If you were at one of our seminars we'd now invite you to take a look at The Pure Bookkeeping System ... pick it up, go through it page by page, and work out if it's for you.

Unfortunately that's the one thing we can't really do in the webinar. So instead we've sent you a sample - this document contains an example of a procedure from each of the Bookkeeping, Sales and Marketing and Human Resources manuals, as well as the table of contents from the Bookkeeping Manual. It should give you a sense of what to expect when you receive The System.
4.1  Bank Reconciliations

The bank reconciliation is done when processing of all available bills and payments, debtor invoices and payments, and payroll is completed. Basic bookkeeping practices are to be followed when reconciling the bank account.

The Pure Bookkeeping System though is specific in the following areas

- 4.1.1 How the bank statement is marked
- 4.1.2 How to process remaining transactions
- 4.1.3 How to process transactions you are not sure of
- 4.1.4 When the bank account is reconciled
- 4.1.5 When the Bank Reconciliation is cleared
- 4.1.6 How the Reconciliation Report is filed

4.1.1  Using a YELLOW highlighter to mark the statement

We mark the statement using a YELLOW highlighter to ensure the figures are legible if the document needs to be faxed or copied.

The purpose of highlighting the statement is to

- Clearly identifying reconciled transactions
- Clearly identifying transactions that have not been processed

During a difficult reconciliation it may be necessary to repeat the Reconciliation using a different colour. Copy the statement before marking with the alternate colour to keep the original Statement legible.

4.1.2  Processing the remaining transactions

The next task is to enter the remaining unprocessed transactions. As you have already processed all known transactions, ideally all that would be left are bank charges and DD.

Examples

- Bank fees and DD
- Interest income and expense
- Payments and income without relevant paperwork
There are two ways that these transactions can be entered

- “Spend Money” or “Receive Money” – using the available Recurring Transactions previously saved
- Entered via the “Bank Entry” Function in the Reconciliation window

Refer to Part 2– General – Module 1 (1.5.3) Saving Recurring Transactions for more information

Tick with a biro

As you enter the remaining transactions tick each one with a biro on the statement so it is clear which ones have been processed

Marking the Statement with a biro enables you to quickly identify where you last finished if you are unable to complete the Bank Reconciliation in one Session

4.1.3 Processing unclear transactions

As you have already processed all known transactions it is likely that if there are any remaining transactions on the Statement you won’t know what they are for. It’s also likely that they are purchases your client has made without passing on the tax invoice to you for processing.

Examples

- You don’t have a tax invoice
- And/or you are unable to tell what the transaction was for from the description on the statement
- You are unable to tell if the transaction was personal

As part of the Pure Bookkeeping System we do not guess how to enter transactions that we are not sure of. They are entered in the Client To Advise Expense Account to be discussed with the client.

Processing Client to Advise transactions

- Process as “Spend Money”
- Allocate to the expense account “Client To Advise (CTA)”
- If over the ATO designated threshold without a Tax Invoice use the GST Code NTI
- Enter the missing transactions on the Session Checklist
• Go back to the Bank Reconciliation and highlight the new transactions
• Reconcile the bank account

Refer to Part 1 – Housekeeping Module 2 (2.4.3) for more information about CTA and entering on the Session Checklist

4.1.4 When the bank account is reconciled (but not cleared)

Empowering our clients around their finances is possible only when we give them the most up to date financial information.

To achieve that you must reconcile the bank account at the end of the session of processing - whether that is weekly, fortnightly, monthly (or other) - up to the latest available statement date.

4.1.5 When the Bank Reconciliation is cleared

Only clear the transactions at the end of the month.
All previous Bank Reconciliation reports completed during the month can then be shredded.

The purpose of this is two-fold

• You only have one statement per month filed in the Financials Folder instead of multiple ad hoc dates
• You then have all the transactions for each month on one report which makes finding information easier

4.1.6 Old Unreconciled Transactions

Before clearing the transactions in the Bank Reconciliation window you MUST confirm and/or correct any old unreconciled transactions.

