Description of the accounting procedure for
Click to write Company name

# general information

This description was drawn up for the first time on and last updated on Click to enter a dateClick too to specify a date.

##  The company's CVR number

Click to enter text - click the arrow symbol for instructions

##  Responsible persons

Click to enter text - click the arrow symbol for instructions

##  External handling of bookkeeping tasks

Click to enter text - click the arrow symbol for instructions

##  CVR number of any external accountancy tasks

Click to enter text - click the arrow symbol for instructions

##  Bookkeeping system

Click to enter text - click the arrow symbol for instructions

##  Chart of accounts

Click to enter text - click the arrow symbol for instructions

# Record and reconciliation of transactions

##  Overview of transactions in significant areas/types of transactions

Click to enter text - click the arrow symbol for instructions

##  Procedure for recording transactions

Click to enter text - click the arrow symbol for instructions

##  Reconciliation of accounting

Click to enter text - click the arrow symbol for instructions

# Procedure for storage and retrieval

##  Storage of accounting material

Click to enter text - click the arrow symbol for instructions

##  Reassuring storage

Click to enter text - click the arrow symbol for instructions

##  Retrieval of accounting documents

Click to enter text - click the arrow symbol for instructions

**OBS!** The description of the company's accounting procedure must be kept only together with the accounting documents.

Thus, the description should **Not** be submitted to the Danish Business Authority and/or another authority, unless the authority has asked the description to be disclosed in connection with a possible inspection of the company.

Guide to the description of accounting procedure

*Click the arrowsymbolone to return to the corresponding point in the form.*

 The company's CVR number

Enter the CVR number of the company to which the description of the bookkeeping procedure relates.

 Responsible persons

Enter the name(s) of the person(s) responsible for how your bookkeeping is organised. For example, it could be your chief accountant, CFO or similar. If your company has no employees, other than yourself as owner, you as the owner will be responsible. It does not have to be stated who actually does the bookkeeping, but depending on the size and organization of your company, there may be a coincidence between the person who does the bookkeeping itself and the person responsible for it.

 External handling of bookkeeping tasks

Enter which of your bookkeeping tasks may be handled by an external accountant or accountant. If your company has entered into an agreement with an external accountant or auditor to handle all or part of the bookkeeping, this will be stated. Does the agreement cover only certain tasks related to bookkeeping, e.g. only recording transactions (purchases, sales, payroll, interest calculation, etc.) But not storage of supporting documents, reconciliations in connection with VAT reporting, etc., describes which specific tasks the bookkeeper or accountant performs.

 CVR number of any external accountancy tasks

Here, the CVR number of any external accountant or auditor who handles all or part of the company's bookkeeping is entered.

 Bookkeeping system

If you use a digital bookkeeping system, describe here which digital bookkeeping system(s) it is. If the system consists of several composite systems or modules, it is described.

 Chart of accounts

A chart of accounts provides an overview of your financial activities, and is a list of the accounts that you can use for your bookkeeping, e.g. sales of goods, consumption of goods, rent, office supplies, telephone, receivables from sales, banking, VAT owed, etc. If you use a public standard chart of accounts, e.g. the one published by the Danish Business Authority, this is indicated here. If you use a chart of accounts from a provider of an accounting system, specify which system it is. If you use your own chart of accounts, e.g. a chart of accounts from a provider that is adapted to the company's circumstances, this is stated and the chart of accounts is attached to the template.

 Overview of transactions in significant areas/types of transactions

Transactions are conditions/events that affect a company's finances. It can be a purchase of goods, a sale, a salary payment, an interest calculation, settlement of debt, etc. Transactions may also be related to accounting matters such as depreciation of facilities.

Here is a brief description of the types of transactions that are frequently and recurrent included in your bookkeeping with an indication of the expected frequency. Frequency and recurrence should be seen in the context of your business model and should reflect primary operations. For example,

* cash sales e.g. daily,
* sales on credit, e.g. a few times a week,
* purchase of goods and payment of operating costs, e.g. weekly,
* payment of wages, e.g. monthly and
* Calculations of depreciation, e.g. semi-annually or annually.

A hairdressing business will typically have transactions related to cash sales, possibly purchases for a warehouse and costs for rent. In a company with employees, recording payroll-related costs will also be a frequent and recurring transaction.

In a company that owns multiple or large facilities, such as cars and furniture, ongoing depreciation will also be a frequent and recurring transaction.

A small craft business will typically have transactions related to sales, sales on credit, purchase of goods, purchase of machines/tools/cars where activation and depreciation may be relevant, purchase of foreign work, etc.

 Procedure for recording transactions

Here you will describe your accounting workflows for each of the company's most important types of transactions, cf. above. If purchasing goods is one of your frequent and recurring transactions, it describes what routines you have for posting item purchases. For example, every time you receive an invoice or once a week.

 Reconciliation of accounting

According to the Danish Bookkeeping Act, you must make the reconciliations necessary to ensure that there is an updated basis for statutory reports or returns on VAT, taxes, duties and annual and interim reports.

Here is a description of how often and how you reconcile the current bookkeeping (registrations), as well as which items and holdings are covered by the reconciliation. For example, it may be up to a VAT return, where you must make a necessary reconciliation that ensures that all VAT-related purchases and sales are posted in the correct period.

At a minimum, most companies will need to conduct bank reconciliations on an ongoing basis. In this case, it is described which accounts in the bookkeeping are reconciled against bank accounts, how often this happens, and whether this is done, for example, manually by comparing printout from the bookkeeping with printout from online banking. If the company uses a bookkeeping system with built-in functionalities for e.g. bank reconciliation, this is described.

It also describes, if applicable, how often your debtors, creditors, accruals and payable costs are reviewed. A company with a warehouse may periodically need to physically count all or part of the inventory, possibly on a random basis, and compare it with the value at which the inventory has been posted. This will also be relevant in connection with the end of the financial year to ensure an updated basis for a possible annual report. In this case, it describes which accounts in the accounting are reconciled with the physical inventory and how often this happens.

 Storage of accounting material

Enter the physical location (address) for storing your accounting material in physical format, i.e. paper-based vouchers, etc. Accounting material is typically appendices, but also calculations, documentation of estimates, contracts and other documentation for what is booked.

For accounting material in digital format, it is specified whether it is stored locally on e.g. a server or computer, or whether it is stored in a cloud solution. If stored locally, the physical location (address) is indicated. If a backup copy of digital accounting material is made, indicate where it is stored. If it's stored through a cloud solution, it's indicated who hosts it, such as Microsoft. If the material is stored on a mobile device, such as a USB stick, indicate the name of the person responsible for storing the device safely.

 Reassuring storage

Here is a description of what you as a company do to ensure safe storage of your accounting material (appendices, etc.) for 5 years. In particular, measures are described to prevent unauthorised access, protection against disposal, destruction and alteration of accounting material. In addition, protection against digital accounting material being unintentionally deleted or altered. It could be measures like access control, logging and backup.

 Retrieval of accounting documents

This describes how your accounting material can be quickly retrieved and made available to authorities in connection with control. Including how material stored digitally is converted into a readable format if necessary.

For example, it may be that your accounting material (appendices, etc.) can be extracted in pdf-fomat or other readable format, that the material can be searched for specific periods, or that all documents are uniquely numbered, so it is simple to follow the control trail.

If you store attachments on several different devices, e.g. a hard drive, a server, USB stick, etc., describe how to ensure that an overview and extraction can be quickly made from these devices.

If stored materially encrypted, it can be described here how it can be decrypted.