

The right person for the job

How to hire a bookkeeper

The person who handles your organization's day-to-day accounting is instrumental in maintaining its financial health. So, when you're looking for a bookkeeper, focus on finding the best candidate with the right skills and experience to handle this important job.

Define the role

Before placing any want ads, you should define the role. The terms "bookkeeper" and "accountant" sometimes are used interchangeably, but there are differences. In general, a bookkeeper enters income and expense data into your accounting system. An accountant uses that data to generate financial reports and prepare tax documents. Bookkeeper candidates should have a basic understanding of accounting terms and principles to do the job well, but, in most cases, the individual doesn't need the specialized knowledge of a CPA.

Crafting a detailed job description that outlines the position's responsibilities will help you attract qualified candidates and give you a consistent yardstick with which to measure them against. Common bookkeeper responsibilities include preparing and recording accounts payable, accounts receivable and cash receipts; tracking expenses; reconciling bank statements; posting accounts to the general ledger; and assisting as necessary with year end financial audits. If you also will be relying on the bookkeeper to send donor acknowledgments, order supplies or handle any other clerical duties, spell them out in the job description.

Specify skills

Nonprofits have special bookkeeping challenges that for-profit businesses don't. Most for-profit businesses, for example, don't handle pledges, donated goods or services, and restricted donations. While it may not be essential, finding a bookkeeper with previous nonprofit experience can be helpful. At the very least, you want to work with someone who understands that there are differences between for-profit and nonprofit accounting methods and is willing to learn the accounting intricacies of your organization.

Other skills are nonnegotiable. Candidates should be:

- Knowledgeable about accounting basics (see “Pass the test,” above),
- Attentive to details,
- Deadline oriented, and
- Computer literate, which may mean familiarity with the accounting system you use.

Finally, because your bookkeeper will be handling cash, financial records and proprietary information, potential hires must be trustworthy and above reproach. Conduct thorough background and credit checks — including following up on any references — on anyone you’re seriously considering.

Be choosy

Your bookkeeper will be responsible for tracking the lifeblood of your organization — your income and cash flows. Don’t make a hasty decision: Take adequate time to select the best candidate.

Sidebar: Pass the test

Many organizations hire a bookkeeper because their top-level management doesn’t have the necessary accounting skills. Without qualified financial experts on board, you may be wondering how to judge the acumen of bookkeeper job candidates.

The American Institute of Professional Bookkeepers (AIPB) can help. The AIPB has created a short test and test administration guidelines that you can use with candidates to gauge their knowledge of accrual-basis bookkeeping. Should you require special skills, the tests can be customized to your needs. For more information on this free resource, go to <http://www.aipb.org>.