Old unreconciled transactions are one of the biggest causes of misleading financial information. The Bank Account MUST NOT BE CLEARED UNLESS ALL UNRECONCILED TRANSACTIONS HAVE BEEN CHECKED AND CONFIRMED AS CORRECT.
The biggest cause of old unreconciled transactions is that they have been entered twice!

**What’s the impact?**

- Their P & L looks worse than it may be
- Any Reports will be completely unreliable
- It has tax and GST implications

![Warning]

Before clearing the transactions, confirm and/or correct any old unreconciled transactions

### 4.1.7 Filing the reports

**The bank statements are filed in the Financials Folder in the respective tabs**

- Each page of the bank statement is placed separately *(not stapled)* from oldest to most recent date
  - If you staple the bank statement, when the reports are filed in a lever arch folder you can’t turn the page and you have to take the whole statement out and remove the staple to find the information you need.
- Staple the Bank Reconciliation Report together, **with the last page on top**
  - Stapling the Bank Reconciliation Report together makes sure the pages stay in order if you need to review the Report. Having the last page on top makes it easier for you to check the closing balances without having to remove the whole document.
- File this report **on top of the bank statements**
  - Filing the Bank Reconciliation Report on top of the bank statements gives a clear separation between months and shows the most important information on top.

Refer to Part 1 – Housekeeping Module 5 (5.2.1) for more information about the Financials Folder
2.1.1 **Calling Referred Accountants**

It is common that Accountants have a secretary who answers the phone the following script is an example of what you might say:

```
“My name is…………………… I’m from …………………………………..  
I was wondering if I could speak to (Bill Smith)”
```

It is likely that they will ask you what it is in reference to, so you could reply:

“Another Accountant (Bob Citizen) gave me Bill’s phone number and suggested I call.”

What happens next will depend on the secretary. She will either put you through or ask you to be more specific. If she wants you to be more specific say:

“I am a bookkeeper and Bob suggested I call to discuss the bookkeeping services I offer.”

When you are put through you could say:

“Hello Bill. My name is …………..and I’m from …………………… How are you? Great! I met with Bob Citizen recently to explain my bookkeeping services and how I can help him and he suggested I call you as he knew you had issues sourcing reliable bookkeepers. I have been bookkeeping for ……. years and use The Pure Bookkeeping System to standardise the way the bookkeeping is done. I was wondering if we could make a time to meet to show you the presentation I showed Bob which explains my business in more detail, and also to find out about the services you offer and your target market?”

WITHOUT PAUSING SAY – “When would be a good time for you?”

Have your Outlook opened and make a mutually suitable time to meet. Allow about an hour.

2.1.2 **Entering the new Accountant’s details into BCM**

Microsoft Outlook provides a wealth of information, hints and tips about using BCM therefore the following information is a reminder of what we recommend you do rather than detailed instructions of how you do it.

- Add the Accountant’s contact details into BCM (you would either get this information during the initial phone call or call back and get the information from the secretary)
- Use the Category “Accountants”
- Copy this entry into the Outlook Contacts List
**3.1.2 Completing Template HR101 & Calling the Candidate**

**Section 1 – Candidate Contact Details**

This section is self explanatory. It gives you a snapshot of the contact details.

- Remember not to ask non job-related questions such as age, marital status, children, ethnic background, where they live etc. If the candidate volunteers the information then you can make a note of that on the form.

**Section 2 – Progress of Application**

This section needs to be completed after each stage of the recruitment process so that you know, at any time, which stage the candidate is at.

**Section 3 – Summary of Experience**

This section is completed at the end of the phone interview. It summarises the candidate’s level of experience and will help you determine their suitability for the Skills Test. The requirements are based on The Pure Bookkeeping System. If you decide on different requirements you can amend this Template to suit your business.

As with everything, there are exceptions to the rule, but the guidelines provided are suitable for most candidates.

