

## □ SUPER (BOWL) IMPORTANT ADVICE FINANCIAL RECORD KEEPING



### **First, a short story.**

Dr. Roger Ellis was the Registrar of the Royal College of Dental Surgeons of Ontario for almost 10 years.

This role included a seat on the disciplinary hearing committee, giving Roger unique insight into a common weakness shared by many dentists – poor record-keeping!

He was best friends with my father. Roger and my father were born on the same day and they both passed away in 2023.

I have many stories to share but one that came to mind this week is one of the most important lessons I learned from them - the value of proper record keeping.

I knew that proper record keeping is important to remain compliant with regulators, but Roger taught me that proper record keeping is essential to ensuring you are adequately prepared for the unforeseen.

I remember a lecture Roger delivered to over 200 dental students at the New Cairo University in Egypt. He shared that the three most important things to do consistently throughout a dental career are;

### **record keeping, record keeping and record keeping**

I do not need to remind dentists of the importance of proper clinical records. You have read the stories.

The rest of this article will focus on financial and business record-keeping.



Often when a client approaches us for an appraisal, they present financial statements prepared by their accountant on an annual basis. Few produce an interim financial statement.

Dental software makes it easy for dentists to provide production by provider. The great deficiency is knowing the year-to-date expenses. Dental software is impotent in this regard.

The industry standard is for small businesses to be aware of income AND expense figures every month.

Software such as QuickBooks or FreshBooks can be learned in less than 1 month.

### **You never know when you are going to need your numbers – sometimes you'll need them in a hurry!**

Waiting for an accountant to prepare an annual tax return 3-4 months after fiscal year-end does not help dentists prepare for the unforeseen. This is not proper record keeping.

I recommend you produce a report every 30 days that shows your year-to-date production and expenses.

While many already complete this task monthly, you may be shocked to learn how many dentists cannot produce proper, monthly financial results.

Some do not want to pay a bookkeeper, and some try to do it themselves, but inevitably they fall behind.

Some dentists hire a spouse or a family member to produce these reports, but that person rarely takes it seriously because they are not fully invested, and they may not treat the task like a proper business relationship.

Here is some simple advice that will cost you no more than \$400 to \$500 a month: Hire a bookkeeper and always have your monthly (year-to-date) financial statements ready.

I guarantee that by providing proper financial records, your chartered accountant can prepare your financial statements quicker, and probably at a lower cost.

The return on investment for having proper, up-to-date financial records at your fingertips every 30 days is positive. Having this task done professionally will save you more than it will cost you.

### **Always be running and ready for sale. S#it happens!**

Roger collaborated with me at ROI Corporation for about 20 years after retiring from the College, and he specialized in distressed dentists. Roger had a very deep connection with those who suffered from an error in professional judgment.

Roger never delayed when his phone would ring, and he would get in the car and go to them as confidant and counsel.

Please hear Roger's advice – right now.

If you need recommendations for bookkeepers who focus on dental practices, please **text me at 416-520-7420**.

Have you ever had a problem with a bookkeeper or suffered from embezzlement? Tell me your story and I may publish it - anonymously.

If you send me a story that is shared via my newsletter you could win a free Appraisal.

Written by:



Timothy A. Brown,  
FRI, CEO & Broker of  
Record



roicorp.com