

The skills NOW 5 Step process

PART 1: LEARNING ACTIVITIES

This consists of four steps which can be done in sequence although if employed in business, many of the practical learning activities will be done according to organisation routines.:

STEP 1	Skills & Knowledge
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Trainer briefs trainees on each unit and explains the skills and knowledge required for accreditation (these are the “Elements of Competency & Performance Criteria” described in everyday user friendly language). Your skills and knowledge will be reviewed at the end of the unit as part of the assessment process.

STEP 2	Notes & Ideas
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Trainee reads about each unit. These cover the skills and knowledge plus any supplementary material required to bring the units up to date. Ponderous language and undue repetition are avoided.

STEP 3	Tasks – Q & A
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Trainee completes short tasks, often in a simple Q & A format to check that the notes have been read and understood. The aim is to encourage thought about retail issues. Each unit has a “Putting skills to work” task to record what has been learned from the unit.

STEP 4	Learning Activities
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These are longer , practical activities, most to be completed in a business workplace or environment. If the trainee is employed , then most can be done on site; but if not, they may take the form of “visit Coles and Woolworths supermarkets and report on how they”.

PART 2: TRAINEE ASSESSMENT

STEP 5	Trainee Assessment
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The assessment steps are grouped at the end of the book as assessors may wish to batch several together. Steps 3 and 4 are printed as separate sections – some trainers may want these to be handed in as evidence of completed work.

Preparation for the assessment is an important part of the learning process. Each units has several tables to be ticked of by trainee and trainer/assessor. Prior to assessment, the trainee is to complete the forms and ensure that all activities have been completed to the required standards. The preliminary work done by the trainee, the trainer/assessor role is verification and assessment. according to BSB07 guidelines. skills NOW tasks and learning activities are fully documented for easier and better assessment.

The publisher is committed to skills NOW content and format improvement and thus reserves the right to make minor changes to these without notice. Any significant changes will be communicated on website www.skillsnow.com.au.

11 Maintain daily financial/business records

FNSICGEN305B

Maintain daily financial/business records FNSICGEN305B covers the preparation and processing of routine financial documents.

Application

This unit is suitable for staff who process routine documents such as application or claim forms, invoices, banking documents, and petty cash vouchers which are commonly used in industry.

Employability Skills

These are worthwhile skills which will make you more useful in the workplace.

STEP 1	Skills & Knowledge
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Accreditation skills for this unit

All skills and activities need to comply with business policies and procedures and any relevant government safety, storage and other regulations.

1. Process financial forms and applications

For this you need to know how to:

- Use the financial forms that you handle
- Identify, check and record document information
- Process and record documents or transmit them to appropriate staff
- Ensure that all work is completed in accordance with organisation procedures, and relevant regulations

2. Prepare and process banking documents and petty cash documents

For this you need to know how to:

- Record bank deposits and withdrawals accurately and balance them according to organisation procedures
- Inspect cheques and credit card vouchers for validity prior to processing,
- Reconcile bank statements with organisation financial records, where applicable to your position
- Complete banking documents to meet bank guidelines

3. Process petty cash transactions

- Check, process and record petty cash claims and vouchers and balance the petty cash according to business procedures
- Refer any discrepancies to supervisor or manager

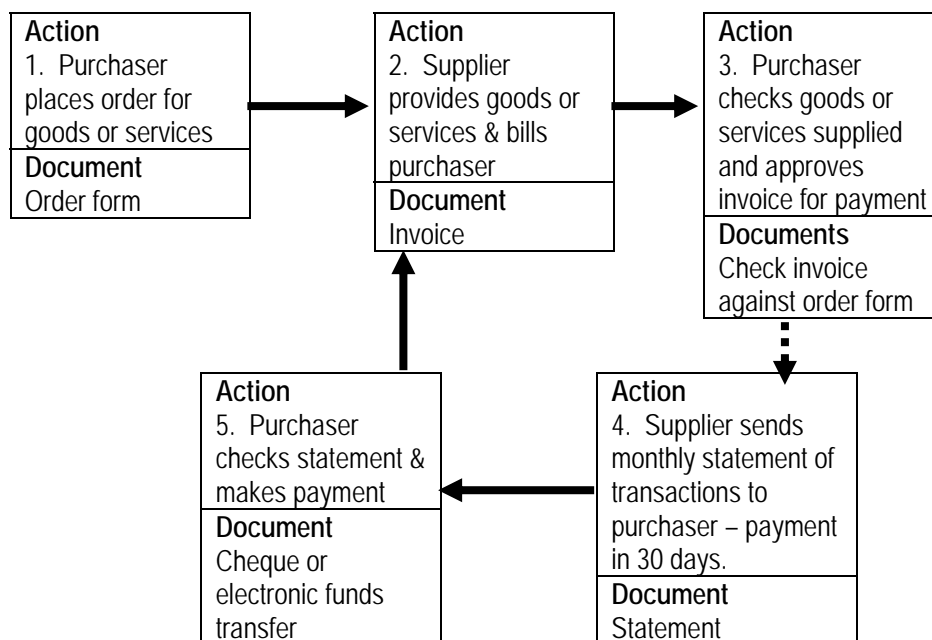
4. Prepare and process invoices for payment to creditors and by debtors

