



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **BSBFIA303A Process accounts payable and receivable**

**Revision Number: 1**

## BSBFIA303A Process accounts payable and receivable

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to maintain accounts payable and accounts receivable records, including processing payments to creditors and handling overdue accounts receivable.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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### Application of the Unit

<b>Application of the unit</b>	<p>This unit applies to individuals employed in a range of work environments supporting the accounting functions and aspects of an enterprise. They may provide administrative support within an enterprise, or may be members of staff who have been delegated accounting responsibilities.</p>
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Maintain financial journal systems	1.1. Check <i>source documents</i> for accuracy and appropriate authorisation 1.2. Refer errors and discrepancies in source documents for resolution, in accordance with organisational policy and procedures 1.3. Enter <i>transactions</i> into cash and credit <i>journal system</i> in accordance with organisational policy and procedures, and <i>relevant legislation and compliance requirements</i> 1.4. Total credit journals in accordance with organisational policy and procedures
2. Prepare bank reconciliations	2.1. Check cash journals against bank statements to identify differences 2.2. Update cash journals with relevant data from bank statement/s 2.3. Identify <i>discrepancies</i> and refer to appropriate staff member, organisation or agency 2.4. Total cash journals in accordance with organisational policy and procedures 2.5. Prepare regular reconciliation reports within designated time lines
3. Maintain accounts payable and accounts receivable systems	3.1. Enter transactions into individual <i>accounts payable and accounts receivable</i> , in accordance with organisational policy and procedures, and accounting requirements 3.2. Prepare schedules of accounts payable and accounts receivable for reconciliation purposes, in accordance with organisational requirements 3.3. Reconcile schedules accounts payable and accounts receivable with <i>journal data</i> or general ledger, in accordance with organisational requirements
4. Process payments for accounts payable	4.1. Reconcile accounts payable statements with accounting records, in accordance with organisational policy and procedures 4.2. Check <i>payment documentation</i> for accuracy of information and discrepancies and rectify errors, in accordance with organisational requirements
5. Prepare statements for accounts receivable	5.1. Produce and check <i>accounts receivable statements</i> for accuracy of content in accordance with organisational policy and procedures

ELEMENT	PERFORMANCE CRITERIA
	5.2. Rectify discrepancies and statements despatched within designated time lines
6. Follow up outstanding accounts	<p>6.1. Maintain accounts receivable ledger system, in accordance with organisational requirements, to reflect current credit situation</p> <p>6.2. Conduct aged analysis of accounts receivable to identify outstanding accounts and to determine collection procedures, in accordance with organisational requirements</p> <p>6.3. Report or follow-up outstanding accounts in accordance with organisational policy and procedures</p> <p>6.4. Monitor and review <i>credit terms</i> in accordance with credit policy and procedures</p>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- literacy skills to read and understand financial procedures
- numeracy skills to:
  - use knowledge of mathematical concepts
  - interpret, compare and calculate with whole numbers and money
  - use decimal fractions and percentages
- problem-solving skills to use approximation to check for discrepancies and ensure calculations are correct.

#### Required knowledge

- key provisions of relevant legislation and regulations from all forms of government, standards and codes that may affect aspects of business operations, such as:
  - Australian Taxation Office regulations
  - Goods and Services Tax (GST) regulations
  - anti-discrimination legislation
  - ethical principles
  - codes of practice
  - finance legislation
  - privacy laws
  - occupational health and safety
- limit of scope of own responsibility
- organisational accounting systems and procedures.

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Evidence of the following is essential:</p> <ul style="list-style-type: none"> <li>maintaining journals and subsidiary ledger systems</li> <li>accurately entering data into journal and subsidiary ledger system</li> <li>reconciling subsidiary ledger system with journal or general ledger data.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> <li>access to an actual workplace or simulated environment</li> <li>access to office equipment and resources, such as: <ul style="list-style-type: none"> <li>calculator</li> <li>computer equipment and relevant software</li> </ul> </li> <li>access to examples of cash journals, credit journals, accounts payable and accounts receivable subsidiary ledgers</li> <li>access to workplace reference materials such as procedural manuals and company policy.</li> </ul>
<b>Method of assessment</b>	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> <li>analysis of responses to case studies and scenarios</li> <li>demonstration of techniques</li> <li>direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate</li> <li>review of authenticated documents from the workplace or training environment</li> <li>oral or written questioning to assess knowledge of accounting procedures and techniques.</li> </ul>
<b>Guidance information for assessment</b>	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:</p> <ul style="list-style-type: none"> <li>other financial administration units.</li> </ul>



## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

***Source documents*** may include:

- adjustment notes issued
- adjustment notes received
- cheque butts
- credit notes issued
- credit notes received
- invoices issued
- invoices received
- receipts
- tax invoices issued
- tax invoices received

***Transactions*** may include:

- capital contributions in cash by owner
- cash purchases
- cash sales
- commission
- credit purchases
- credit sales
- day-to-day expenses
- electronic funds transfer
- interest charges and bank fees
- interest revenue
- payments received from debtors
- payments to creditors
- petty cash transactions
- purchases paid by cheque
- returns
- withdrawal of cash by owner

***Journal system*** may include:

- cash payments journal
- cash receipts journal
- purchases journal
- purchases returns journal
- sales journal
- sales returns journal

<b>RANGE STATEMENT</b>	
<i>Systems</i> may include:	<ul style="list-style-type: none"> <li>• computerised</li> <li>• manual</li> </ul>
<i>Relevant legislation and compliance requirements</i> may include:	<ul style="list-style-type: none"> <li>• consumer: <ul style="list-style-type: none"> <li>• codes of practice</li> <li>• Australian Consumer Credit Code</li> <li>• privacy laws</li> <li>• secrecy laws</li> </ul> </li> <li>• competition: <ul style="list-style-type: none"> <li>• Australian Competition and Consumer Commission (ACCC), National Competition Policy</li> </ul> </li> <li>• prudential: <ul style="list-style-type: none"> <li>• commonwealth Bills of Exchange Act 1909</li> <li>• commonwealth Cheques and Payment Orders Act 1986</li> <li>• commonwealth Financial Transaction Reports Act 1988</li> <li>• commonwealth Land Tax Assessment Act 2002</li> <li>• commercial tenancies laws</li> <li>• corporate law</li> <li>• Credit Reference Association of Australia (CRAA)</li> <li>• Electronic Funds Transfer (EFT) Code of Conduct</li> <li>• Financial Institutions (FI) Code</li> <li>• payroll tax assessment laws and regulations</li> <li>• prescribed payments laws and regulations</li> <li>• stamp duties laws</li> <li>• taxation assessment laws</li> </ul> </li> </ul>
<i>Discrepancies</i> may include:	<ul style="list-style-type: none"> <li>• bank charges</li> <li>• direct deposits</li> <li>• direct payments</li> <li>• dishonoured cheques</li> <li>• interest</li> </ul>
<i>Accounts payable and accounts receivable systems</i> may include:	<ul style="list-style-type: none"> <li>• accounts payable schedule</li> <li>• accounts payable subsidiary ledger</li> <li>• accounts receivable schedule</li> <li>• accounts receivable subsidiary ledger</li> </ul>

<b>RANGE STATEMENT</b>	
<b><i>Journal data</i></b> may include:	<ul style="list-style-type: none"> <li>• accounts payable data from cash payments journal</li> <li>• accounts receivable data from cash receipts journal</li> <li>• purchases journal total</li> <li>• purchases returns journal total</li> <li>• sales journal total</li> <li>• sales returns journal total</li> </ul>
<b><i>Checking payment documentation</i></b> may include:	<ul style="list-style-type: none"> <li>• attachment of supporting invoices, statements</li> <li>• calculation of discount</li> <li>• cheque data</li> <li>• remittance advice data</li> </ul>
<b><i>Accounts receivable statements</i></b> may include:	<ul style="list-style-type: none"> <li>• any payments received allocated on an invoice by invoice basis</li> <li>• computerised system</li> <li>• discount policy</li> <li>• final balance with overdue details if appropriate</li> <li>• information about any sales, sales returns, credit, forward orders and payments, which have occurred throughout the month</li> <li>• manual system</li> <li>• month to which statement is applicable</li> <li>• name and address of client or accounts receivable</li> <li>• name and address of supplier</li> <li>• opening balance if applicable</li> </ul>
<b><i>Credit terms</i></b> may include:	<ul style="list-style-type: none"> <li>• arrangements for settlement</li> <li>• cancellation of agreed credit arrangements</li> <li>• cash on delivery</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	
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## Competency field

Competency field	Finance - Financial Administration
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## Co-requisite units

Co-requisite units		