STARTER GUIDE

Allied Health Bookkeeping, the basics

A plain-English guide for physio, psychology, OT, speech, podiatry and NDIS practice owners. Finance should not be overwhelming, so here is what actually matters, and in what order.

1. Why the books matter (even though you trained in care, not accounting)

Clean books do three things: they keep you compliant with the ATO and Fair Work, they tell you whether the practice is actually profitable, and they give you the numbers to make decisions, on pricing, hiring and when to add a room. Get them wrong and the problems compound quietly, one BAS at a time.

2. The core skills

- **Separate your income streams.** Medicare, private fees, HICAPS, DVA, WorkCover and NDIS are not one blob. Each needs the right account and GST code.
- **Reconcile regularly.** Match what is in Xero against the bank, so errors are caught early, not at BAS time.
- **Capture every receipt.** Use a tool like Dext so deductions are documented and nothing is lost.
- **Understand GST-free vs taxable.** Most health services are GST-free; reports, training and some consulting are taxable.
- **Run payroll under the right award.** The Health Professionals and Support Services Award has classifications, penalties and CPD leave.
- **Watch cash flow timing.** Medicare, NDIS and private invoices settle on different days; track them against your balance.

3. How often to do it

Cadence	What to do
Weekly	Reconcile the bank, capture receipts, send and chase invoices
Each pay run	Process payroll and lodge Single Touch Payroll
Monthly	Reconcile practice-software clearing accounts, review profit by practitioner
Quarterly	Prepare and lodge the BAS, set aside GST, PAYG and super
Annually	Finalise STP, prepare year-end files for your accountant, review pricing

4. The revenue streams to track separately

Stream	GST treatment	Watch for
Medicare bulk billing	GST-free	Settles 2-3 days after claiming
Private fees	GST-free (health service)	Match HICAPS/Tyro settlements to patients
NDIS supports	GST-free	PRODA payments can take up to 14 days
DVA / WorkCover	GST-free (health service)	Separate payer, separate reconciliation
Reports, training, consulting	Usually taxable	Carries GST, keep it separate

5. The mistakes we see most

- Coding GST-free income as taxable (or the reverse), which makes the BAS wrong.

- Letting the practice-software clearing account balloon because it is never reconciled.
- Paying associates as contractors when the ATO would call them employees.
- Running a blended profit and loss that hides which practitioners and rooms make money.
- Not registering for GST in a big-investment year and missing the credits you could claim.

6. GST-free, but should you register for GST?

Because health services are GST-free and not input-taxed, a registered practice can claim back the GST on equipment, fit-out, software and CPD, even though it charges no GST on services. Under the $75,000 threshold you do not have to register, but in a heavy-investment year it can be worth it. The trade-off is quarterly BAS and charging GST on any taxable supplies. Model it before you decide, and loop in your accountant.

7. DIY, a bookkeeper, or a BAS agent?

Three options: do it yourself in Xero, outsource to a bookkeeper or BAS agent, or combine, you keep day-to-day entry and a professional handles BAS and the tricky bits. Most growing practices land on the combined model, then move to full outsourcing as the admin outgrows the owner's spare evenings.

Want this handled properly? Book a free 20-minute call at truetally.com.au, or call 0468 159 950. True Tally is a Registered BAS service provider (26360186) and Xero Certified Partner.

This guide is general information only, not personal tax, financial or legal advice. Confirm your situation with your accountant or adviser.