- Invoices and statements
- Invoice approval processes including checking for accuracy
- Errors and discrepancies – claims and credits
- Filing invoices and related documents for auditing purposes
- Controlling debtors and creditors – dated trial balance
- Payment procedures

STEP 2	Notes & Ideas
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Business transactions

When working with business documents, you should know how each document is used in the trading cycle.



Documents should be checked for accuracy at each stage of the trading process.

Order forms

To obtain goods or services, businesses place orders on their suppliers. This can be done:

- In writing – written order from order book
- By computer – printed copies.

These can be mailed, e mailed or faxed to suppliers.

Many larger retailers use computerised ordering systems which are now transferred to suppliers electronically (this process is called EDI – Electronic Data Interchange).

Orders can be placed verbally, by telephone, but this is not recommended as there can be product or ordering errors; orders may not be recorded and there is no copy to check.

Order copies are needed for recording business spending and to check incoming deliveries. Orders will normally include:

- Business details
- Delivery instructions (including any special instructions)
- Order number
- Date of order
- Delivery dates eg July 1st to 4th 2009
- Supplier details

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- Products ordered – use bar codes or supplier item numbers
- Quantities ordered
- Prices
- Order value including GST

Orders and spending should be authorised by a senior staff member.

Sample:

Date: April 27 th 2009 Order No. 2367					
Retailer: Super Party Fun, 8 Park St., Dubbo NSW					
Supplier: New Party Supplies, 47 Liverpool Rd, Parramatta NSW					
Deliver to: Super Party Fun Delivery Date: May 1 st to 7 th 2010					
Preferred carrier: Dubbo Freight Express					
BAR CODE	NO.	ITEM	COST	QTY	\$ VALUE
215897434	NP814	Balloons – Pack of 48	\$4.80	36	\$172.80
124589734	NP986	Streamers – Pack of 12	\$2.20	48	\$105.60
		plus GST			\$27.84
		Total			\$306.24

Checkpoints

Order initiator	Order recipient
Details such as product, price, quantity and delivery dates to be correct. Order value to be correct Spending commitment to be recorded Order to be authorised	Check order details – product, quantity & price Order to be filled on time If any problems contact orderer

Sales dockets and invoices

The sales docket or invoice is the most commonly used document as it is printed for each sale (in smaller businesses with few transactions it can be hand written) the original copy is given to the customer; a copy retained by the vendor (this could be electronically on computer file and/or as a duplicate printed on a cash roll).

Typically, the document will contain this information:

- A docket or invoice number
- Date and time
- Sales assistant name or number
- List of products sold, SKUs, quantities, prices and extended values
- Invoice total amount
- GST amount included if applicable
- Payment method – cash, credit card or customer account.

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The sales invoice is evidence of the transaction – customers can use it if there are any problems such as faulty merchandise.

Sales dockets and invoices come in two styles:

1. Sales docket – a simple format for cash and everyday sales used in a cash register or computer terminal. The product is entered or scanned and the shopper is asked how they wish to pay – cash or cheque, customer account, or credit card. In the case of the credit card, the terminal will usually be linked to an EFPOS (Electronic Funds Point of Sale) machine linked to the card company which will authorise the payment.

