NDZUMO CONSULTING
TAX - BOOKKEEPING - PAYROLL

Bookkeeping Strategies for SMEs

Financial Management for SMEs
Build the Systems and Processes
That Take Care of the Financial Side of Your Business

06 November 2025

AGENDA

1. Choosing the Right Accounting System
2. How to Keep Your Records
3. Basic Bookkeeping Terms
4. Employee Management
5. Red Flags to Watch Out For
6. What to Review Monthly
7. What to Ask Your Accountant
8. Q&A + Closing

info@ndzumoconsulting.co.za - 083 212 8588

HOUSE KEEPING

- The slide deck will be provided
- Questions - To your specific problems at the end

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ABOUT MYSELF

- Risk taker, problem solver
- Accountant & Tax Practitioner
- My **WHY - To Help SMEs to use compliance to access more markets**
- What I hope for you from this webinar

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CHOOSING THE RIGHT ACCOUNTING SYSTEM

🧠 Why It Matters

The right accounting system helps you:

- Save time through automation
- Reduce errors (especially with VAT and payroll)
- Stay compliant with SARS
- Make smarter decisions by giving you access to up-to-date financial reports

"Without a system, you're reacting. With a system, you're in control."

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CHOOSING THE RIGHT ACCOUNTING SYSTEM

🆓 Free vs Paid Systems

- Excel (Free):
  - Good for startups with simple transactions
  - Fully manual – high risk of errors
  - Doesn’t handle VAT or payroll
  - Easy to break or overwrite formulas
- Paid Software:
  - Automates invoicing, VAT, payroll, reporting
  - Links with your bank accounts (bank feeds)
  - Supports tax submissions and payroll compliance
  - Scales as your business grows

“You think software is expensive — but the cost of a SARS penalty is higher.”

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CHOOSING THE RIGHT ACCOUNTING SYSTEM

🧾 Key Business Questions to Ask Yourself

- ✅ Is my business VAT registered?

→ You need a system that calculates VAT.

- ✅ Do I have employees?

→ Your system should calculate PAYE, UIF, SDL and generate compliant payslips.

- ✅ Do I send customer invoices?

→ Automated invoicing tracks due dates, follows up automatically, and helps you get paid faster.

CHOOSING THE RIGHT ACCOUNTING SYSTEM

🧾 Key Business Questions to Ask Yourself

✅ Do I want to track income, expenses, and cash flow every month?

→ Choose a system that gives you reports like P&L, Cash Flow Statement, Balance Sheet.

✅ Do I receive supplier invoices or spend cash?

→ You can:

- Manually store receipts in a file **or**
- Snap a photo or upload it to your system — and it's safely stored in the cloud, forever.
  → This is critical for VAT claims and SARS audits.

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🧾 Key Business Questions to Ask Yourself

✅ Am I preparing for growth, funding, or tenders?

→ Funders want clean books. A proper system shows them you’re serious and transparent.

CHOOSING THE RIGHT ACCOUNTING SYSTEM

🧩 Choosing a System: What to Consider

- Ease of use – Can you or your admin use it without stress?
- Support – Is there training/help when something goes wrong?
- Cost – Will it still be affordable as your business grows?
- Cloud access – Can you log in from anywhere, anytime?
- Integration – Can it work with your bank, payroll, or accountant?

🎯 Pro Tip

If you’re VAT registered or you pay employees — having no system is not an option. The right system pays for itself in time, savings, and peace of mind.

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Feature	***Excel***	***FNB Instant Accounting***	***S***
Cost (est.)	Free	Free for FNB clients	±
VAT Support	✗	✓ (basic)	✓
Invoicing	✓	✓	✓
Payroll Integration	✗	✓ (add-on)	✓
Bank Feeds	✗	✓ (FNB only)	✓
Cloud Access	✗	✓	✓
Ease of Use	Easy	Easy	E

ANY QUESTIONS ?
ANY IOU?

