



Candidate Resource and Assessment

FNSICGEN305A

Maintain Daily Financial/Business Records



Whether as an individual, or as part of a group, real progress depends on entering whole-heartedly into the process and being motivated to make you a more deeply satisfied human being.

Focusing on your training needs



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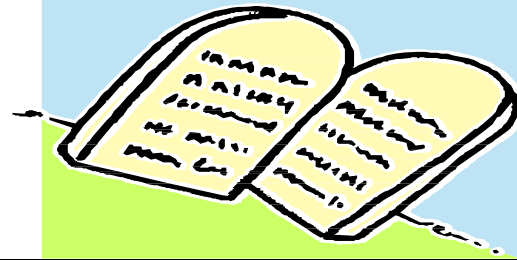
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"You're either part of the solution or part of the problem".

Eldridge Cleaver

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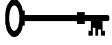
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Focus on

Your Area of Influence

Use considered risk taking in your 'grey' area

And others will follow you!

Legend	This course is divided into several sections of learning. Each section begins with the title of the element of the unit being taught, a quotation and a graphic related to content across the top of the page.
	This symbol indicates the beginning of new content. The bold title matches the content of the competency and they will help you to find the section to reference for your assessment activities.
	Activity: Whenever you see this symbol, there is an activity to carry out which has been designed to help reinforce the learning about the topic and take some action.
	This symbol is used at the end of a section to indicate the summary key points of the previous section.

Qualification Pathways



A goal without a plan is just a wish.

Antoine de Saint-Exupery

Qualification Pathways

This unit of competency is provided to meet the requirements of BSB07 Business Services Training Package although can be used in a range of different qualifications. The BSB07 Business Services Training Package does not state how a qualification is to be achieved. Rather, Registered Training Organisations are required to use the qualification rules to ensure the needs of the learner and business customer are met. This is to be achieved through the development of effective learning programs delivered in an order which meets the stated needs of nominated candidates and business customers.

Qualification Rules

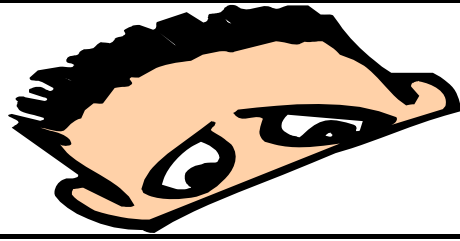
Qualification requirements include core and elective units. The unit mix is determined by specific unit of competency requirements which are stated in the qualification description. Registered Training Organisations then work with learners and business customers to select elective units relevant to the work outcome, local industry requirements and the qualification level.

All vocational education qualifications must lead to a work outcome. BSB07 Business Services Training Package qualifications allows for Registered Training Organisations (RTOs) to vary programmes to meet:

- Specific needs of a business or group of businesses.
- Skill needs of a locality or a particular industry application of business skills.
- Maximum employability of a group of students or an individual.

When packaging a qualification elective units are to be selected from an equivalent level qualification unless otherwise stated.

Introduction



"If learning comes through experience, it follows that the more one participates in guided experiences, the more one learns. Therefore venturing into uncharted waters - and experiencing the failures that may occur - is an important part of organisational learning."

Gould, DiBella, Nevis

Introduction

This unit of competency is all about preparing and processing financial and business documents. It covers the processing of financial transactions including petty cash, invoicing and banking in a business environment. It will help you with the skills you need to demonstrate competency for the unit FNSICGEN305A Maintain daily financial/business records. This is one of the units that make up the Certificate II in Business.

This manual is broken up into four distinct sections. These are:

1. **Process Financial Forms and Applications:** In this first section, we will outline procedures and policies covering financial forms and processing.
2. **Prepare and Process Banking Documents and Petty Cash Documents:** Then, you will learn how to reconcile a bank account, make deposits and pay in cash correctly.
3. **Process Petty Cash Transactions:** First we will learn what a petty cash system is and how you operate one.
4. **Prepare and Process Invoices for Payment to Creditors and for Debtors:** Next, you will learn how to check invoices to ensure they are correct before they are paid. Finally, you will learn how to prepare a set of invoices after a sale has been made.

At the conclusion of this manual you will be asked to complete an Assessment Pack for this unit of competency. The information contained in this Resource will assist you to complete this task.

On completion of the assessment as competent, you will have demonstrated skills and knowledge necessary to prepare and process business/financial documents.

SAMPLE

FNSICGEN305A/01

Process Financial Forms and Applications



"I write down everything I want to remember. That way, instead of spending a lot of time trying to remember what it is I wrote down, I spend the time looking for the paper I wrote it down on."

Beryl Pfizer



Information from documents is identified, checked and recorded

Documents are processed and recorded or transmitted to appropriate personnel

All work undertaken is in accordance with organisational procedures, legislation and regulations

In this first short section, we are going to learn some of the basic principles behind processing financial documents, before we cut our teeth on actually processing some transactions. It is important to know these basic principles because it allows us to ensure that we deal with transactions in an accurate and effective way.

Let's begin this section by looking at some of the types of document that your organisation is likely to use and/or receive and what you should look for while checking these documents.