Sample:

Chocolate Delights, 120 Queen St., Wonthaggi Vic	
TAX INVOICE	
0125897519	
Lindt Dark Boxed	\$15.00
Total	\$15.00
GST included \$1.36	
Date: May 4 th 2009	
Docket No: 45781	
Served by: Jane	
Paid by Cash	

2. Invoice style – a larger format commonly used by businesses with many account customers or where detailed information needs to be provided to customer eg a Hardware and Building Supply business will have many trade customers who will need detailed information for quotation, ordering and checking purposes. Such invoices will be usually marked ‘Tax Invoice’ to show that GST may have been included. This style is favoured by service businesses such as lawyers, architects and contractors. Sample:

NEW HARDWARE			Invoice No. 1236			
120 Main St			Date: May 5 th 2012			
Yea Vic.						
Account						
Robertson Bros. 27 Smith St., Yea Vic						
TAX INVOICE						
SKU	MODEL	ITEM	SELL	GST	UNITS	TOTAL
0125897270	L18SA	1.8 m Stepladder Aluminium	\$139.00	\$12.64	1	\$139.00
		Total				\$139.00

Checkpoints

Invoice initiator	Invoice – stock recipient
Valid order number Authorised account – within credit limit Delivery date – specific – not ASAP Delivery instructions Stock availability Products Pricing If any significant problems contact orderer	Valid order number Within delivery date Products Quantities supplied Pricing Stock condition If any significant problems contact orderer or supplier

Claim forms and credit notes

If there is a problem with the invoice such as wrong price charged or short delivery, then the recipient may raise a claim on the supplier for the amount involved. eg

Ordered 12 garden forks at \$10 each, actual charge \$12 – claim \$24.

Ordered and invoiced for 6 garden spades at \$10 each – not received – claim \$60

Carton of 6 sprayers received in damaged condition – return to supplier for credit.

Before doing this, it is best to contact the supplier as often the problem may be due to an error or misunderstanding eg. in the case of the missing spades, the easiest solution is for the supplier to provide the stock at no further charge.

The normal remedy for such problems is a supplier credit note which works as an invoice in reverse – the customer account is credited with the amount of the claim.

If the problem cannot be readily resolved, then it should be referred to management – most such claims are settled in the buyer’s favour due to the need to maintain customer goodwill.

NEW HARDWARE 120 Main St Yea Vic.			Credit Note No. 136 Date: May 25th 2009			
Account J Pearson			Reason Credit for return of faulty drill			
SKU	MODEL	ITEM	SELL	GST	UNITS	TOTAL
972702361	D235	Ryobi 12v drill	\$99.00	\$9.00	1	\$99.00
		Total				\$99.00

Checkpoints

Claim initiator	Supplier
Check that claim is valid Was the initial order correct? Refer to supervisor	Check that claim is valid Refer to supervisor

Monthly statements

Most businesses issue statements to customers on a monthly basis which details all transactions for the month – purchases, payments and credits. This is similar in format to a bank statement.

If the payment terms are 30 days, the customer is expected to pay the balance within this time. Note that the payment terms are from date of statement and not date of invoice. A statement dated April 30th would be payable before the end of May. The customer should check the statement carefully to ensure that all charges are valid before payment is made. Most statements use a common format.

NEW HARDWARE		Monthly Statement No. 182		
120 Main St				
Yea Vic.		Date: May 31 st 2012		
Account No: 427		J Brown, 42 High St. Yea		
DATE	TRANSACTION	DEBIT	CREDIT	BALANCE
May 1 st	Opening balance			\$2,500
May 7 th	Invoice 2517	\$264		\$2,764
May 8 th	Payment – thank you		\$2,500	\$264
May 9 th	Invoice 2578	\$2,050		\$2,314
May 17 th	Invoice 2615	\$1,500		\$3,814
May 26 th	Credit note 318 – returns		\$200	\$3,614
May 31 st	Balance due			\$3,614

Checkpoints

Statement initiator	Customer
Check that statement is correct prior to issue	Check that each item is correct If in doubt check source documents Refer to supervisor if any problems

Application forms

Although not financial forms, many businesses use application forms as part of their operations such as banks, insurance companies or clubs. In such cases it is essential that the forms be accurately and honestly completed in accordance with business policies and procedures.

Pay special attention to factors important in determining whether the applicant is acceptable – these may vary according to organisation but could include personal referees or financial details. The applicant should understand that the information provided must be correct and that if not, the application may be declined. Where possible ask for documents or other evidence.