HOW TO KEEP YOUR RECORDS

🗂️ Why Records Matter

- Keeps you SARS-compliant and ready for audits
- Helps you claim allowable expenses and avoid overpaying tax
- Makes it easier to apply for funding or tenders
- Allows for accurate reporting and smarter decision-making
- Saves time and stress at year-end or during submissions

HOW TO KEEP YOUR RECORDS

Daily Tasks

- Record all sales (cash, EFT, invoices, card machine)
- Capture all expenses and keep the receipts
- Snap and upload receipts to the cloud (Google Drive, Dropbox, etc.)
- Send invoices immediately after goods/services are delivered
- Log petty cash or cash purchases in a petty cash book
- Note which clients have paid or still owe you
- WhatsApp or email receipts to a “finance folder” inbox
- For cloud systems: review auto-imported bank feed suggestions

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HOW TO KEEP YOUR RECORDS

Weekly Tasks

- Reconcile bank transactions with your records/system
- Follow up on overdue invoices via SMS, email, or phone
- Check for missing receipts and upload them
- Review staff timesheets or working hours for payroll
- File supplier invoices and customer payments
- Review stock or inventory purchases (if applicable)
- Match Yoco/SnapScan/Speedpoint payments with sales
- Double-check petty cash vs logbook

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HOW TO KEEP YOUR RECORDS

Monthly Tasks

- Download and file full bank statements
- Have a meeting with your accountant
- Save payroll reports and payslips in a dedicated folder
- Follow up on customer invoice
- Ensure SARS submissions are up to date (VAT, PAYE, Provisional Tax)
- Prepare a brief finance summary (even if informal)

📁 Manual vs Digital Storage

Filing

HOW TO KEEP YOUR RECORDS

🧠 Interactive Quiz (True/False)

True or False:

You can claim VAT without a supplier invoice.

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ANY QUESTIONS ?
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BASIC BOOKKEEPING TERMS

📘 Why This Matters

Understanding these terms helps you:

- Read your reports confidently
- Avoid confusion with your accountant
- Make informed decisions
- Identify issues before they become problems

BASIC BOOKKEEPING TERMS

💸 Income

Money your business earns from sales, services, or other operations.

💡 Cash vs Income – What’s the Difference?

Income is what you’ve earned — whether paid or not.

Cash is what’s actually in your bank account.

Example:

You invoice a client R10,000 today — that’s income.

If they only pay you in 30 days, you don’t have that cash yet.

You’re profitable on paper, but your bank balance hasn’t caught up

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BASIC BOOKKEEPING TERMS

💰 Expenses

The costs of running your business — things like rent, salaries, marketing, and supplies.

📦 Assets

Everything your business owns that has value — cash, stock, equipment, vehicles.

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BASIC BOOKKEEPING TERMS

💳 Liabilities

What your business owes — like loans, outstanding supplier invoices, or unpaid SARS returns.

🧾 Debtors (Accounts Receivable)

Clients who owe your business money — you've sent the invoice, but they haven't paid yet.

BASIC BOOKKEEPING TERMS

📄 Creditors (Accounts Payable)

People or companies you owe money to — usually suppliers or service providers.

👤 Equity

What’s left for you as the business owner once you subtract liabilities from your assets.
Think of this as your business’s net worth.

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BASIC BOOKKEEPING TERMS

📊 Profit vs Cash Flow

- Profit = Income – Expenses (on paper)
- Cash Flow = The actual movement of money in and out of your bank account

You can be profitable but still have no money to pay your bills if clients haven’t paid you.

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BASIC BOOKKEEPING TERMS

🎯 Interactive Activity: Quick Fire Quiz

1. You just paid your employee – ❓

1. You have R15,000 in your business bank account – ❓

1. You owe R5,000 to SARS for VAT – ❓

ANY QUESTIONS ?
ANY IOU?

