



Australian Government

Department of Education, Employment and Workplace Relations

FNSBKG403A Establish and maintain an accrual accounting system

Revision Number: 1

FNSBKG403A Establish and maintain an accrual accounting system

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to establish debtors and creditors, bad debt and contra entries, perform reconciliations, review compliance terms and conditions, plan a recovery action and prepare reports to set up and maintain a manual and computerised accrual accounting system.</p> <p>This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including various aspects of the Tax Act, Goods and Services Tax (GST) rulings.</p>
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Application of the Unit

Application of the unit	<p>This unit applies to individuals who are responsible for providing contract bookkeeping services across all industries and working directly for organisations and small business owners.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units			
	<table border="1"> <tr> <td>FNSBKG402A</td> <td>Establish and maintain a cash</td> </tr> </table>	FNSBKG402A	Establish and maintain a cash
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Prerequisite units		
		accounting system

Employability Skills Information

Employability skills	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. Manage the chart of accounts	1.1. Chart of accounts is adjusted to incorporate and establish debtors and creditors as they arise 1.2. Debtors and creditors subsidiary ledgers are established as required
2. Process invoices, adjustment notes and other general ledger transactions	2.1. Invoices to debtors are raised and invoices to creditors are allocated with source documents coded and processed 2.2. Payments from debtors are received, processed and banked in accordance with <i>organisational policies and procedures</i> 2.3. Payments to creditors are made and processed in accordance with organisational policies and procedures 2.4. Adjustments are raised and allocated to correct invoices 2.5. Credit notes are raised for adjustments to invoices and <i>other transactions</i> are entered into the general ledger
3. Manage contra entries	3.1. <i>Relevant persons</i> are contacted and liaised with to verify contra deals 3.2. Reporting procedures and documentation for contra entries are completed in accordance with organisational policies and procedures and contra entries processed to update debtors, creditors and general ledgers
4. Identify and process bad debts	4.1. Bad debt status is verified through liaison with relevant persons and following attempts to work with debtors to clear debts 4.2. Reporting procedures and appropriate documentation are completed in accordance with organisational policies and procedures and bad debts processed to update debtors and general ledgers
5. Manage debt recovery	5.1. Activities and communication with debtors are reviewed in conjunction with relevant persons, if applicable, to establish adequacy of follow-up 5.2. Measures to collect monies, including the initiation of legal action and the seeking of expert advice, are undertaken in accordance with organisational policies and procedures
6. Prepare and produce	6.1. Reports are produced and transactions in report are

ELEMENT	PERFORMANCE CRITERIA
reports and trial balance	validated 6.2. Debtors and creditors are reconciled and relevant reports are produced with any necessary corrections made 6.3. Trial balance is produced and reports are presented and explained where necessary to relevant persons

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to:
 - build relationships, determine and confirm client requirements, using questioning and active listening as required
 - deal with debtors in an empathetic manner to clear debts if possible
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - accurately analyse, code, record and store data in accordance with organisational requirements
 - access and use appropriate financial management software, spreadsheets and databases
 - use internet information
- analysis for accessing, interpreting and managing relevant financial data
- literacy skills for interpreting documentation and compiling reports
- self-management skills for complying with ethical, legal and procedural requirements
- problem solving skills to identify any issues that have the potential to impact on the debt recovery process or outcome and to develop options to resolve these issues when they arise or refer to other professionals as appropriate
- organisational skills, including the ability to plan and sequence work to provide a timely and professional service
- teamwork skills to identify activities required with business owners and other relevant persons

Required knowledge

- legal systems and procedures relevant to debt recovery and necessary preliminary steps, timing and acceptable avenues for recovering debts
- differences between cash and accrual accounting
- relevant industry codes of practice
- relevant organisational policies, procedures and guidelines related to the processing of transactions and records
- relevant statutory, legislative and regulatory requirements specifically with relation to ensuring that all bookkeeping activities undertaken meet requirements related to Activity Statements
- manual and computerised accounting systems
- concepts of double-entry accounting

Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • interpret and comply with relevant legislation • review accounts receivable and payable processes and identify bad and doubtful debts • deal with debtors in an empathetic manner • plan recovery actions in accordance with legal requirements • produce a trial balance.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to an integrated financial software system and data • access to a range of relevant and current industry information materials.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills which may include formal examinations • setting and reviewing workplace projects and business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

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.

<p><i>Organisational policies and procedures</i> may include:</p>	<ul style="list-style-type: none"> • manual or computer system documentation • internal control guidelines • legal obligations • operations manuals • organisational policies and procedures including: <ul style="list-style-type: none"> • working with others • participating in ongoing learning • monitoring and evaluating own performance • managing own time and priorities • applying goals and visions • suspension of credit facilities • trading terms and credit limits.
<p><i>Other transactions</i> may include:</p>	<ul style="list-style-type: none"> • assets • capital • interest • loans • one-off purchases • private usage • taxes.
<p><i>Relevant persons</i> may include, but are not limited to:</p>	<ul style="list-style-type: none"> • accountants • debtors • directors • managers • owners • staff members.

Unit Sector(s)

Unit sector	Bookkeeping
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		