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Smart numbers for Smart Businesses

Medical Practice Reaps Benefits A BOOKKEEPING CASE STUDY



To ensure you are going to achieve your business goals it is absolutely crucial you have information at your fingertips when you need it.

That way you can identify superfluous costs and under performing areas quickly and rectify issues before they become major problems. Do you have all the information you need?

The Problem

Recently one of our clients (a husband and wife team) experienced a change in their management structure following the resignation of a partner. This led to an opportunity to review their accounts and asked Dedicated Bookkeeping to undertake an assessment. To their surprise they realised that revenue and expenses were not being recorded correctly.

This problem generated a great deal of stress for the partners. It also meant there was a lot of rectification work to be done by their Tax Accountant. In addition to being unclear on how much they were making and spending, their assets were entered into MYOB (accounting software) incorrectly resulting in the potential loss of tax incentives and depreciation (Potential loss of temporary increase in Investment Allowance)

We consulted with the partners and reviewed:

- Inconsistencies in the dollar values between the accounts of the entities. Example: Do the loans between the entities match; do the creditors and debtors ledgers agree.
- Which liabilities such as Super, PAYG and PAYG Installments needed to be paid avoiding any penalties for late payments.

Outcomes of our work included:

- Correctly identifying the application for various types of expenditure. Example: The purchase of specialist medical equipment was entered erroneously as an expense without GST. Upon our review it was re-classified as a capital item. Therefore our client was able to claim back \$3,500 of GST from the Tax Office and also claim ongoing deductions for accelerated depreciation.
- Amended categorisation and account structure of expenses to help monitor what they were actually spending their money on.
- Created a template within MYOB to save a significant amount of time on entering regular expenses into the system.

The Partners now receive accurate Profit & Loss and Balance Sheet reports every month and focus their energies on raising their revenue knowing that their costs are being accurately recorded. Understandably they are over-the-moon about the results, and said:

“You have saved us so much money and angst by having this done right the first time. Thank you.”



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For more information on how to use your bookkeeper to save you time, avoid hassles, and reduce your stress contact **Dedicated Bookkeeping** on **(07) 3871 3333** or visit **www.dedicatedbookkeeping.com.au**