EMPLOYEE MANAGEMENT

📘 Why This Matters

Employees are one of your biggest expenses — and one of the biggest compliance risks if not managed correctly.
Proper employee financial management ensures:

- Legal compliance with SARS and labour laws
- Avoiding penalties for PAYE/UIF/SDL
- Building trust and professionalism with staff
- Accurate payroll budgeting and forecasting

EMPLOYEE MANAGEMENT

👥 Key Areas to Manage

🧾 PAYE, UIF, SDL – What They Are

- PAYE: Employee tax withheld and paid to SARS monthly
- UIF: Unemployment Insurance Fund – covers employees for maternity, illness, and job loss
- SDL: Skills Development Levy – 1% of total salaries paid, goes to skills training funds

You must register with SARS for these if you pay any employees — even just one.

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EMPLOYEE MANAGEMENT

Payslip Compliance

- Every employee must receive a payslip that shows:
  - Gross salary
  - Deductions (PAYE, UIF, etc.)
  - Net salary (take-home pay)

SARS and the Department of Labour can ask to see payslips during audits or disputes.

EMPLOYEE MANAGEMENT

📋 Employee Contracts, Timesheets & Leave Tracking

- Every employee should have a signed employment contract
- Track hours for hourly workers and commission-based roles
- Keep records of leave balances and approvals
- This protects you and makes payroll processing accurate.

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EMPLOYEE MANAGEMENT

🛠 Tools to Help You Manage Payroll

- SimplePay – cloud-based, easy to use, SARS compliant
- Sage Payroll – integrates with Sage Accounting
- Excel – only for very small teams; prone to manual errors
- Your accountant – can assist with payroll submissions, payslips, and EMP201s

🧠 Scenario: What Could Go Wrong?

- "Sipho has an assistant who's been working with him for two years.
- He pays her cash and has no payslips, contract, or UIF.
- She resigns and tries to claim UIF — and is declined.

Sipho now owes back UIF and penalties, and may face a labour dispute."

- 🎯 Pro Tip
- "You don't need a big HR department — just a clear, repeatable system.
- If you're not ready to hire someone full-time to manage payroll, use digital tools or outsource it — but don't ignore it."

ANY QUESTIONS ?
ANY IOU?

RED FLAGS TO WATCH OUT FOR

🚨 Why This Matters

These warning signs may seem small — but they can lead to:

- Missed tax deductions
- Poor cash flow
- Legal and compliance issues
- Difficulty accessing funding or passing audits

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RED FLAGS TO WATCH OUT FOR

⚠️ Common Financial Red Flags

💳 Mixing Personal and Business Finances

- Using one bank account for everything
- Swiping the business card for groceries, fuel, airtime, etc.
- You lose track of true business performance and open yourself up to SARS issues.

RED FLAGS TO WATCH OUT FOR

⚠️ Common Financial Red Flags

🕑 Delays in Invoicing or Payment Follow-Ups

- Invoices sent late = cash comes in late
- No follow-up system = money gets forgotten
- Cash flow suffers even if you're "profitable."

RED FLAGS TO WATCH OUT FOR

⚠️ Common Financial Red Flags

📉 Not Knowing Who Owes You or What You Owe

- No list of outstanding invoices or supplier bills
- Overdue client payments or duplicate supplier payments
- You can’t manage what you can’t see.

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RED FLAGS TO WATCH OUT FOR

⚠️ Common Financial Red Flags

🧾 No Recordkeeping or Backup System

- Receipts in shoeboxes or not kept at all
- No cloud backups or folder structure
- Makes you vulnerable to SARS penalties and poor decision-making.

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RED FLAGS TO WATCH OUT FOR

⚠️ Common Financial Red Flags

💸 High Expenses, Low or No Profit

- You’re constantly busy but never have money left
- No review of cost categories or unnecessary subscriptions
- Spending leaks add up — unnoticed expenses = shrinking margins.

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RED FLAGS TO WATCH OUT FOR

⚠️ Common Financial Red Flags

❌ Non-compliance with SARS or Labour Requirements

- Late submissions, unpaid PAYE or VAT
- No employee contracts or payslips
- Can trigger audits, penalties, and reputational damage.

🧠 INTERACTIVE: SHOW OF HANDS

- Raise your hand if at least one of these red flags sounds familiar.”