**Section 4 – Work History**

- There is space enough to summarise the candidate’s experience for the last six jobs
- Complete this section with as much information that you have by reading the resume
- Start from the most recent job and work backwards
- Note any gaps in the time-line to question the candidate
- Note how long the candidate was in each job
- Note if it is not current and clarify with the candidate the reason for leaving
- Highlight other points that you want to clarify or find out more information about
- Don’t include jobs that are not relevant to the bookkeeping position
Sections 5 – 8

These sections need to be completed during the Phone Interview and an explanation of each of these is after the section on calling the candidate.

Calling the candidate

What you will need:

• The front email page
• The cover page (if supplied)
• The resume
• The partially complete Template HR101

How long it should take will depend on:

• If the candidate can speak fluent English
• What information from Template HR101 is missing

An example of your greeting:

Good morning, my name is ......................... and I am from ......................... I am ringing about your application. Is it convenient to talk now?

Great, thank you for sending in your application. I'm in the process of assessing that and I just need to clarify some points with you and ask you a few questions. Is that OK?

It's possible that the candidate may be working or otherwise engaged. If that is the case then you would make another time and log that in Section 2 – Progress of Application on HR101.

Ask questions for any points you have highlighted on the Template. We have given specific examples of types of questions to ask when discussing each Section of the Template.
**Section 5 – Qualifications**

Complete this section by entering relevant certificates or qualifications and the year they were completed.

**Complete the question “What further study would you like to do” to determine:**

- If the candidate understands that they are required to undergo further study
- If they have no qualifications and show no interest in up-skilling then this is likely to be their attitude to the training required for them to learn The Pure Bookkeeping System
- If the candidate is really interested in this role or if it’s just a “stepping stone” to a CA or CPA position. You are really only interested in including a candidate into your team if they are passionate about bookkeeping. If they aren’t then that will reflect in their attitude to their work and how they relate to your client

**Section 6 – Goals and Ambitions**

When you ask the candidate “What sort of work would you like to be doing in three to five years?” you will get an indication of what their vision is for themselves.

**The following comments may be an indication that they have other priorities:**

- They want to work in an accounting firm as CPA
- They want to have their own accounting practice
- They want to live overseas
- They want to earn as much money as possible

The reality is that if you have a bookkeeper working for you for more than two years then the time spent training them initially will be worthwhile even if they leave after that to pursue other ambitions. You shouldn’t reject a candidate on the basis of these comments, but it will give a perspective of where their future lies and how much time you may have them working for you.

**Section 7 – Availability**

This section will help you determine if their availability is sufficient for your needs. **We recommend that the bookkeeper is available at least two days per week.** Anything less than that will make learning The Pure Bookkeeping System more difficult and won’t really be worth the effort that you will need to put in to make it work.
Section 8 – Final Comments

Use this section to write down things you noticed during the phone interview such as:

- How did you feel?
- Did the candidate explain themselves well enough?
- Did they brush over some questions?
- Were you satisfied with the answers they gave regarding why there were gaps?
- Were they hesitant or confident?
- Were they well spoken or did you have difficulty understanding them?
- Were the explanations satisfactory regarding why they left each employment?

3.1.3 Giving information about you and your business

Now is the opportunity to sell yourself and your business to the candidate. Remember it’s just as much their decision to work with you as it is your decision to select them.

This is an opportunity for you to show the passion you have for what you are doing. When candidates see your passion and hear about your experience and The Pure Bookkeeping System they will want to be part of your team.

Refer to the Sales & Marketing Manual Module 1 (1.3) for more information about selling yourself in 60 seconds.
3.1.4 Deciding if they are a suitable candidate for a Skills Test

As you practice giving a phone interview to suitable candidates you will find that you will get more confidence in yourself, the method of scoring and your instincts.

As you work through Template HR101 you will gradually get a picture of the candidate’s skills and experience so that by the end of the Phone Interview you should have decided whether the candidate is suitable for a Skills Test or not.

If you are still undecided at the end of the Phone Interview, then tell the candidate that you will review the information they have given and call them back within 24 hours.

Score - Low

If a candidate received any “Lows” then they are not suitable for a Skills Test. They simply don’t have the experience necessary and they aren’t demonstrating any initiative or interest in increasing their skills by completing further studies.

