



Australian Government

FNSBKG402 Establish and maintain a cash accounting system

Release: 1

FNSBKG402 Establish and maintain a cash accounting system

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to establish and administer a cash receipts and payments system, and manage bank reconciliations and reporting responsibilities for manual and computerised systems.

It applies to individuals in positions with some responsibility who may use a range of organisational and analytical techniques to provide bookkeeping services for organisations and small business owners or managers.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Bookkeeping

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify relevant information and establish chart of accounts	1.1 Consult business owner or manager to establish what business activities are undertaken, nature of entity and industry type 1.2 Identify existing material and examine for relevance in creating and/or modifying chart of accounts 1.3 Examine business operations in conjunction with tax agent and business owner or manager to identify accounting software required and determine reporting requirements 1.4 Establish chart of accounts and opening balances for assets, liabilities, equity, income, cost of sales and expenses

ELEMENT	PERFORMANCE CRITERIA
	1.5 Refer prepared chart of accounts and balances for validation and authorisation by relevant persons
2. Analyse and verify source documents	2.1 Verify invoices and other source documents for accuracy and compliance with taxation requirements 2.2 Identify and investigate discrepancies between monies owed and monies paid according to organisational policy and procedures
3. Process receipts and payments	3.1 Collect payments and bank money received 3.2 Code and record receipts and payments in bookkeeping system on cash basis 3.3 File receipts and payments 3.4 Balance cash register against purchases and process takings in internal bookkeeping system
4. Set up and maintain petty cash system	4.1 Prepare expenditure authorisation record of encoded, recorded and filed expenditure 4.2 Reconcile and reimburse expenditure
5. Process and reconcile credit cards	5.1 Process credit card transactions against invoices and other source documents, and verify and reconcile against credit card statements 5.2 Process credit card payments in accordance with organisational policy and procedures
6. Manage bank reconciliations and prepare and produce reports	6.1 Verify processed transactions promptly against bank statement on receipt of statement 6.2 Process and verify bank entries and reconcile bank statement to balance as per bookkeeping system 6.3 Produce validated reports in line with business needs in timely manner, and make corrections as required

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
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Reading	1.2, 1.3, 2.1, 2.2, 5.1, 6.1	- Evaluates information from a variety of sources to determine relevance to requirements - Checks detailed information for consistency and accuracy, and identifies sources of error
Writing	1.4, 3.2, 3.4, 4.1, 6.3	Records information accurately in required formats, and prepares and amends authenticated reports that meet business requirements
Oral Communication	1.1, 1.3, 1.5, 2.2	Engages in effective interactions with others using careful questioning and listening techniques to elicit relevant information and confirm understanding of requirements
Numeracy	1.3, 1.4, 2.1, 2.2, 3.1, 3.4, 4.1, 4.2, 5.1, 5.2, 6.2, 6.3	- Uses a range of financial calculations to establish balances, verify accuracy of documents and identify errors - Applies developed mathematical strategies to perform a range of transactions, reconciliations and verification processes in compliance with organisational and regulatory requirements and bookkeeping systems - Uses numerically based coding system - Uses mathematical language to communicate financial requirements
Navigate the world of work	2.1, 2.2, 5.2, 6.2	Takes responsibility for adherence to policies, procedures, and legal and ethical requirements
Interact with others	2.2	- Selects appropriate conventions and protocols to communicate in interactions that aim to investigate discrepancies - Adapts personal communication style to show respect for the values, beliefs and cultural expectations of others
Get the work done	1.1-1.5, 2.2, 2.3, 3.1-3.4, 4.1, 4.2, 5.1, 5.2, 6.1-6.3	- Organises and completes work according to defined requirements, taking responsibility for decisions and sequencing tasks to achieve efficient outcomes - Uses systematic analytical processes in complex, routine and non-routine situations, gathering information and identifying and evaluating potential solutions - Uses digital tools to design work processes and to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSBKG402 Establish and maintain a cash accounting system	FNSBKG402A Establish and maintain a cash accounting system	Updated to meet Standards for Training Packages Minor edits to clarify intent of performance criteria	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSBKG402 Establish and maintain a cash accounting system

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Performance Evidence

Evidence of the ability to:

- establish client files and set up manual and computerised bookkeeping system on a cash basis
- thoroughly check invoices, receipts, payments and balances outstanding
- use bank account and cash reconciliation processes
- establish a basic chart of accounts
- carry out bank reconciliations and prepare reports
- follow organisational procedures and legislative requirements in conducting all activities.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- explain the differences between cash and accrual accounting
- describe the key accounting and reporting requirements for different types of business entities
- explain bookkeeping activities necessary to meet the requirements of activity statement statutory, legislative and regulatory requirements
- outline relevant industry codes of practice
- describe organisational policy and procedures that relate to processing accounts and transactions
- outline possible reasons for discrepancies between monies owed and monies paid
- outline the different features of manual and computerised accounting systems.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the bookkeeping field of work and include access to and use of:

- common office equipment, technology, software and consumables
- an integrated financial software system and real or simulated banking information.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>