



# HOW TO HIRE A KILLER BOOKKEEPER



**NINE ADVISORY**  
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**BY SAM MUSGRAVE**

# Looking to hire a Bookkeeper?

**This hiring kit will give you the guidance needed to hire the right Bookkeeper, the first time**

I'm about to share our entire process for hiring a Bookkeeper for our advisory clients (and also for ourselves, of course!!)

Organizations will refer to the 'Bookkeeper' role with different titles but similar responsibilities, often depending on the size of the organization, including:

Accountant

Internal Accountant

Practice Manager

Office Manager

General Manager

Finance Manager



The bookkeeper function can often transcend just the accounting and number crunching aspects of the business, to include duties such as banking tasks, general administration tasks and even cover personal assistant or executive assistant activities for the directors or senior staff. If this describes your business, you need to have a very good look at your position descriptions for each role as you may be employing a very expensive PA or banking assistant.

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## In this hiring kit, we will cover



**Salary**



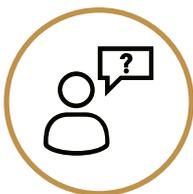
**Skill  
Attributes**



**Training**



**Personality  
Attributes**



**Interview  
Questions**



**Job Posting  
Template**



**Pre-Interview  
Tasks/Assignments**

## 💰 Salary

Let's get the numbers out of the road, after all that is what everyone wants to know first.

We have seen bookkeepers charge anywhere from \$50 per hour, right up to \$100 per hour. It is more likely that a pure bookkeeper is going to charge in the range of \$60-\$80 per hour.

The range of average annual salaries for a bookkeeper role, according to most major salary surveys, is between **\$45,000 and \$75,000**.

While this is a wide salary range, when broken into "quartiles" this information becomes more useful:

Quartile 1 – \$45,000 to \$53,000  
Quartile 2 – \$53,000 to \$60,000  
Quartile 3 – \$60,000 to \$65,500  
Quartile 4 – \$65,500 to \$75,000

**As we move through this hiring guide these salary ranges will assist in determining our course of action**



# Personality Attributes

**To make the right hire, you'll need to find a candidate with the right personality attributes to be successful as a Bookkeeper**

**The primary personality attributes required of a Bookkeeper are:**

**Project Manager** Accounting is often about executing tasks with a start and an end date, and often on tight deadlines. Activity Statements, payroll, creditor payments, monthly management reports (yep, every month!). Strong project management skills are needed to succeed as a Bookkeeper.

**Leader** The Bookkeeper is across every detail of the finances. A strong bookkeeper will have the ability to lead the business team to follow best practice business process to ensure your business runs smoothly. The ability to lead a team is a must.

**Creator** There is a lot of maths and science to Accounting but, make no mistake, it takes a creative mind to fill this role. You need an innovative mind who is always looking at doing low value, repetitive tasks more efficiently, improving systems and processes to help create a more efficient flow of data within a business.

**Organizer** The role of the Bookkeeper requires the management of multiple projects, people and deadlines. Organizational skills are a must.

**Proactive and Self Starter** The finance role is often the most data rich part of a small business. They are seeing a lot of information about the business that often does not reach other areas within the business. You want a proactive resource here who highlights relevant information at the right times, and takes appropriate actions (even if that just means highlighting to stakeholders/owners/directors)

**Secondary personality attributes are the “nice to haves” but not critical to the success of the Bookkeeper.**

**The secondary personality attributes required of a Bookkeeper are:**

**Analytical** Interpreting data and being capable of highlighting risks and errors based on analytics is a plus.

New Heading – Depending on the size of the organization (and the availability of technical support) a Bookkeeper may benefit from the ability to solve technical problems related to tax, finance arrangements and dealing with financiers, expenses review and tendering, etc.

**Strategic** The ability to align the finance function with the organization’s strategic objectives defines the ultimate finance resource. Someone that identifies anomalies, inconsistencies, errors and is able to look at the detail in light of the broader business goals is invaluable. You want someone who looks at the business like a business owner.

