

Bookkeeping Best Practices for Effective Clinic Operations

May 2024



Presented to you by:



Today's Speaker



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Founder/CEO

@ Enkel

Omar Visram is the co-founder and CEO of Enkel, one of Canada's leading financial operations firms. For over 15 years, Omar has been active in the Canadian taxation, strategic planning, audit advisory, and finance operations disciplines within senior roles at KPMG and BCAA. Omar holds a BBA from Simon Fraser University and is a qualified CPA, CA.



Enkel

[en-kel] Adjective | Simple

***Founded in 2016 with a simple problem in mind
“You can’t build a great organization without
good books”***

- 300 Clients
- 80 team members with a global delivery model
- Focus on *Financial Operations* not advisory, tax and assurance work

Enkel would like to acknowledge that our offices are situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətaʔ (Tsleil-Waututh) Nations.





Agenda

1. Understanding bookkeeping in clinics
2. Common bookkeeping challenges
3. Bookkeeping tips for effective clinic operations
4. Case Study: Nose Creek Physiotherapy
5. Q&A

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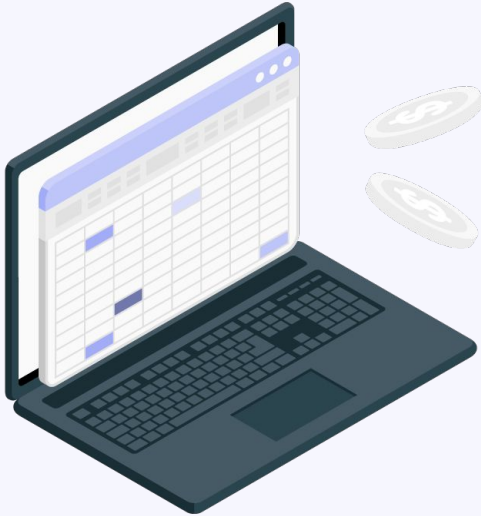
Understanding Bookkeeping in Clinics



The importance of bookkeeping in Clinics

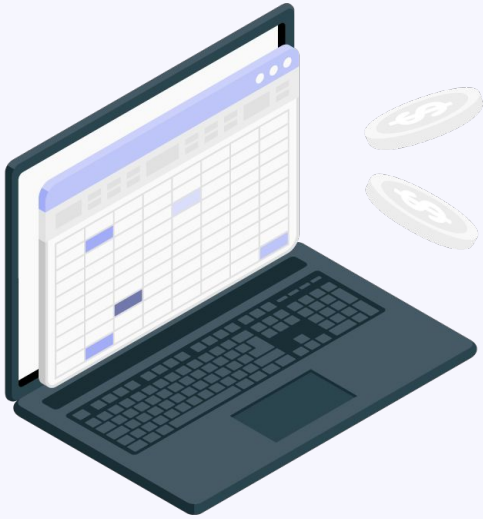
- Compliance - File corporate taxes and sales taxes accurately and on-time
- Accurate Financial Tracking and profitability analysis
- Cash Flow Management
- Cost-control
- Financial Transparency

Definition and scope of bookkeeping



- Recording Financial Transactions
- Managing Accounts Payable and Receivable
- Maintaining Ledgers
- Bank Reconciliation
- Financial Reporting
- Compliance and Regulatory Reporting
- Budgeting and Forecasting
- Inventory Management
- Internal Controls

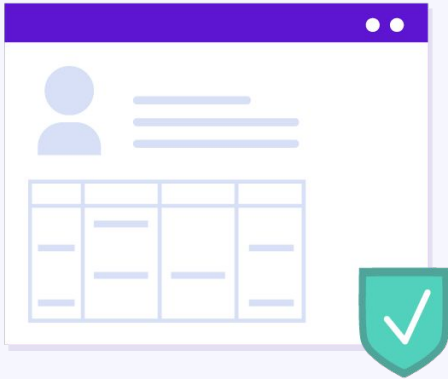
Unique aspects of bookkeeping for clinics



