

Tips for a stress-free 2023 financial year end

No matter how your previous financial year end has gone, there is always room to improve processes for the next fiscal year.



Source: Supplied

“For the coming financial year try to do things monthly through a reputable accounting firm and a centralised system such as Xero for accounting or hellohr for payroll, so FYE is a breeze,” says Bakani Ngulani, financial accountant and managing director at BN Business Solutions.

Carina Cilliers, CFO at hellohr, agrees: “Having user-friendly accounting software that assists you in reconciliation of accounts will greatly assist any small business owner in managing their own accounts.

Xero does this really well - your bank account is linked directly to your Xero account, so all of your bank transactions appear on your Xero bank feed. This helps you to record all transactions and also helps you to easily reconcile and classify bank transactions.”



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”Treat every month like it is year-end”

Luan van Rhyn, founder and group CEO of ThriveCFO encourages business owners to “treat every month like it is year-end and ask your accountant to help implement systems and processes that will enable the groundwork to be done monthly, instead of annually”.

Van Rhyn adds: “Financial year-end for our clients and staff are pretty much non-events and have been that way for a number of years. The reason behind this is the monthly - and sometimes even more frequent – interaction we have, so their accounts are as current as can be. This way we don’t leave this mountain of work for February to close-off their account.”

“Because our clients have monthly visibility of their profitability, we are subsequently also able to forecast their tax exposure long in advance. This means they can stash away the tax money in a separate bank account, so there are no heart palpitations when the dreaded tax email is sent from our office anymore. The bulk of the tax money is earning interest somewhere else and the SARS payment is authorised like any other supplier payment.”



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Van Rhyn recommends opening a separate bank account - an interest-earning investment account - that is exclusively used for managing your taxes. “Your accountant should provide a monthly reconciliation of your year-to-date exposure, so that you can make any top-up payments as and when needed,” says van Rhyn.

“It’s not about the financial year end, but rather about what you’ve done during the year in terms of automations and efficiencies to ease out your financial year end. Daily, weekly and monthly consistency and controls will make financial year end feel like any other day of the week. Planning and tech solves all,” says Nimacc Business Lounge managing director Michelle Janse van Rensburg.

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