A candidate would get a low score:

- If they have less than one year’s experience using MYOB or QB
- If they have no qualifications and are not willing to undertake any study

It’s relatively easy to reject candidates using this method and when you have dozens of resumes you need to be able to assess them quickly.

Simply reply to their email using the example given in Section 2 (4.6) in this manual
Score – Medium or High

To demonstrate how you determine if someone would receive a score of Medium or High we are giving you three examples. All are suitable for a Skills Test.

**Candidate # 1:**
This candidate has been working full time for one employer for two years (Medium)
You have determined that they have completed a range of bookkeeping duties using MYOB (Medium)
They have a Cert IV (High)
They would receive two Mediums and one High therefore would be “Good”

**Candidate # 2:**
This candidate has been working part time (2-3 days per week) for four years for three employers (Medium)
You have also determined that they have completed a range of bookkeeping duties using QB (Medium)
They have a Cert IV in Finance (High)
In addition to general bookkeeping, two of their employers were in a mess when they arrived and they had to clean that up (this demonstrates their ability to do more challenging work)
They would receive two Mediums and one High so would be “Good”
They would also be considered a better option than Candidate # 1 because of their broader range of experience. This is likely to be confirmed during the Skills Test.

**Candidate # 3:**
This candidate has seven year’s experience in their own bookkeeping business (High)
You have determined that they have completed a range of bookkeeping duties using both MYOB AND QB (High PLUS a Bonus for experience with both)
They are in the middle of a Cert IV (Medium)
They have also been exposed to a wide range of tasks such as setting up new data files, cleaning up messes and training their clients (this demonstrates confidence in their skills)
They would receive two Highs, one Medium and a Bonus score so would be “Favourable”

3.1.5 **Telling the successful candidate about the recruitment process**

Now that you have determined they are a suitable candidate for the Skills Test and you have given them information about your business the next step is to tell them about the recruitment process.

The following is an example of what you could say:

There are several parts to the recruitment process:
Contacting you to ask questions about your resume
Determining if you have the skills and experience we are looking for
Inviting you to complete a Skills Test
If you get a high score in the Skills Test you will have an interview

There are other steps after this of course, but that is probably enough information for the candidate at this point in time.
3.1.6 Inviting the successful candidate to a Skills Test

The following is an example of what you would say next:

Are you still interested in the position? Assuming the answer is yes –
Great. What I need to do is make a time that is suitable for you to come to the Skills Test
You need to allow 1.5 to 2 hrs
You will be completing data entry into a MYOB data file
It involves entering purchases and payments, Spend Money transactions, Visa dockets and payments, payroll, bank and Visa reconciliations
There is also a Speed Test after that in which we are testing your speed and accuracy

Arrange a mutually suitable time.

After the call, send an email to the successful candidate to confirm the date and time of the Skills Test

The following is an example of what you would put in the email:

Thank you for taking the time to discuss your resume. I am looking forward to meeting you on (Date) at (Time) to complete the Skills and Speed test.

We are located at (Address)

3.1.7 Unsuccessful candidates

If the candidate changes their mind or if you have decided that they aren’t suitable then tell them and send an email to confirm.

The following is an example of what you would say

Thank you for taking the time to discuss your resume. I’m afraid I’ve decided that you are not a suitable candidate. I wish you every success with your future applications.
At this point the candidate may ask you why and it’s important that you don’t make any comments that may be considered discriminatory.
We recommend you give a general comment such as:

We had many qualified candidates making the selection very difficult but on this occasion I feel there are others whose experience and skills are more suited to our business. I hope you understand.

Refer to the example given in Section 2 (4.6) in this manual for the email response

3.1.8 Administration

There are a few administrative tasks that need to be completed at this point:
• Update Section 2 of HR101 – Progress of Application
• Move the email from the candidate to the Outlook folder “Candidates for Skills Test”
• Place the resume and covering letter in a plastic sleeve in the File Tray labelled “Skills Test Scheduled”
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