Preparing for year end

Greg Penfold looks at some of the ways you can
help your accountant when you start to prepare
your year-end paperwork

Whether you’re producing your annual ac-
counts or carrying out a special exercise, being prepared
will ensure the necessary groundwork
has been carried out when
your accountant asks to see your
books and records.

You may also be able to help by
preparing some of the routine
schedules in-house. This will
preparing some of the routine
books and records.

Sticking to schedules

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Following correct

procedures

By establishing and maintain-
ing certain procedures you will be
able to keep better control over
your business. Procedures may in-
clude:

• How patient charges are col-
clected and recorded through
your accounting system.

• The timing and methods of paying
lab fees and material suppliers

• Maintaining a stock inventory

• The date and method of paying
staff.

It is important that you dis-
cuss the procedures with your
accountant. He or she can then
advise you if you are operating in
the most efficient manner.

Watching your stock

A dental practice should al-
ways carry a certain amount of
stock. This will need to be
counted at the year-end date and
the value (at cost) given to your
accountant. To ensure that the
stock take is carried out effi-
ciently and accurately you should
calculate the following points:

• Stock items should be counted
neatly and logically to make
counting easier

• The member of staff involved in
counting the stock should be
given clear instructions

• Try to minimise the movement
of stock during the count.
Where possible deliveries of
materials should be kept sepa-
rate until the stock take has fin-
ished.

• A detailed list of additions and
disposals of dental and other
equipment (assets) with a copy
of the appropriate purchase or
sale invoices attached

• Schedules showing each item of
stock held, the quantity, unit
value and total value.

• A list of your patient debtors at
the year end, including how
much they owe you and how
long they have been outstand-
ing. Indicate any which are un-
likely to be paid (bad debts)

• A schedule of the petty cash bal-
ance at the year end, together
with details of cash received
from patients but not yet banked

• A list of creditors, for example,
dental and other suppliers who
have invoiced you at the year
end but were not paid until after

Employ a practice manager

This will undoubtedly help
with all of the above. The BDIDPA
has produced an advice sheet
stipulating the competences of a
dental practice manager.

Often a well-run dental prac-
tice is not attributable to the prin-
cipal who owns it but by the prac-
tice manager who runs it from
day to day. A good practice man-
ager is often worth their weight
in gold in terms of financial man-
agement that is associated with
any dental practice.

As a dentist, your time is best
spent practising dentistry, treat-
ing patients and keeping up to
date with the latest techniques.

By getting your accounting
records and information to the
accountant soon after your prac-
tice’s year end means they are
able to pick up on any errors in
your system the sooner these can be rec-
tified quickly. Of course they can
also let you know your tax liabil-
ity well in advance of the pay-
ment date. This can only be done,
however if you are prepared!

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