Processing financial forms and applications

At each stage, business forms need to be checked and appropriate action taken according to business policies and procedures and any relevant legal issues. If in doubt refer to your supervisor.

Forms should be transmitted by the most appropriate channels for processing by the correct persons. For example “Invoice with Goods” is a common policy as this ensures that it is available for the storeman to check a delivery on arrival. Marking cartons with an order number helps receiving staff match the delivery with the order.

Groups using EDI (Electronic Data Interchange) may prefer to transfer many documents electronically.

Prepare and process banking documents

The most common banking transactions are deposits and withdrawals.

Deposits

After the close of trading, most businesses close off their transactions for the day, or in the case of retailers balance their cash registers or terminals. A pre determined cash float is retained for change and the balance is banked. This will involve a visit to the bank unless there is an arrangement with a security firm.

A typical bank deposit will consist of cash and cheques. There may also be credit card vouchers if ETPOS is not used. A bank deposit slip will be used. Most businesses will have a deposit book so that cheque details can be listed and a duplicated copy retained.

To avoid errors, the deposit should be checked prior to lodgement:

- Count cash
- Add cheques and vouchers
- Total deposit

Cheques and vouchers should be checked for any irregularities prior to banking such as missing signatures or amount differences.

If there have been any changes to the deposit form or any other bank document, the bank will require these to be initialled or, in the case of cash signed.

Other deposits may be made to the business account electronically – in such cases, the payer may advise by fax or e mail but if not, these will have to be identified from the business bank statement.

Payments & withdrawals

Funds transfers and periodic payments

Electronic banking has become increasingly popular so that many businesses now use it for:

- Accounts payable – payment of monthly accounts
- Payroll – pay staff salaries by bank transfer
- Special payments as required
- Regular payments such as monthly insurance premiums or loan repayment which can be arranged by direct debit to account or by an authority for the service provider to draw on the account. Conversely your creditors can pay into your account.

There are set up costs and bank fees associated with electronic banking, but once established, most find it more efficient to operate. Some however are reluctant to use it as they feel that they are losing management control over their cash.

Cheques

Despite the rise in electronic banking, cheques remain the most common method of paying business accounts and making cash withdrawals as required.

NEWLAND BANK	
NEWTOWN BRANCH	
Pay: <i>Wages</i>	Date: <i>6/11/2011</i>
Amount: <i>One thousand & twenty six dollars 65-----</i>	<i>\$1026.65</i>
WOODLANDS HARDWARE	<i>Jane Woods</i>

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A cheque is better seen as a letter from the account holder (in this case Woodlands Hardware) to the bank requesting payment of a given sum to a third party called the payee. The above sample is called an “open cheque” which can be used by the business for wage payments or for change. An open cheque is prone to fraud and should only be used for over the counter bank transactions.

In this case, this is a wages check for a small business. When presented for cash it should be accompanied by a “change slip” (available from the bank) so that you nominate the denominations required.

Payment by cheque

If you are paying a business account by cheque you should not use an open cheque as anyone can find it and use it to obtain cash from your account.

A crossed cheque indicates that the cheque should be paid into a bank account. This protects from cashing but does not protect from misappropriation.

NEWLAND BANK	
NEWTOWN BRANCH	
Pay: <i>Roger Smith</i>	Date: <i>6/1/2011</i>
Amount: <i>Sixteen dollars 50</i> -----	<i>\$16.50</i>
WOODLANDS HARDWARE	<i>Jane Woods</i>

For maximum protection for payments, you should only issue crossed “not negotiable” cheques. This instruction tells banks that the cheque should be not only banked, but should be banked in an account bearing the payee’s name. To achieve this, write “not negotiable” between the parallel lines

NEWLA		INSERT “Not Negotiable”
NEWTOWN BRANCH		
Pay: <i>Roger Smith</i>	Date: <i>6/1/2011</i>	
Amount: <i>Sixteen dollars 50</i> -----	<i>\$16.50</i>	
WOODLANDS HARDWARE	<i>Jane Woods</i>	

Reconciling bank records

Businesses can request bank statements as required but most will choose weekly or monthly. There will usually be differences between the business cash at bank record and the bank’s record of the account. This is more likely when there may be account deposits and withdrawals made by other parties. Reasons for variations may include:

- Bank charges
- Cheques issued but not presented
- Deposits not credited eg expected customer payment missed
- Unplanned charges such as bank loan fee
- Unexpected charges eg. cheque dishonoured

To maintain accurate records and for effective management, a Bank Reconciliation Statement should be prepared to reconcile the differences and update your cash balances.