- Tracking of multiple Revenue Streams
- Sales Tax (GST/HST) filings due to exempt and non-exempt products and services
- Complex Billing
- Insurance Claims Management
- Regulatory Compliance and privacy
- Patient Account Management
- Handling High Volume Transactions
- Inventory Management

Regulatory requirements for clinics relating to bookkeeping

- Privacy and Confidentiality - patient data is held to a high standard
- Billing and Insurance Compliance
- Financial Regulations



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Common Bookkeeping Challenges



Common Bookkeeping Challenges in Clinics

- Handling large volumes of transactions
- Managing multiple revenue streams
- Dealing with insurance claims and reimbursements
- Ensuring compliance with healthcare regulations
- Preventing and detecting fraud

3

Bookkeeping Tips for Effective Clinic Operations

Implement a Systematic Record-Keeping Process



- Develop standardized procedures for recording financial transactions.
- Maintain a consistent schedule for updating records (daily, weekly, monthly).
- Ensure all staff are trained on record-keeping protocols.
- Store financial documents securely, both physically and digitally.
- Implement checks and balances to prevent errors and fraud.



Utilize Bookkeeping Software and Tools

- Choose proven software tailored for clinics.
- Leverage best-in-breed accounting software
- Utilize features like automated invoicing, expense tracking, and payroll management.
- Regularly update software to benefit from new features and security improvements.
- Leverage reporting tools to generate financial statements and analytics.
- Provide training for staff to maximize the software's capabilities.



Reconcile your accounts regularly

- Perform monthly reconciliations of bank accounts, credit card statements, and petty cash.
- Compare recorded transactions with bank statements to identify discrepancies.
- Investigate and resolve any discrepancies promptly.
- Reconcile accounts receivable and payable to ensure accurate records.
- Schedule regular reviews of reconciliations to maintain financial accuracy.



Track Expenses and Revenues Accurately

- Categorize expenses and revenues to understand spending patterns and profitability - make sure your Chart of Accounts is set up to help you measure what matters.
- Measure revenues and costs by service or product line so that you can understand profit margin in each key area of your business.
- Keep receipts
- **Use separate business bank and credit card accounts**

Bookkeeping Tips for Effective Clinic Operations

Operating Expenses

Owner and CO-own Clinical Work (NO PERS)

Management Fees

Administration

Facility

Front Desk

Marketing

Supplies

Other

Clinic Name

	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023
Income Statement						
Revenue	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Cost of Sales	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Gross Profit	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Operating Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Net Profit	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Balance Sheet						
Assets						
Liabilities						
Equity						
Operating Expenses						
Salaries	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Benefits	\$500	\$500	\$500	\$500	\$500	\$500
Insurance	\$300	\$300	\$300	\$300	\$300	\$300
Rent	\$200	\$200	\$200	\$200	\$200	\$200
Utilities	\$100	\$100	\$100	\$100	\$100	\$100
Supplies	\$50	\$50	\$50	\$50	\$50	\$50
Travel	\$50	\$50	\$50	\$50	\$50	\$50
Other	\$50	\$50	\$50	\$50	\$50	\$50
Total	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000

- Work with a professional to set up your Chart of Accounts. Figure out what matters to you so that you can get the right balance in place and measure what matters.
- Measuring cost of sales by product line helps you identify where your business does best. This can be a great place to implement incentives.
- Talk to your friends! What are their margins like for the same products/services?

GST/HST Filings

- The challenge in GST/HST filings is the result of clinics having a combination of taxable and exempt sales
- Can claim GST/HST based on pro-rata methodology (square footage or proportion of taxable vs. exempt sales, for example)
- Work with a professional to make sure that the methodology you apply will maximize your input tax credits and keep you compliant



Establish a Clear Billing Process



- Develop clear policies for billing patients and insurance companies.
- Ensure all services are coded correctly according to medical coding standards.
- Send out invoices promptly after services are rendered.
- Implement an efficient follow-up system for overdue accounts.
- Provide detailed statements to patients explaining charges and payments.
- Train staff on billing procedures and compliance with insurance regulations.