What Types of Financial Documents are Used

Each organisation is likely to have a different set of financial documents that they use in order to carry out their functions, but the most common documents include:

- **Application forms** - These are generally used by an individual or a business that is applying for a credit account with an organisation. Checking identity details against passports and/or drivers licences is a good idea to ensure that the identity being provided is true. Credit checks should also be made.
- **Claim forms** - Expense claim forms should be checked against any receipts provided as evidence of the claim occurring. The claim should also be checked against organisational policies for what expense claims are allowable.
- **Petty cash vouchers** - Again, petty cash vouchers need to be accompanied by a receipt proving the petty cash claim. This receipt needs to be checked to ensure an true claim is being made.
- **Invoices** - An invoice is a request for payment by a business. Check who the invoice is from, and whether a transition with the business was actually made. There are cases where organisations have generated fake invoices that get paid, unchecked. Ensure that all invoices match a purchase order generated by the business.

- **Receipts** - Receipts for payment should be checked against invoices, to ensure that the receipt is for an invoice actually provided to the company. Receipts should also be compared to bank statements (ensuring that your account has actually been debited), this can be used as a check when reconciling your bank account.
- **Credit notes** - Credit notes should be compared against statements from both your bank and the issuing organisation. If a refund has been offered, the refund should appear in your bank account. In other cases, you may find the amount you owe the organisation has been adjusted to take into account any credit provided.
- **Statements** - Statements are a useful means of comparing your actual account balance against your accounting records. This process is known as bank reconciliation, and will be covered in detail later in this manual.
- **Deposit books** - Your deposit book is a document that will become important when you begin the bank reconciliation process. Particularly for deposits that have been made, but are not yet credited by the bank.
- **Delivery dockets** - A delivery docket allows you to ensure that what you receive in your business matches what you ordered. Your inwards goods staff should count all items received and check these off against the delivery document. Any discrepancy should be noted so that any goods not received can be dispatched.

If any problem is noted when checking any financial document, it is important that you notify the correct person. This individual will vary depending on the document being checked. Personnel may include:

- Supervisor
- Manager
- Account department
- Accounts clerk
- Petty cash officer.

Procedures for Financial Processing

There are numerous policies and procedures that your organisation is likely to have with regards to financial processing. Some of the more common may include:

Procedures for Entering and Balancing Deposits

Your customers or clients are likely to make payments to your organisation using different methods. Some may pay using a credit card, others on a credit account, using cash, cheques or even using online banking. It is important that your organisation has procedures that are followed in order to ensure that payments are entered and balanced before they are deposited into your bank account. Banking is generally done on a daily basis, to ensure that there is no money left on the business premises at the end of the business day.

Procedures for Checking Validity of Cheques and Card Vouchers

Cheques and credit card vouchers require special attention, as if the documents are not recorded correctly they may not be honoured by the issuing banks, leaving the organisation out of money. We will deal with checking these documents in detail later in this manual.

Security Procedures

Organisations will all have their own security procedures that are used to ensure that the organisation's safety, along with the safety of its staff and clients is protected. These procedures are important to financial processing because they will provide rules on who is allowed access to what. For example who has access to the codes to open a safe, alarm codes or enter a secure area. Security procedures will also include security cameras and alarms which can be used to ensure activity within the business does not cause any damage or financial loss.

Cash Handling Procedures

One of the most important procedures in any organisation is how cash is handled. Some of the more common procedures used when handling cash include:

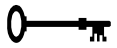
- Each department should centralise the collection of cash; preferably, only two people within the department should be responsible for handling cash.
- All cash collected / cash and petty cash floats should be held securely, either in a till, or in a locked cash box at all times. In the latter case, the cashbox should be kept out of sight at all times in a locked cabinet or drawer. When cash has to be held in an office for any length of time, it should be stored in a safe, wherever that facility is available.
- All cash income should be held intact. Under no circumstances should deductions be made, or personal or other cheques be cashed from any cash collected.
- Keys to the till, cashbox, or safe, should be given to a designated person, who should keep the keys secure and ensure that they are not left unsecured in the office overnight. Sensible precautions should be taken to ensure that any room in which cash is regularly stored is locked when unoccupied.
- Where cash is being counted by staff, this should be done out of sight.
- All staff members responsible for collecting cash should issue a receipt and a copy, should be retained as a record supporting daily cash collected.
- All departments should reconcile cash received to supporting records on a daily basis. Either on a weekly or a daily basis, (influenced by the sums involved), the department should prepare the cash to be deposited with the Cash Office. Ideally, someone other than the person responsible for cash collection, should complete this task. Failing that however, in order to ensure separation of duties, another member of staff should check that the cash collected agrees with supporting records, e.g. duplicate receipts / till control totals, and to the pay in documentation.
- Members of staff involved in the cashing up process should countersign the reconciliation.
- The original reconciliation document, e.g., a memo detailing the breakdown of the sales, should be copied and the copy should be retained as the departmental record.

**Activity One**

Complete the following on your own paper, and hand this in as part of your assessment.

1. List all of the financial documents that you use in your department.
2. Select one of these documents and create a flow chart outlining how the document is checked and processed.
3. Describe the personnel who are responsible for this document.
4. Outline your organisation's cash handling procedure. State where you found this information.

SAMPLE



Key Points Section 1

- All financial documents must be checked and recorded against organisational policies and procedures.
- There are designated personnel that should be involved in the process or checking and recording each document.
- Each organisation will have its own policies and procedures for financial processing. These will include legislative requirements, cash handling, security and checking cheques and credit card vouchers.

SAMPLE

**Section 1 - 'True' or 'False' Quiz**

T	F	Credit application forms must have correct identification information.
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T	F	Petty cash vouchers do not need a receipt attached.
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T	F	Credit card voucher information must be checked carefully.
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T	F	Security cameras provide financial security.
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T	F	Cash handling should only be handled by one person.
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SAMPLE