To minimise bank reconciliation problems it is important that all your banking transactions and documentation are accurate and comply with banking guidelines.

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BANK RECONCILIATION

A business will usually keep a running bank balance either in their ledger Cash at Bank account or in the chequebook. Electronic transactions – receipt and payments. make it more important to regularly reconcile your bank balance with the actual bank figure to identify any differences.

Petty cash transactions

Most businesses have a cash tin to provide for small incidental expenses but it is often not well managed and open to abuse. Petty cash systems are sometimes called ‘imprest’ systems as their main function is to provide small advances for anticipated business expenses eg. Sally needs to deliver documents in the city – needs a \$20 advance to cover fares. A typical system is:

- A cash tin is kept by a nominated staff member, say Jack in accounts department
- The tin holds a nominated value – say \$200
- To obtain cash from the tin, the staff member must produce a voucher authorized by her supervisor eg. Sally has a voucher for \$20 signed by Bob.
- The voucher is cashed from the tin – Sally exchanges her \$20 voucher for \$20 cash
- The value in the tin remains at \$200 but in now consists of \$180 in cash and a \$20 voucher
- Sally’s fares cost \$15 so she returns with \$5 change. Her previous voucher is amended to \$15 (or the \$20 voucher cancelled and replaced) so that the value in the tin remains at \$200
- During the week more vouchers are cashed so that the tin is now short of cash
- The tin is balanced – it now has \$160 in vouchers and \$40 in cash. For record purposes this is entered in a book.
- Jack requests a petty cash cheque for \$160 which is cashed to top up the tin – old vouchers are removed so that value remains at \$200 – now in cash.

The amount of cash in the petty tin should be adjusted according to need. Perhaps hold enough cash to do a weekly balance and top up?

Prepare invoices for payment

Invoices should be checked on receipt of goods and approved for payment then. Payment should be made on a statement basis – check that all invoices on the statement have already been approved prior to payment. If there are doubts about any invoice then recheck it before payment or withhold from payment until issue resolved.

All payments should be approved by the relevant manager and made according to policies and procedures. Documents should be retained for audit purposes.

Account payments due

If the business has account customers then the usual way to collect these is by sending the customer a monthly. statement showing all transactions for the completed month. If a thirty day account then the “Amount Due” will be payable by the end of the month.

The statement will also show amounts overdue from previous months which will be shown as “30 Days”, “60 Days” and “90 Days”. For example Bob Black has an amount of \$120 not paid from the previous month and charges of \$80 for the month just completed – he thus owes a total of \$200.

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To better control account collections, businesses usually use a “Dated Trial Balance Report” which shows all amounts due for each period. The business should focus on the “60 Days” and “90 Days” customers and take steps to collect them. This is necessary to protect the business cash flow and minimise risk of bad debts.

Do	Don't
<ul style="list-style-type: none">• Use the financial forms that you handle• Complete banking documents to meet bank guidelines• Regularly balance petty cash• Ensure that all invoices are checked & authorized prior to payment• Refer any discrepancies to supervisor or manager	<ul style="list-style-type: none">• Use forms you don't understand• Ignore problems – double check or seek advice• Lose documents – account for each

11 Maintain daily financial/business records

FNSICGEN305B

STEP 3	Tasks – Q & A
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Q11.01T Business forms and records

If you are employed in a business list the forms or documents used in your workplace. If not, visit a supermarket and identify the forms or documents used for regular transaction.

A

Documents	Use

Q11.02T Banking practices

Why should a business thoroughly check all bank deposits prior to lodgment and accurate deposit records be maintained?

A

Q11.03T Petty cash

Why is it important for a business to regularly balance and replenish the petty cash tin?

A

Putting skills to work – Maintain daily financial/business records

List the knowledge or skills which you learned in this unit and describe how they can be used in a retail workplace.