Monitor Cash Flow



- Regularly review cash flow statements to understand inflows and outflows.
- Forecast future cash flow to anticipate and address potential shortfalls.
- Maintain a cash reserve to cover unexpected expenses and emergencies.
- Monitor the timing of income and expenses to optimize cash flow.
- Use cash flow management tools in bookkeeping software for real-time insights.
- Review and adjust financial strategies based on cash flow trends.

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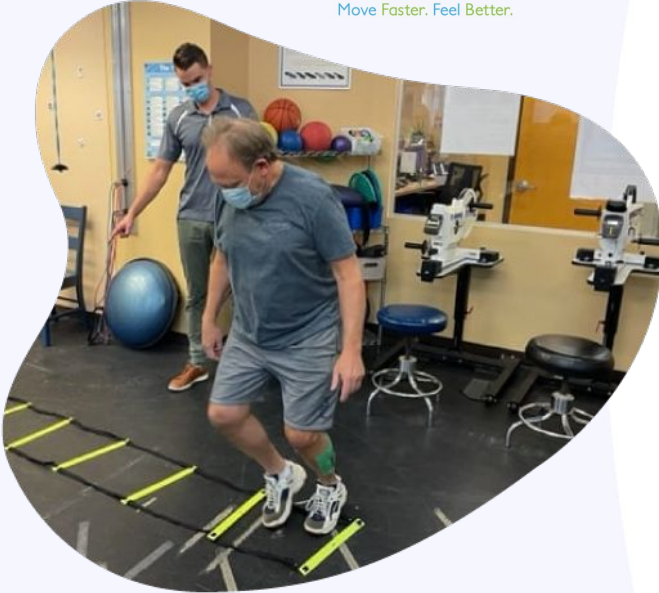
Case Study: Nose Creek Physiotherapy



Case Study

Nose Creek Physiotherapy

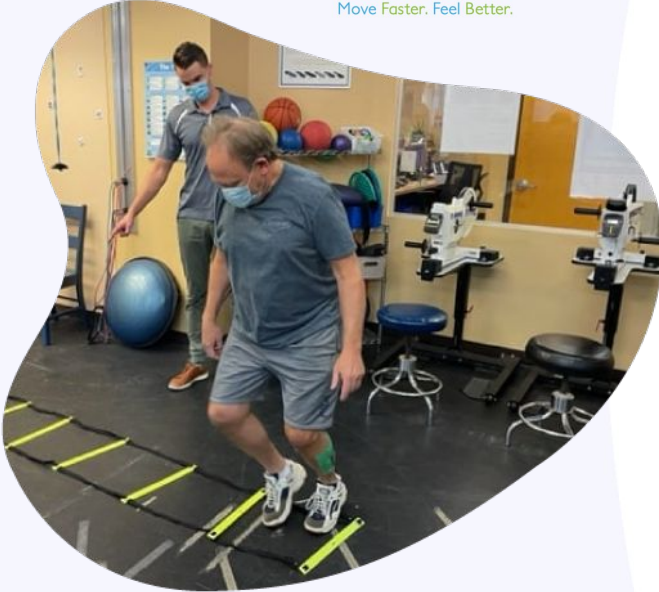
- Can you share how you managed your financial operations prior to starting with Enkel?
- What was your experience before your decision to outsource?
- What was it like to get started with Enkel?
- How many people from your team were involved and in what ways?
- Any insights to share on getting started with an outsourced back office service provider?



Case Study

Nose Creek Physiotherapy

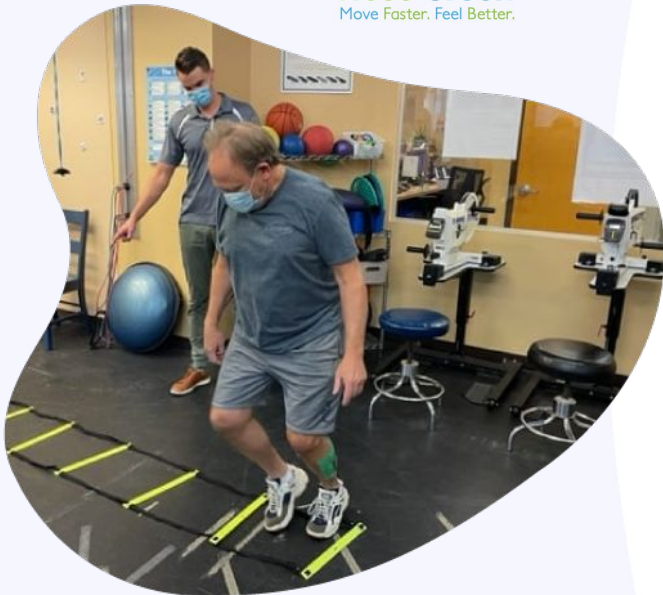
- Calgary-based
- Founded in 2001
- Over 10 wellness practitioners
- Services in Physiotherapy, Registered Massage Therapy, and Traditional Chinese Medicine and Acupuncture
- Gone from 1200 sf facility to 3600 sf



