Most businesses, including not-for-profit organisations such as Outside School Hours Care (OSHC) services, use a bookkeeper as the first line of their finance team. Putting the right person in this role is critical for ensuring that the financial obligations of the service are up to date, which can, in turn, ensure the success of the service.

All businesses in Australia need some form of bookkeeping in their business to comply with the Australian Taxation Office for at least income tax, as well as other financial reporting obligations, such as superannuation or payroll tax. Some services do this by themselves, whilst others engage someone else to do it for them.

The centre co-ordinator may be multi-skilled enough to do some of the financial tasks such as collecting fees, paying salaries, petty cash. However, if this isn’t where their expertise lies, it may not be a good use of their time, so an experienced bookkeeper should be considered. The coordinator is able to carry out some of the tasks, the management committee needs to clearly identify the task they want completed. This does not mean that the management committee can relinquish all financial responsibility for these tasks – it is their responsibility to ensure that the tasks have been completed in a timely fashion.

The volunteer treasurer has an important role to play in the overall monitoring of finances for the service and can be the link person between the bookkeeper and the management committee. However, the overall financial management of the service may be too time consuming for them on a day-to-day basis.

**BENEFITS OF EMPLOYING A BOOKKEEPER**

You should never underestimate the value of having books properly maintained by qualified people. Doing the bookkeeping yourself potentially increases the risk of problems and mistakes.

**Common DIY issues include:**

- Incorrect claiming of GST resulting in penalties or needing to amend BAS
- Incorrect or late payment of superannuation resulting in fines and interest
- Ongoing orders/invoices/account problems not resolved

- Employee entitlements not taken care of
- Inaccurate management reports resulting in not having a clear and current picture of your business performance
- Late lodgment of BAS resulting in interest charges
- Late lodgment of CCB statements/acquittal

If you employ a bookkeeper, it is their responsibility to do the bulk of the day-to-day work in relation to the financial management of the service. You can expect a competent bookkeeper to establish and maintain a chart of accounts, customise templates, complete monthly journals, prepare BAS and reports for the management committee. You would also expect them to handle the bulk of transactions including accounts payable, accounts receivable, payroll, inventory and reconciliation of relevant accounts.

When you engage a bookkeeper, you have two options:

1. Engage them as an employee;
2. Engage them as a contractor.

The terms of engagement are quite different for an employee and a contractor. The Australian Taxation Office has a tool that can be used to be clear about the status of the worker. Go to: http://www.ato.gov.au/content/00095062.htm?alias=employecontractor

**QUALITIES REQUIRED IN A BOOKKEEPER**

Regardless of the basis of engagement, there are some important qualities you will need in a bookkeeper. Remember that you are giving the bookkeeper access to confidential and sensitive information about your business and potentially other personnel. You want to be certain that this person is trustworthy and able to confidently deal with and report on your financial situation. A bookkeeper should possess the following qualities:

- Knowledge of relevant legislation
- Knowledge of general accounting principles
- Basic knowledge relevant to the OSHC sector
- Speed and accuracy in data entry and typing
- IT skills, especially pertaining to email, accounting software, basic troubleshooting, portals, and electronic payments
- Reliability
• Trustworthiness
• Honesty - in reporting problems, gaps in knowledge, mistakes made
• Productivity, efficiency
• Resourcefulness
• Able to research and analyse problems and anomalies in the accounts
• Empathy when dealing with staff and payroll matters
• Strong work ethic

WHAT DOES THE BOOKKEEPER DO?

Some or all of the following tasks may be the bookkeeper’s responsibility:

• Data entry – clear recording of all income and expenditure incurred at the centre (via cheque, books, bank books, statements, unpaid bills)
• Bank reconciliation at the end of each month – committee meetings should be organised around this, remembering that the bookkeeper will need time to do the reconciliation once the bank statement is received
• Journal entries and end of month adjustments re: wages, accruals (such as superannuation and PAYG, leave entitlements)
• Prepare income/expenditure balance sheet statements for the management committee (using actuals vs. budgets comparisons).
• Liaise with the accountant/auditor at the end of the year and assist with the preparation of financial reports.
• Identify financial tasks required on a weekly, fortnightly, monthly, quarterly and annual basis.

AWARD

Bookkeepers should be employed under the relevant Award. To check which Award applies, contact Fair Work on 13 13 94.

WHAT TO INCLUDE IN THE BOOKKEEPER’S JOB DESCRIPTION?

The following information is provided as a guide only. The tasks to be included in the bookkeeper’s job description will vary, depending upon whether or not any of the tasks are delegated to the coordinator and treasurer.

Weekly

• Petty Cash allocation
• Reconciliation of petty cash
• Receipting of fees
• Banking of fees

Fortnightly tasks

• Maintain staff records
• Calculation of wages – based on timesheets completed by staff
• Perform payroll function, including processing of pays, bank transfers, issue pay advices
• Answer staff enquiries regarding award entitlements
• Issue family invoices
• Monitoring of outstanding fees
• Issuing reminders for overdue fees
• Completion of cashbook

Monthly tasks

• Produce monthly Profit and Loss and Balance Sheet, including reconciliations for all balance sheet accounts
• Process monthly tax payments to the ATO
• Carry out bank reconciliation
• Provide monthly accounts to the management committee at least one week prior to the committee meeting. Include a brief report highlighting significant matters the committee should be aware of
• Attend monthly management committee meeting to report on accounts/financial statements and following approval by the committee, process any required payments

Quarterly Tasks

• Complete CCB statements
• Complete CCB Acquittal
• Complete BAS statements (if applicable)
• Pay income tax on instalment activity statement
• Assess actual costs vs. projected costs for current quarter
• Manage any short-term deposits at the bank by providing the committee with an update on maturity dates. Rollover or terminate and reinvest/transfer funds between bank accounts as directed by the committee
• Prepare superannuation reconciliation and make payments
Annual Tasks

• Prepare annual financial statements and supporting work papers. Organise to have them independently audited on an annual basis

• Prepare end of year financial reports, including a report for presentation at the AGM

• Prepare and lodge Annual Statements and any other required forms with the Department of Fair Trading in line with required schedules

• Assist the management committee with development of annual budget by providing relevant advice on past and projected financial performance. The coordinator will be involved in this process

• Consider fee structure in consultation with the management committee

• Prepare group certificates

• Manage workers compensation claims as they arise

• Maintain computer software, update to new versions when appropriate

• File and/or archive the financial records in line with legislative retention schedules

• Manage insurance, including payment of insurance renewals and update insurance as relevant to the service

• Check staffs pay rates against Modern Awards following Federal Government’s National Wage Case each year to ensure the service complies with minimum wage rates. Report any non-compliance to the committee and following approval, process adjusted increases where required and provide respective staff with a confirmation letter of pay increase

NEED MORE ADVICE?

Further information about bookkeepers contact the Institute of Certified Bookkeepers - 1300 85 61 81.