



MANAGING A CLINIC FOR REFRACTION SERVICES

AIM

This unit will teach you how to manage stock and cash flow in a refraction clinic.

LEARNING OUTCOMES

When you have worked through this unit you should be able to:

- record and maintain inventory of spectacles, frames and lenses and stationery items
- keep accurate records all sales (spectacles sold)
- order spectacles, spectacle frames and lenses
- order stationery and other goods required to maintain an effective clinic
- write appropriate receipts for monies received
- keep accurate records of monies received
- perform thorough banking procedures.

STOCK AND INVENTORY

Stock and inventory are different words that mean the same thing. When we refer to stock or inventory, we mean everything in a clinic that gets used or sold and needs to be restocked. In a refraction clinic this may include:

- readymade spectacles
- spectacle frames and lenses
- referral and prescription pads
- eye examination record cards
- stationery items
- consumables and equipment parts

Examples:

- fluorescein strips
- globes for equipment
- dispensing parts, such as screws and nose pieces
- low vision aids (where applicable).

INITIAL STOCK AND COMMON STOCK

“Initial stock” or seed stock is a list of the original stock that is in the clinic. This can be made when:

- opening a new clinic
- ordering the first lot of stock, or
- when taking over an existing clinic that already has stock.

When stocking readymade spectacles and frames, the initial stock should consist of a broad range of styles that will suit most people.

“Common stock” is the stock that is preferred by people in the local area. Once you have been working in a specific area for a while you will have an idea of what inventory needs to be stocked to suit local people’s preferences and needs.

This includes the:

- powers of spectacle lenses or readymade spectacles that you use the most
- frame styles that are most popular in your area.

In different areas, certain styles of frames will be more popular than others. When you know what they are, then you should stock more of that style. Also, some powers of lenses in an area will be more common than others, so you should stock your lens supply with more of the common powers and fewer of the less common powers. These lenses are referred to as “stock lenses”.

ORDERING STOCK

You will usually re-order stock once every month. To make sure you do not run out of stock during the month it is important that you plan carefully.

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| STOCK AUDIT | When ordering stock you need to know how much of each item you will need. This is done through a “stock audit”. A stock audit is a stock-take (counting) of all inventories in the clinic. A stock audit should take place on the last working day of every month. This will give you the most accurate calculation of how much stock you have used in the past month and help you calculate how much you will need for the following month. Once you have been working in the clinic for a few months, you will find it easier to estimate the stock required each month. |
| ORDERS | <p>Orders for new stock should be made on the same day as the stock audit. Once you know what stock you still have, you can decide how much new stock you need for the following month. You should write the order for new stock in the “order book” and order the stock.</p> <p>To order stock you should complete a stock order form and fax, email, mail or telephone it to your local suppliers. You must consider how long it will take for the stock to be sent to you – if you are located in a rural or remote area, it may take more than a week to receive stock.</p> <p>It is important not to have too many of the same style of frames and power of lenses in stock. Sometimes it is easier to order stock as it runs low.</p> |
| ORDER BOOK | <p>All stock orders should be written in an “order book”, or recorded on a computer if that is available. This is the best way to watch the movement of stock. Each page is split in half with “order out” on the first half of the page and “order in” on the other half of the page. All columns in the order book should be completed (see Table 30.1).</p> <p>The order book or computerised file should always be used together with the “Monthly Stock Sales Sheet” (see Table 30.2). This sheet keeps a monthly tally of the sale of spectacles. Orders can be easily calculated from this sheet, as it shows the most popular spectacle styles that are sold.</p> |

Table 30.1: Example of the Order Book

| ORDER OUT | | | | | ORDER IN | | | | |
|-----------|------------------------|----------|----------|----------|---------------|------------------------|----------|----------|-------------|
| Date | Item | Code No. | Quantity | Company | Received date | Item | Code No. | Quantity | Invoice No. |
| 29/02/08 | Specs | 66213 | 3 | Mirisol | 04/03/08 | Specs | 66213 | 3 | 63 |
| 29/02/08 | Specs | 66452 | 2 | Mirisol | 04/03/08 | Specs | 66452 | 2 | 63 |
| 29/02/08 | Prescription pads | 212 | 2 | Hallmark | 05/03/08 | Prescription pads | 212 | 2 | 274 |
| 29/02/08 | Referral pad | 286 | 1 | Hallmark | 05/03/08 | Referral pad | 286 | 1 | 274 |
| 29/02/08 | Globes for retinoscope | 11274 | 1 box | SunSun | 06/03/08 | Globes for retinoscope | 11274 | 1 box | 23 |

RECORD KEEPING

Record keeping is a very important part of running an efficient refraction clinic. Accurate and consistent record keeping is the best way of knowing:

- how much stock you have
- how much stock you need, and
- how much stock you do not need.

Records must be kept of all sales and stock movements on a daily, weekly and monthly basis. All sales must be recorded in the yearly “sales book” and all stock orders must be written in the yearly “order book”. If you have a computer available, that could also be used for recording sales and orders.

Loose paper records of all sales and orders should be kept in the proper monthly folder and filed in the correct yearly file. For example, all sales and orders for February 2010 must be placed in the February folder and put in the 2010 file.