Case Study

Nose Creek Physiotherapy

- The Challenges:
 - Covid impact - how to stay afloat
 - Expensive bookkeeper even with “less work” due to Covid
 - Inefficiencies in bookkeeping functions
 - Receipt management
 - Reporting
 - Visibility



Case Study

Nose Creek Physiotherapy

- The Solution:
 - Enkel provided “all-inclusive” service at a lower rate
 - Bookkeeping and payroll
 - Modern technology
 - Time-tested processes
 - Financial clarity and visibility
 - Better decision making
 - Better expense management
 - Higher profit margins

Case Study

Nose Creek Physiotherapy

“Switching Bookkeeping and Payroll providers is a lot of work but the improvements you get are well worth the effort. Being a fairly old-school, low tech person, I’ve always felt a bit intimidated by technology, but after working with Enkel, I now embrace it in every way.”

Not only does Enkel help to streamline all of your processes and workflows, but in the end, I save time. And time is the most valuable asset in life.”

Blair Schachterle, Owner, Nose Creek Physiotherapy





When is it time to consider outsourcing?

- Lack of in-house expertise
- Limited resources
 - Time
 - Capacity or priorities
- Time efficiency
- Recruitment challenges
- Scalability
- Challenges with existing people, processes and technology



How much should it cost?

- It depends!
- There are many variables that drive price
- This may include:
 - How many transactions your have - more revenue generally means more transactions
 - Multidisciplinary clinics
 - The complexity of your Chart of Accounts
 - Frequency of your sales tax filing
 - Intercompany transactions
 - Shareholder loan transactions

- Get monthly financial statements that help you understand business performance
- GST/HST filings that are CRA compliance and help you maximize your Input Tax Credits
- Have your documents ready to go early to your CPA - file your returns on time and avoid interest and late-filing penalties



Pricing

Services

Starting prices (\$CAD)

<\$250,000 of revenue

\$500/month

\$250,001 - \$500,000

\$700/month

\$500,001 - \$1,000,000

\$900/month

>1,000,000 or have multiple clinics?

Let's talk!

Catch up bookkeeping?

Let's talk!

Need payroll help?

Let's talk!

Pricing includes your Dext and Quickbooks Online Subscription (\$100 value)

Questions?



info@enkel.ca



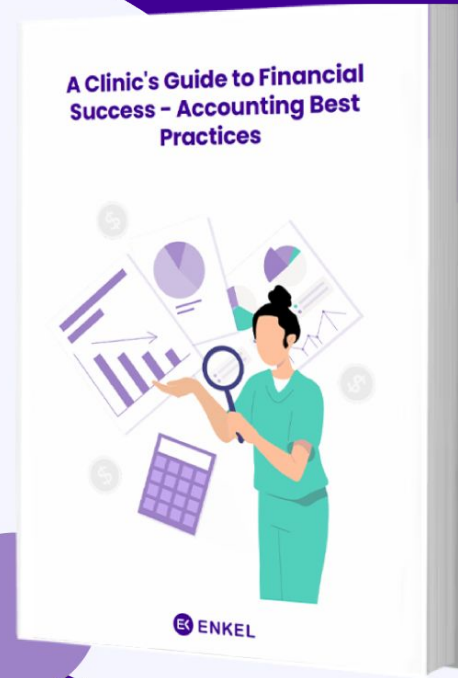
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