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Institute of Certified NZ Bookkeepers

I often get asked what is a Bookkeeper?

A bookkeeper is someone who records the financial transactions of your business. They also:

- keep track of sales, purchases, payments and receipts
- work on the design maintenance and review of internal business processes
- organise, collate and record financial data on a day-to-day basis and store this information in general ledgers
- record the financial information of your business in a standard way, so that accountants can also access it.

What does a Bookkeeper actually do?

Bookkeepers are trained and use the same financial recording methods as accountants. They do this so that your accountant can quickly and easily process your financial information. They will:

- Take all your receipts, invoices and other transaction details.
- Record the information in accounting software using proper accounting methods.
- Work with you to make sense of the numbers, for example assigning costs to specific clients.

But there's more to bookkeeping than recording daily transactions. People who do this work are usually highly skilled at using accounting software. They will be able to advise you on:

- add-on solutions to streamline your business workflow, such as [POS tools](#)
- [payroll services](#) to simplify the way you pay your staff
- bookkeeping rescue work, tidying up mistakes made by inexperienced staff
- training for small business on using accounting software.

They can also offer day-to-day support for small business owners. In fact a good bookkeeper is your partner in keeping things running smoothly within your business.

It's often the case that your bookkeeper will be the constant accounting contact for your business. They'll be best placed to answer questions about where the money is coming from, and where it's going.

How is a Bookkeeper different from an Accountant?

Bookkeeping is a vital service. But how does it differ from accounting? The two services are often compared, but actually they are complementary:

- Bookkeepers do the day-to-day work and bring the accounts up to a high standard of detail and accuracy. They can also advise you on issues that might affect you in the near future, such as cashflow problems or late invoice payment.
- Accountants will look at the accounts that have been created, often on a quarterly basis. They will make any minor adjustments required. They will use the information in the accounts to file tax returns and other official reports. They will also provide high level business advisory services.

For your business to run smoothly, ideally you need both people. You'd hire a bookkeeper to look after the day-to-day work. And you'd hire an accountant to handle official reporting and high level business advice.

Why do you need one?

If you started your own business, it's likely that you're passionate about running it and concentrating on the tasks you love doing. But if you're like most business owners, you're not so interested in recording all the details of every financial transaction.

For example, imagine you're a hair salon business owner. You might have:

- a simple business model
- a high transaction rate with lots of customers
- many sales a day – perhaps dozens or more
- supplier invoices for hair products
- sales recorded through cash registers or other POS (point of sale) systems
- staff wages to record and pay.

That's a lot of information to track and record. And [bookkeeping](#) might not be something you enjoy or have time to understand.

Without proper bookkeeping, it would be easy for transactions to go unrecorded, left to pile up until the end of a financial period. Mistakes could be made and important details could be lost or forgotten.

That's where bookkeepers come in. They can lighten the load on the business. They can take away the day-to-day recording of receipts, invoices and other transactions.

When should I hire a bookkeeper?

The sooner the better. If you haven't already hired one, you should do it soon. Ideally you'd hire one soon after starting your business.

Otherwise you could end up with several months' worth of receipts and invoices to be processed. That will take time and may be difficult to do, because you'll have forgotten which client to bill for a particular expense.

For example, you may ask yourself, "What was this train ticket for? Who did I visit on 13 July?" A bookkeeper would know which client you visited and why. They would then account for the travel expense in the correct way.

Finding the right person

Whoever you hire needs to be trusted with the everyday details of your business finances. So you should be very careful when you hire a bookkeeper.

There are many bookkeeping businesses, so you'll have plenty of choice. You could contact one directly, or you could ask if your business partners or clients have any recommendations.

If you have an accountant, ask them too. It's best if you can find someone who uses the same accounting software as your accountant. That way they can share accounts information easily.

Ideally the accounting software should be cloud-based, which means it's accessed online. Then all of you will be able to share access to the financial data for your business. You can do it remotely and securely – from anywhere.

Once you've narrowed down a short-list of bookkeepers, you can:

- check their past work record
- contact their referees and talk to them
- ask your accountant to have a meeting with your proposed bookkeeper.



Trusting the financial details of your business with anyone is a big step. So do your research carefully before you hire a bookkeeper.

Get the best out of your business

Bookkeepers offer a vital business service. They save you time by handling all the daily financial work for you and allow you to concentrate on the running of your business. The real-time information they collect can help them offer you new insight into your business.

That's important when you're trying to differentiate your business from your competitors. Real-time information is also vital if you want to make sound business decisions.

Often a bookkeeper will specialise in a particular industry, so it pays to ask them about this so that they can add even more value. Make sure that you get the best out of your business by hiring a bookkeeper to help you along your journey.

Contact me and see what I can do for you and your business:

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