Knowledge/Skills	Application

Task Summary			
Task	Start	Finish	Checked

Maintain daily financial/business records FNSICGEN305B

11.01T Business forms & records			
11.02T Banking practices			
11.03T Petty cash			
Putting skills to work			

STEP 4	Learning Activities
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11.01 Authorise invoice payment

Before being authorized for payment, supplier invoices should be checked to ensure validity and accuracy. These are items which should be checked – indicate what needs to be checked.

Item	Check
Invoice number	
Order number	
Products delivered	
Quantity	
Price	
Other charges	

11.02 Check statements

Suppliers will usually issue a statement which includes all transactions for the month. What should you check?

LEARNING ACTIVITY RECORD

TRAINEE	NUMBER
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Maintain daily financial/business records FNSICGEN305B

Learning activities	✓	Start	Finish	Checked
10.01 Authorise invoice payment				
11.02 Check statements				

Go to STEP 5 - Assessment

This completes the training component for this unit. If there is anything which you don't understand discuss this with your supervisor or trainer. If you are confident that you have developed the skills and knowledge as listed in Step 1 Skills and Knowledge, ask your trainer to arrange an assessment. Your assessor will use the criteria in Step 5 and any other relevant factors to assess your performance.

The assessment process is that you fill in the information about yourself and your activities in the Step 5 sheet. The assessor role is to verify this and ensure that you meet the assessment criteria for this unit.

11 Maintain daily financial/business records

FNSICGEN305B

STEP 5	Trainee Assessment
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Trainee Name	
Trainee Number	
Unit	Maintain daily financial/business records FNSICGEN305B

1. Skills and knowledge

Trainees to demonstrate that they meet the accreditation skills required for the unit (called elements of competency and performance criteria).

Accreditation skill	Trainee ✓	Trainer ✓	Assessor ✓
If employed in business do you know the policies and procedures and any other regulations .applicable for this unit?			

1. Process business forms and applications

Do you understand the purpose of business forms used?			
Do you know how to identify, check and record document information?			
Do you know how to process and record documents & transmit them according to systems?			
How can you ensure that all work is completed in accordance with organisation procedures, and relevant regulations?			

2. Prepare and process banking documents and petty cash documents

Why should bank deposits and withdrawals be accurately recorded and balanced according to organisation procedures?			
Why should cheques and credit card vouchers be checked prior to depositing?			
Why should bank statements be reconciled with organisation financial records, where applicable to your position?			
Why should business banking documents meet bank guidelines?			

3. Process petty cash transactions

Why should petty cash claims and vouchers be checked and balanced according to business procedures?			
Why should any discrepancies to supervisor or manager?			

4. Prepare and process invoices for payment to creditors and by debtors

Why should invoices and statements be thoroughly checked prior to payment?			
Why should invoice approval processes be reliable?			
Why should claims and credits be made if there are errors and discrepancies?			
Why should invoices and related documents be filed?			
Do you know the business payment procedures?			

2. Unit notes

Trainees to have read the notes for this unit.

3. Tasks – Q & A

Trainees to have completed tasks and show an understanding of unit issues.

Task	✓	Trainer	Assessor
11.01T Business forms & records			
11.02T Banking practices			
11.03T Petty cash			
Putting skills to work			

4. Learning activities

Trainees should have completed those activities as selected by their trainer – there is no requirement to do them all – additional activities can be included. Assessment may be by observation or evidence by a third party.

Learning activities	✓	Trainer	Assessor
11.01 Authorise invoice payment			
11.02 Check statements			

5. Other tasks, activities and prior learning

List any other relevant tasks & activities completed and any prior learning recognised.

6. Third party evidence

I certify that I have observed the trainee perform the listed activities in the workplace to a consistently high standard and is competent in these skills.

Signed: Position: Date:

7. Employability skills

Trainees should learn employability skills through doing the practical activities. Tick those which are appropriate.

Employability skill	✓	Employability skill	✓
1 Communicating effectively		5 Planning and organising	
2 Working in a team		6 Self management	
3 Problem solving		7 Learning new skills	
4 Initiative & enterprise		8 Using technology	

8. Unit assessment

Based on the evidence provided and observation the trainee has been assessed as competent in this unit.

Trainee: Date:

Trainer: Date:

Assessor: Date:

Trainee Name		
Trainee Number		
Unit	Maintain daily financial/business records FNSICGEN305B	C NYC