

WORM OR WEED

There are two ways in which Accountants and in particular Tax Accountants view Bookkeepers.

If I use the analogy of the Gardener, they look upon weeds as pests and are plucked and sprayed leaving only the desired plants. Similarly the worm to the Gardener is a precious thing, doing all the hard work in conditions that are less desirable for us humans – the worm is revered and honoured by the Gardener.

This is very similar to the accounting world. Let me explain.

The Experienced and Qualified Bookkeeper to the Accountant is like a worm to the Gardener. Just as the un-trained and inexperienced Bookkeeper is as much a nuisance to the Accountant as a weed is to the Gardener.

At *Uniting Bookkeepers* March dinner we had the great privilege of listening to an Accountant by the name of Tony Vidray from Anderson Vidray Accountants.

The topic was; '*What do Accountants really think about Bookkeepers*'. It was such a colourful event and surprisingly three bookkeepers took the challenge and went head to head with Tony on this subject. Only one bookkeeper survived and this bookkeeper I would call a 'worm' the other two were 'weeds'. NB No Bookkeeper was harmed in this exercise – they were bookkeepers/actors

Tony explained to our membership of bookkeepers that Accountants especially Tax Accountants are so busy and so burdened with taxation deadlines that they simply do not have the time, resources or patience to accept Bookkeepers producing second class work.

Bookkeepers need to get qualified. There is 50% of bookkeeping that is pure data entry, 20% of bookkeeping requires skills in double entry bookkeeping such as Balance Sheet maintenance and understanding cost accounting etc; YET it's the 30% of GST Legislation, Motor Vehicle tax deductible transaction issues, FBT issues, Sale of Assets, industry type issues that require on-going professional education. The list is extensive.

Tony allowed us to open our eyes to the plight of the Tax Accountant and we took note of the things we as bookkeepers can do to make their working hours better:-

1. Being consistent – make sure you code transactions for the entire year to the same account, so that at least if the treatment is wrong, the error is found and fixed quickly.
2. Under and Over use of the Suspense Account – some bookkeepers put so much into the suspense account with very little memo and some bookkeepers decide what they are to do with transactions and incorrectly post. When in doubt, post to Suspense, don't claim GST and CALL THE ACCOUNTANT.
3. Giving Tax Advice to the client – calculating T1 on the BAS - Bad Mistake and could cost the client and the Bookkeeper a fine for over or under estimating.
4. If you don't know what you're doing, stop doing it, get training and contribute to the solution.
5. Communicate and get checklists from your Accountants so you know exactly what they want.