## What Personality Attributes To Expect From Your New Hire?

When considering a prospective employee for a Bookkeeper position, you will want to revisit the salary quartiles discussed earlier.

**Quartile 1** A Quartile 1 hire (paid from **\$45,000 to \$53,000** – see Salary section) should have at least 3 of the primary personality attributes but may not possess any secondary attributes.



**Quartile 2** A Quartile 2 hire should have ALL primary personality attributes and at least one secondary attribute.

**Quartile 3** A Quartile 3 hire should have ALL primary personality attributes and at least two secondary attributes.

**Quartile 4** A Quartile 4 hire should have ALL primary personality attributes and ALL secondary attributes.

## Skill Attributes

The Bookkeeper position requires a number of skills. A Quartile 4 (paid from **\$65,500 to \$75,000**) will demonstrate mastery of nearly all of the skills listed below, while a Quartile 1 hire will likely require training in most (if not all) of these skills.

**The primary skill attributes required of a Bookkeeper are to be able to manage the following:**

**Accrual Accounting** As opposed to cash accounting...this is not just the knowledge of how to enter an invoice into Xero, but the mechanics behind the T-ledger entries for each action in the accounting software. This is important for business reporting and ultimately business decisions. If you wish to grow, you must ensure that you are not just looking at a cashbook.

**Technology** In today's world, data entry is being replaced by technology, allowing humans to focus on more value added tasks (such as the items above). A good bookkeeper will have a solid understanding of much of the technology that is available to your business. Ideally they will have experience in implementation of these systems.

**Payroll** Whilst not imperative, most bookkeeping roles will require an element of payroll. It is important that a bookkeeper understand, not the nuances of award wages (as they are not an employment lawyer), but more importantly the mechanics of efficiently collecting payroll data, leave accruals and requests, ensuring your PAYG and super gets paid on time....especially your super. As a director, you can be held personally liable for these items if not lodged.

**Accounts Receivable/Payable** A critical function for all businesses, in order to ensure that you know your exact working capital position. Experience bookkeepers will be able to liaise seamlessly with customers and suppliers on your behalf, maintaining strong working relationships

**The secondary skill attributes required of a Bookkeeper are:**

**Cash Flow Forecasting** A good finance resource will be able to prepare a clear and succinct 30 - 60 day cash flow forecast. This is imperative for any small business and should form part of the weekly working capital meeting.

**Compliance Calendar** A good bookkeeper will have prepared a detailed compliance calendar that has all compliance requirements for the business listed across the next 12 months, along with an estimate of the amount that will be required to pay.

**Working Papers** These form part of a robust month end procedure that all good bookkeepers will follow. Working Papers are the magic monthly reconciliation templates that will ensure the financial accuracy of your reports. This will also directly affect the decision making within your business, with things such as inventory levels, wage costs, gross profit margins, etc. They will also save you thousands of dollars at the end of the month, quarter or year, when your accountant realises that you have done 90% of their job for them!! (Click [here](#) if you want our working papers template)

**Tax** This is often where bookkeepers spend a lot of their focus, sometimes crippling your business decisions. Having strong tax knowledge is very useful, however can be putting the horse before the cart in many circumstances. You need to rely on many more important things to help you successfully run your business. You will be lodging a tax return with your accountant so if you are worried about your tax situation or asset protection, schedule a quarterly meeting with your accountant to stay on top of it.

**Monthly Reporting** A solid Bookkeeper will have experience in building meaningful reporting for your organization, using both financial and non-financial data to drive strategic decision making.

## What Skill Attributes To Expect From Your New Hire

When considering a prospective employee for the Bookkeeper position, you will want to revisit the salary quartiles discussed earlier.

**Quartile 1** A Quartile 1 hire should have all of the primary skill attributes but may have no experience with the secondary attributes.

**Quartile 2** A Quartile 2 hire should have ALL primary skill attributes and at list 1 of the secondary attributes.

**Quartile 3** A Quartile 3 hire should have ALL primary skill attributes and at least two secondary attributes.

**Quartile 4** A Quartile 4 hire should have ALL primary skill attributes and ALL secondary attributes.





## Training

Most of the prospects you interview for a Bookkeeper position will not possess all of the skills necessary to do the job at the highest level. Their salary will reflect their personality and skill attributes.

