



Australian Government

FNSBKG403 Establish and maintain an accrual accounting system

Release: 1

FNSBKG403 Establish and maintain an accrual 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 debtors and creditors, manage debt recovery, perform reconciliations and prepare reports for accrual accounting in manual and computerised accounting systems.

It applies to individuals who may use managerial and other techniques to provide contract bookkeeping services for organisations and small business owners.

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.

Pre-requisite Unit

FNSBKG402	Establish and maintain a cash accounting system
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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. Manage chart of accounts	1.1 Adjust chart of accounts to incorporate and establish debtors and creditors as they arise 1.2 Establish debtor and creditor subsidiary ledgers as required

ELEMENT	PERFORMANCE CRITERIA
2. Process invoices, adjustment notes and other general ledger transactions	2.1 Raise invoices to debtors and allocate invoices to creditors with coded and processed source documents 2.2 Process and bank payments from debtors in accordance with organisational policy and procedures 2.3 Process payments to creditors in accordance with organisational policy and procedures 2.4 Allocate adjustments to correct invoices 2.5 Raise credit notes for adjustments to invoices and enter other transactions into general ledger
3. Manage contra entries	3.1 Contact and liaise with relevant persons to verify contra deals 3.2 Complete reporting procedures and documentation for contra entries in accordance with organisational policy and procedures, and process contra entries to update debtors, creditors and general ledgers
4. Identify and process bad debts	4.1 Liaise with relevant persons to report and verify bad debt if negotiations with debtors do not produce successful outcomes 4.2 Complete reporting procedures and appropriate documentation in accordance with organisational policy and procedures, and process bad debts to update debtors and general ledgers
5. Manage debt recovery	5.1 Review activities and communication with debtors with relevant persons to determine adequacy of follow up, if applicable 5.2 Start processes to collect monies that include initiation of legal action and consultation with experts, in accordance with organisational policy and procedures
6. Prepare and produce reports and trial balance	6.1 Produce reports that contain validated transactions 6.2 Reconcile debtors and creditors, and produce accurate relevant reports 6.3 Produce trial balance and present reports to relevant persons with explanations 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
Reading	2.1-2.5, 5.1	Reviews relatively complex information for accuracy and relevance to requirements
Writing	1.1, 1.2, 2.1, 2.4, 2.5, 3.1, 3.2, 4.2, 5.2, 6.1, 6.2	- Records information accurately in required formats that comply with organisational requirements and bookkeeping practice - Prepares, produces and updates accurate, relatively complex financial information in required report formats
Oral Communication	3.1, 4.1, 5.1, 5.2, 6.3	Participates effectively in exchanges with others using questioning and active listening to elicit required information and confirm understanding
Numeracy	2.2-2.5, 3.2, 6.1-6.3	- Performs an extended range of financial transactions and maintains accurate recording and reconciliation processes - Extracts, interprets and prepares accurate relevant numerical data for reports
Navigate the world of work	2.2, 2.3, 5.2	Takes responsibility for adherence to organisational policy, procedures, and legal and ethical requirements
Interact with others	3.1, 4.1, 5.1, 5.2	- Selects and uses appropriate conventions and protocols when communicating with internal and external stakeholders across a range of work contexts - Collaborates and negotiates respectfully and courteously with debtors to achieve required outcomes in potentially contentious situations
Get the work done	1.1, 1.2, 2.1-2.5, 3.1, 3.2, 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
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Code and title current version	Code and title previous version	Comments	Equivalence status
FNSBKG403 Establish and maintain an accrual accounting system	FNSBKG403A Establish and maintain an accrual 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 FNSBKG403 Establish and maintain an accrual accounting system

Modification History

Release	Comments
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Performance Evidence

Evidence of the ability to:

- manage manual and computerised chart of accounts, incorporating accounts receivable and accounts payable, according to organisational procedures and legislative requirements
- review completed accounts receivable and payable processes and identify bad and doubtful debts
- plan recovery actions in accordance with legal requirements
- deal with debtors courteously and respectfully
- produce a trial balance.

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
- explain the concept of double-entry accounting
- identify relevant legal processes and describe procedures relevant to debt recovery
- describe the necessary preliminary steps, timing and acceptable avenues for recovering debts
- explain organisational policy and procedures related to the processing of transactions and records
- identify the key legislative requirements that relate to compliant bookkeeping practice
- describe the key features and differences between the operation 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 data
- current and relevant industry information materials.

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>