is a program that matches the bank statement to the transactions that are already in the business software. This removes significant double-entering and ticking, highlights bank fees etc that haven't otherwise been caught, and provides an *easy* mechanism to add transactions.

For some the bank feed is the only source of transactions in the bookkeeping software. We don't like this; it means the business isn't using best practice.

NOTE Some software provides an independent reporting of the bank statement balance, but for some you should refer to the bank statement. In either case, ensure your bank feed of transactions results in a bank balance that is 'reconciled' back to the bank's version.

Our top tips for your best bookkeeping

1. Automate your sales using technology.

2. Capture your expenses and supplier invoices using smart programs.

3. Interact with your bank from within your business software (upgrade if necessary).

4. Lodge everything with the ATO using your business software – much quicker and reliable than hard copy.

5. Use professional Certified Bookkeepers
• as a permanent and regular part of the business process
• or periodically to review, verify and provide certainty that the business systems are working.

6. Ensure your bookkeeper is connected to an ongoing education and development strategy. Bookkeeping keeps moving and changing.

7. Embrace business software to do your bookkeeping:
• ensure the software suits your business

You, your bookkeeper and your accountant should ensure things are done once, and smartly – we still see cases where the accountant ignores perfectly prepared sets of books in software and does it again.

• ensure the software has remote access so advisors can login from anywhere to assist.

8. You, your bookkeeper and your accountant should ensure things are done once, and smartly – we still see cases where the accountant ignores perfectly prepared sets of books in software and does it again.

Finally, we encourage you to engage with software that allows instant lodgement of Tax Office forms, with facilities to remind you a lodgement is due, brief you on what is about to be lodged, obtain your authorisation to lodge (TFN declarations, activity statements, payment summaries)
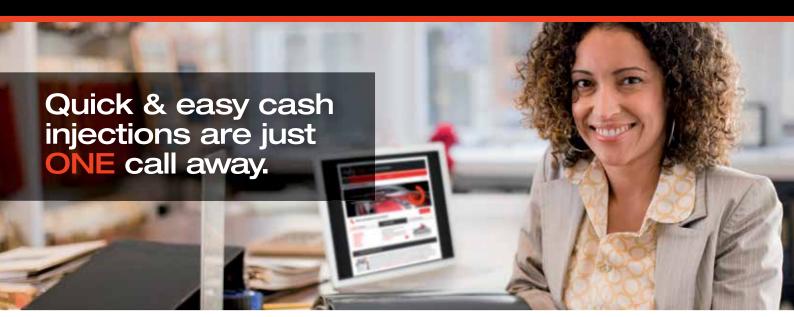
then, using Standard Business Reporting technology, lodge the form and receive instant receipt from the Tax Office.

An essential component is a quality, stable internet service. Choose software that can interact with your internet capability.

A professional association of 3000 accredited bookkeepers, ICB provides a support service for business to assist in achieving best-practice bookkeeping.

ICB Global has recently been awarded Best International Association for 2015.

icb.org.au