🎯 Pro Tip

- “Don’t ignore these warning signs — they’re symptoms of a system that needs fixing.
- Start with small changes — track your income, separate your accounts, file your invoices — and you’ll see a big difference over time.”

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ANY QUESTIONS ?
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WHAT TO REVIEW MONTHLY

📘 Why This Matters

Monthly reviews help you:

- Catch financial issues early
- Make decisions based on real data, not guesses
- Track progress and improve profitability
- Stay tax-ready and funder-ready at all times

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WHAT TO REVIEW MONTHLY

📊 Cash Flow Summary

How much money came in vs how much went out

- Your current bank balance vs upcoming bills
- Were there unexpected shortfalls?

Tool tip: Run a cash flow report in Xero, Sage, or use a simple Excel tracker.

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WHAT TO REVIEW MONTHLY

💼 Profit & Loss Overview

Did you make a profit this month?

- Are your income and expenses aligned with your goals?
- What categories are costing you the most?
- Look out for subscriptions, delivery costs, or staff costs that have crept up.

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WHAT TO REVIEW MONTHLY

Outstanding Debtors (Unpaid Invoices)

Who owes you money, how much, and how late are they?

- Set up follow-up reminders or collection calls
- Consider offering early payment discounts to improve cash flow.

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WHAT TO REVIEW MONTHLY

Outstanding Creditors (Unpaid Bills)

What do you still need to pay?

- Are there any suppliers you’ve forgotten about?
- Avoid late payment penalties or strained relationships.

WHAT TO REVIEW MONTHLY

Tax Liabilities

How much VAT do you owe or can claim back?

- Is PAYE calculated and ready for submission?
- Is provisional tax upcoming?

Tip: Mark your calendar with SARS deadlines — don’t wait for a letter!

WHAT TO REVIEW MONTHLY

📈 Sales and Growth Tracking

How much did you sell vs last month?

- Which product or service brought in the most?
- Are you meeting your revenue targets?

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WHAT TO REVIEW MONTHLY

Expense Check-Up

- Any duplicate or suspicious transactions?
- Can any costs be reduced or renegotiated?

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ANY QUESTIONS ?
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WHAT TO ASK YOUR ACCOUNTANT

📘 Why This Matters

Many business owners:

- Don’t know what their accountant is doing
- Are too afraid or unsure to ask questions
- Miss out on valuable advice they’re already paying for

Asking better questions = making better business decisions.

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WHAT TO ASK YOUR ACCOUNTANT

Questions to Ask Regularly

📈 “How did my business perform this month?”

- Ask for a brief summary of your profit, cash flow, and major movements
- This should be clear and in plain English — not jargon.

WHAT TO ASK YOUR ACCOUNTANT

Questions to Ask Regularly

💸 "Am I paying the right amount of tax?"

- Are you claiming all legal deductions?
- Can you reduce tax legally by restructuring or planning ahead?

WHAT TO ASK YOUR ACCOUNTANT

Questions to Ask Regularly

💰 "What can I do to increase my profits?"

- Ask them to help identify unnecessary costs
- Request suggestions to improve pricing, margins, or expense control

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WHAT TO ASK YOUR ACCOUNTANT

Questions to Ask Regularly

🗓️ "Are all my compliance deadlines met?"

- VAT, PAYE, Provisional Tax, Income Tax, CIPC, COIDA
- Ask for a calendar or monthly checklist.

WHAT TO ASK YOUR ACCOUNTANT

Questions to Ask Regularly

📊 "Can you explain my financial reports in simple terms?"

- If you don't understand something, ask. It's their job to help you get it.

🎯 Pro Tip

- "Your accountant isn't just a form-filler. They're a potential business advisor. But only if you ask the right questions and keep them in the loop."

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WHAT TO ASK YOUR ACCOUNTANT

Interactive Prompt

Take 30 seconds — write down one question you've never asked your accountant, but probably should have

ANY QUESTIONS ?
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CONTACT US

083 212 8588

www.ndzumoconsulting.co.za

info@ndzumoconsulting.co.za

Anywhere in South Africa