BEST PRACTICES: RENTAL OPERATION ACCOUNTING

of South Carolina

AGENDA

SC Specific Topics

General Ledger Entries

Automation

Reconciliation

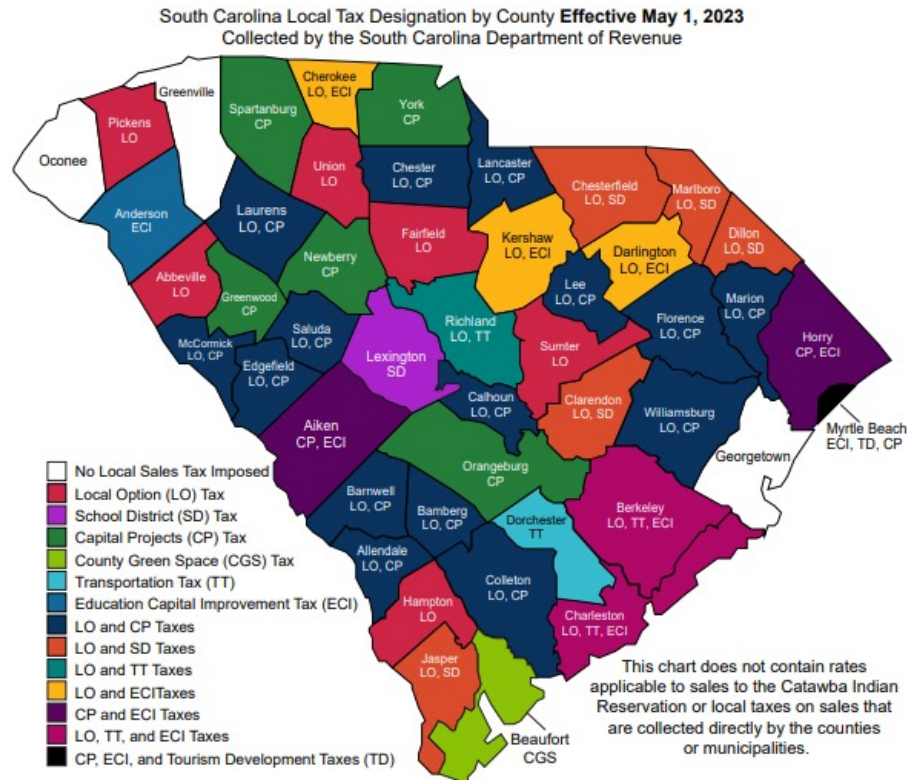Best Practices

Security

SC SPECIFIC TOPICS

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- SC charges 6%, and each county can impose additional taxes

- Heavy Equipment Rental Fee: 2.5%

- Each branch location is required to have its own sales tax license

- You can file online with MyDORWAY and consolidate (MyDORWAY.DOR.SC.GOV)

ARA
of South Carolina

SC TAX ENTITY MAP

South Carolina Local Tax Designation by County **Effective May 1, 2023**
Collected by the South Carolina Department of Revenue

GENERAL LEDGER ENTRIES

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Consider the following tips for staying balanced & up-to-date:
- Balance your GL (specifically AR) daily or weekly – waiting until the EOM makes it take longer (wastes time) if you are looking for an amount out of balance. This is also one of the best way to ensure processes and financial security. Utilize a manual control sheet to manage this.
- Credits should be done as credit invoices, not credit memos – this ensures all GL's are credited correctly.
- Consider departmentalizing by branch and automating GL entries.

AUTOMATION

AUTOMATION: TIME IS MONEY!

Consider automating as many repetitive tasks as possible. Saving even 15 minutes per day can equate to more than 60 hours annually.

- Sales tax completed monthly. Ask your rental software if they ways to updated taxes regularly. Also ask if there is a way to set up tax entities to automate breaking out the amounts owed to different tax jurisdictions: state/county/city/transit, etc.
- Add specific tasks to an EOY list to include tasks related to reports to be run/saved, EOY to be run in your ERP system, depreciation, rate increases, tax updates, etc. Check with your rental software provider to see if certain EOY reports are automatically saved or can be scheduled to be run & saved.
- Automate your GL entries to your accounting system daily.
- Automate reports to automatically send/share to owners, managers and stakeholders. PUSH or publish data. (EX: Commission calculations, monthly management reports, CPA data, etc.)
- Ask your rental software provider if there are ways to more easily update rates (via spreadsheet or rate increase utility) or even pre-publish the rates so reservations for next year are at the correct rate.
- If you are spending time 're-working' reports from your ERP system, ask your rental software company to modify the report format to produce the report the way you need it: re-sort it, filter out specific data, have it do the calculations, eliminate page breaks and/or just put it Excel/CSV automatically.

RECONCILIATION

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One of the most time-consuming things for the accounting department is reconciling bank accounts.

- Set your CC's to go to clearing accounts rather than your bank account GL# - that makes it easier (less time consuming) to do your bank reconciliation.
- Keep a manual control sheet

BEST PRACTICES

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- ONLINE BACKUPS OF ACCOUNTING AND RENTAL SOFTWARE DATA! And at least once a year, test your backup system to ensure that restored data is valid/not corrupted. The middle of a summer day is not the time to have an unscheduled server interruption. (Add this to your EOY task list.)
- Send invoices as soon as the 4 Week rate is earned.
- Get paid via auto-billing, payment links, a customer portal, etc.
- Stop emailing statements – either altogether (you are training your clients to gather all invoices and wait to pay until they see the statement), **or** email statements (with invoices attached if your ERP allows for that) and do it prior to the last day of the month to hit contractors' draws – or even twice a month.
- Keep current on versions of software and know when software is reaching end of life (i.e. Quickbooks Desktop).

SECURITY

SECURITY

The things that keep owners up at night.

- Separate financial responsibilities so the person depositing the checking/posting the checks is not the person reconciling.
- Enforce mandatory vacations – this will be when breaches of security are typically exposed.
- Pay attention to exception reports for employees breaching policy re: credits, discounts, reopening tickets, modifying amounts, changing checking dates or meters, etc.
- Set security levels to limit the people that can reopen tickets after the same day, backpost, delete payments, issue credits, etc.
- Do not store credit card numbers insecurely
- Utilize password vaults
- Load anti-virus software on all servers/PCs

FINAL TIPS & TAKEAWAYS

Time is Money

- Automate everything that you can – set your staff up for success by allowing them to do the important work

Be Hands On

- Separate your accounting tasks and review the reports periodically. Staff that know they will be questioned about exceptions & actions will be less tempted to act outside of the company's policies.

Backups!

- Don't assume anything – test your backups. Create redundant backups.

Improve your Cashflow

- Find ways to invoice sooner and train your clients to pay without statements or give them ways to pay on-line and using recurring credit card billing.

THANK YOU

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