**Those that enter the position in Quartiles 1, 2 & 3 should receive the necessary training and certifications to acquire those skills.**

The acquisition of those skills can be tied to performance reviews and raises in salary.



## Pre-Interview Tasks/Assignments

Nine Advisory are often asked to review new hires for our clients before they are employed. We encourage prospective employers to give the interviewees tasks and assignments in a live environment. Through these Pre-Interview Tasks and Assignments you are able to determine whether the candidate's fit with the company and allows you to evaluate their skills and aptitude.

The following is a list of suggested pre-interview tasks and assignments to be given to a prospective Bookkeeper:

**Accrual versus Cash** Ask the candidate to explain the difference between accrual versus cash accounting. A Quartile 4 hire will deliver a clear understanding of the difference, particularly as it relates to the accurate reporting of income and expenses in the relevant period.

**Intercompany Loans and Eliminations** For those who operate a business through more than 1 entity, ask the candidate to explain the relationship between intercompany loans and consolidated reporting. A Quartile 4 hire will explain to you how to account for intercompany transactions, including being able to give examples of transactions that need to be eliminated for reporting purposes.

**Technology** Ask the candidate to list the accounting 'add-on' partners with which they have been working. A Quartile 4 candidate will list a number of software platforms that 'add-on' to your core general ledger system, and even point out the differences of each.

**Payroll** Ask the candidate to explain an efficient payroll process that they may have previously built or worked on. A Quartile 4 candidate will refer to the integration of efficient business processes as well as the effective use of technology. A poor candidate will delve into the nuances of certain award wages, trying to explain technical legal jargon and tax implications.

**Reporting (Business Rhythm)** Ask the candidate to prepare a meeting and reporting schedule, along with a list of reporting that they would expect your business to require. A Quartile 4 candidate will be able to produce a succinct, yet thorough meeting schedule (including weekly working capital meeting, monthly report review meeting, etc...) along with the associated list of reports that they would prepare for each meeting.

**You are NOT hiring an employment lawyer OR a tax accountant so be careful of the JARGON trap.**

By executing these tasks you will also be able to evaluate the candidate's personality attributes:



**Does the candidate show creativity?**



**Does the candidate demonstrate the ability to lead?**



**Does the candidate manage the tasks you've given them adequately? Meeting deadlines? Following instructions?**



**Does the candidate show the ability to think strategically?**



# Interview Questions

A successful Bookkeeper will require the ability to think creatively, strategically, technically and operationally. They will also be required to support the owner and manage the rest of the team from a finance perspective.

**The following interview questions are intentionally behavioral in that they ask the candidate to describe actual scenarios that reveal their level of experience.**

The Quartile 4 hire will be able to describe actual experience with each of these scenarios while the Quartile 1 hire may not be able to draw upon actual experience with these scenarios. Again, beware the candidate who delves into technicalities of the tax or legal system. You are not hiring a qualified accountant or a solicitor - your external advisors should be relied on for particularly technical issues.

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*Explain the key differences between Cash and Accrual accounting, and how this ultimately affects the Profit & Loss, Balance Sheet and Cash Flow reports?*

*Additional Question: If our business was to pay the annual workers compensation in full at the beginning of the year, what would the journal entries be under an accruals accounting basis.*

**(ANSWER should include reference to a balance sheet entry, with periodic postings to the Profit and Loss)**

*Tell me about the most efficient finance and reporting function that you have been involved in creating for an organization.*

*Additional Question: Strategically, how did that support the business owners in meeting their business objectives?*

*Additional Question: How did you implement that framework?*

*Additional Question: What positive outcomes were generated for the business owners as a result of this reporting function*

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*Tell me about a business that you have previously supported by preparing regular and meaningful reporting for the stakeholders.*

