

## **MIND YOUR BUSINESS**

### **Course Outline & Description**

#### **I. Accounting Software - QuickBooks**

- A. Chart of accounts: Grouping of common type of expenses
- B. Understanding important reports
  - Income before OD compensation, depreciation and interest expense
  - Profit and loss collapsed versus expanded
  - Profit and loss comparison versus prior year
  - Gross Profit percentage by product line
  - Balance Sheet
  - Cash flows - *where the cash went*
  - Daily Net Cash Report = (Cash + Insurance Receivables + Inventory) – (Accounts Payable + Credit Cards + Line of Credit)
- C. Setting up separate user preferences
- D. Bank and credit card reconciliations

#### **II. Internal Controls**

- A. Credit Card Machine - Issuance of Credits
- B. Do not use check signer or blank signed checks
- C. Review of bank and credit card statements
- D. Cycle count inventory
- E. Receivables ageing summary
- F. Insurance write-off's

#### **III. Insurance**

- A. Sales people trained in insurance –  
*Don't let insurance person redo claim done by sales person*
- B. Insurance person just as important as best sales person
- C. Insurance training program
- D. Weekly group meeting of insurance problems
- E. Optimal performance means no insurance or patient ageing over 60 days.
- F. Collect Medicare co-pays in full up front
- G. Submit all Claims Electronically
- H. Reconcile claims each day to calendar-Claims filed away in patient file

#### **IV. Inventory**

- A. Minimum to complete annual year-end inventory
  - Frames
  - Contacts
- B. Use Practice Software to Track Inventory –  
*What the computer says you have is what on the shelf*
  - Bar coding of product
  - Receive product in
  - Sale recorded
  - Vendor returns
  - Test count product

C. Planogram

#### **V. Enters Bills to Vendors**

- A. Statement method
- B. By invoice
- C. Credit card statements enter each charge not in summary

#### **VI. Product returns to vendors**

- A. Track open credits due you
- B. Do not let outside sales take possession of product

#### **VII. Accounting Method for Reporting**

- A. Accrual Accounting Only
  - What is it?
  - Why it is important
  - How to work with it

#### **VIII. Tax accounting**

- A. Can use accrual or cash depending on size.
- B. Most practices should be taxed as S corporations
  - Taxation as an LLC may be valid with multiple owners
  - C corporation almost never –  
*except for high debt levels and owners and family who have major health issues*
  - Sole proprietors or partnerships - Absolute NO

#### **IX. Patient payment policy**

- A. Verify insurance status, co pays deductible before exam
- B. Collect 100% of fees owed from patient at final patient pick up of product

#### **X. Payroll Service**

- A. Use QuickBooks Assisted Payroll Service
  - Pays all of the payroll taxes and files all forms
  - Very easy to use
  - All payroll information is in QuickBooks, not a separate program
  - Expert set up is required
  - Call your expert to make changes
- B. Other payroll services - ADP, Paychex
  - Pricey
  - No complete integration to QuickBooks
  - Do not use local payroll providers, use national ones

## **XI. Daily Accounting Tasks**

### A. Enter Summary Transactions from Practice Management Software to QuickBooks

- Calculation

Beginning Receivables

- + Exam Fees
  - + Frame Sales
  - Contact Lens Sales
  - Discounts
  - Insurance Write Offs
  - Visa
  - Amex
  - Cash
  - Checks
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Ending Receivables

- Template is memorized into QuickBooks and takes about 2 minutes to enter daily
- Updates the checkbook balance and records sales

### B. Proofing Insurance to Verify Claims are Active