*Additional Question: What did the reporting consist of? What intervals?*

*Additional Question: How did you interact with external advisors?*

*Additional Question: How do you know where your technical knowledge stops and where the external advisor is required?*

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*Tell me about the components of the finance function you would develop for our organization.*

*Additional Question: What are the key roles and responsibilities of the team members you would need to execute on this plan?*

*Give me an example where you were involved in resolving an issue with the Australian Taxation Office. Explain the issue, how you dealt with it, who you worked with to resolve it, and what the outcome was.*

*Give me an example of an organisation that had poor internal business processes that created headaches for management, and explain how you implemented a better business process and how this alleviated pressure from the management team.*

*Additional Question: What support did you require from the rest of the team?*



## Job Posting Template

Depending on the needs of your company and the salary available for the Bookkeeper position, this template should be adjusted according to the Salary Quartile requirements in the Personality and Skill Attribute sections of this hiring kit.

This job description will assume a Quartile 4 hire. Remove requirements and adjust language as necessary to meet your circumstances.



# Job Description: Bookkeeper

## Position Summary

**The Bookkeeper will be responsible for the management and coordination of the finance function, including preparation of accurate and timely reporting for key stakeholders.**

The right candidate will have experience in all facets of accounting, including use of a wide array of accounting technology, understanding key accounting principles and efficient management of the finance function. This includes accounts receivable and/or payable, cashflow management, data entry, bank/credit card/loan reconciliations, monthly reconciliation and compliance reporting.

The Bookkeeper has a technical, yet creative mind, with the ability to be a strong project manager and team leader. The ability to meet deadlines is critical. You should be able to manage a team, in addition to being accountable to the business owners for timely and accurate management reporting.

**This position requires experience in developing and maintaining an efficient and effective finance function that supports strategic organizational objectives.**

## Roles and Responsibilities

-Managing the general ledger software, including all other software systems that support our general ledger data

Data entry of all accounting records, including bank reconciliations, credit card reconciliations and bank loan reconciliations

-Preparation of monthly working papers to reconcile and verify monthly management reports

Preparation and circulation of monthly board reports to key stakeholders, on or before the 12th of the following month

Develop and maintain a regulatory reporting calendar to capture all regulatory requirements and estimate of any associated payment amounts

-Collection, processing and communication of [weekly/fortnightly/monthly] payroll, including preparation and management of staff superannuation as per our regulatory requirements

-Calculation, lodgement and payment of monthly payroll tax  
Preparation of Business Activity Statements and Instalment Activity Statements, including ongoing activity statement reconciliation reports

-Preparation of weekly working capital report, including accounts payable ledger, accounts receivable ledger and current inventory and cash position

-Preparation of [weekly/fortnightly] creditor payments, following weekly working capital meeting. This includes preparation of aba payment file and uploading into the bank for approval

Preparation of other ad-hoc payments as requested by directors  
Liaising with creditors as required to reconcile monthly statements against our accounts payable ledger

-Raising procurement matters with directors, including liaising with creditors on procurement matters as identified by directors  
Liaising with customers and clients in relation to accounts receivable matters, including managing our collections program in accordance with our collections policy

-Ensuring our inventory reporting is managed and recorded on a [weekly/fortnightly/monthly] basis and accounted for accurately and in a timely manner

-Ongoing review of our software systems and use of finance technology to ensure that we are consistently improving efficiencies across the business

-Continual support of other business units in obtaining accurate reporting to assist them in achieving their strategic objectives  
Develop, manage and execute procedures for creation of standard operating procedures (SOP's) for the planning, execution, optimization, distribution and amplification of the organization's reporting framework.

-Ongoing liaising with the organisations external advisors, ensuring most efficient use of these resources.

### **Education/Experience Requirements**

*-Certificate IV in Bookkeeping, or similar*

*-5+ years experience in bookkeeping and accounting functions, including payroll, accounts payable, receivable and other finance functions*

You may wish to add other industry specific experience or qualifications, such as trust account experience for legal firms, experience in contractor payroll or recipient created tax invoices for the recruitment industry

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