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| DAILY | <ul style="list-style-type: none"> • All stock movements, including sales and orders, must be recorded in the “spectacle sales” and/or “orders” book (or in the computer) at the time of the sale or the order. • Additional referral and prescription pads must be recorded in the “order book” (or computer) so that new ones can be ordered. • Receipts must be written and given, at the time of purchase, to everyone who purchases spectacles. |
| WEEKLY | <ul style="list-style-type: none"> • All sales must be totalled and balanced so they add up at the end of every week. • Banking must be recorded in the “banking” ledger at the time of banking. • Banking must be done on the same day of every week. |
| MONTHLY | <ul style="list-style-type: none"> • If you need more stock for the next month it should be recorded and dated in the monthly “order book” or in the computer. Orders can only be made after this is done. • All new orders received should be marked against the order made in the “order book” or computer file to make sure everything has arrived. • Mark the number of sales in “tally” form on the monthly sales stock sheet (Table 30.2) against each frame style. |

Table 30.2: Example of the Order Book

| March 2009 | | | | | | | | | | | | | Total |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Power | +1.50 | +1.50 | +1.50 | +1.50 | +2.50 | +2.50 | +2.50 | +2.50 | +3.50 | +3.50 | +3.50 | +3.50 | 3 |
| Style | A | B | C | D | A | B | C | D | A | B | C | D | |
| No. of Specs In store | 10 | 8 | 6 | 4 | 12 | 10 | 8 | 7 | 8 | 6 | 6 | | |
| No. of Specs Sold - tally | | | | | | | | | | | | | |

SPECTACLE SALES BOOK

All sales need to be recorded in a spectacle sales book, or into a special a computer program if that is available. This book (or computerised file) helps you keep track of all the spectacles you have in the clinic and the spectacles you have sold. This is the easiest way to keep an accurate account of the cash flow in the clinic.

- You need to record:
- Date of sale
 - Spectacle name / code
 - Spectacle colour
 - Power of spectacles
 - Price
 - Amount paid
 - Receipt number
 - Name of eye care practitioner.

RECEIPT BOOK

Whenever somebody makes a purchase, a receipt must be given to that person. Receipts must be given for all money received, so whenever you sell a pair of spectacles you **must** provide a receipt. It is important that you keep a copy of the receipt in the clinic for your own records.

Receipts can also be used as proof that the person has bought and owns the spectacles. Receipts are also proof that you have received the money. This is especially important if you have only received part of the payment for the spectacles and you need to confirm the final amount owing for the spectacles.

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|-------------------------------|--|-------------------------|-----------------------------|------------------|--|------------------|---------------------------------|-------------------------|---------------------------------|---------------------------|----------------|-----------------|--|
| HOW TO WRITE A RECEIPT | <p>When the person buys a pair of spectacles, take the money and write a receipt for the exact amount of money received.</p> <p>→ If the person pays only part of the amount and wishes to pay the balance of the amount the following week, then a receipt must be written for that part payment at the time you received the money. When the person pays the rest of the money the following week, you then write another receipt for that payment. The amount of money written on the receipt is exactly the same amount of money that you received.</p> <p>If a person makes a part payment for a pair of spectacles and wishes to pay the rest of the money later in the week, they can only collect their spectacles once full payment has been made.</p> <p>→ Give the original receipt to the person who gives you the money.</p> <p>→ Keep the copy in your receipt book for your files.</p> <p>Each receipt is numbered. You should record the number of every sale.</p> <p>A receipt should have the following information:</p> <ul style="list-style-type: none"> • Date of money received • Full name of person who paid the money • Power and style of the spectacles • Amount of money in words followed by the word "only" • Amount of money in figures (numbers) • Name of the person who received the money and wrote the receipt. | | | | | | | | | | | | |
| EXAMPLE | <table border="0"> <tr> <td>Date: 14/10/2009</td> <td>Name: Mrs B. Seegood</td> </tr> <tr> <td>Spectacle style:</td> <td>PrettyFace – Model 87-4, Gold, Size 50-14</td> </tr> <tr> <td>Spectacle power:</td> <td>R +3.25 D L +3.00 D</td> </tr> <tr> <td>Amount paid (in words):</td> <td>Fifty four dollars only.</td> </tr> <tr> <td>Amount paid (in figures):</td> <td>\$54.00</td> </tr> <tr> <td>Receipt No: 987</td> <td>Received by: Isabelle See (Vision Technician)</td> </tr> </table> <p>After you have received the money for the spectacles and you have given the person a receipt, you need to write the information of the sale in the spectacles sales book and include the receipt number for your records.</p> | Date: 14/10/2009 | Name: Mrs B. Seegood | Spectacle style: | PrettyFace – Model 87-4, Gold, Size 50-14 | Spectacle power: | R +3.25 D L +3.00 D | Amount paid (in words): | Fifty four dollars only. | Amount paid (in figures): | \$54.00 | Receipt No: 987 | Received by: Isabelle See (Vision Technician) |
| Date: 14/10/2009 | Name: Mrs B. Seegood | | | | | | | | | | | | |
| Spectacle style: | PrettyFace – Model 87-4, Gold, Size 50-14 | | | | | | | | | | | | |
| Spectacle power: | R +3.25 D L +3.00 D | | | | | | | | | | | | |
| Amount paid (in words): | Fifty four dollars only. | | | | | | | | | | | | |
| Amount paid (in figures): | \$54.00 | | | | | | | | | | | | |
| Receipt No: 987 | Received by: Isabelle See (Vision Technician) | | | | | | | | | | | | |

BANKING

All money received for spectacles must be deposited into the bank. Banking should be done a minimum of once a week and preferably on the same day of each week. This will help you plan your days and weeks so that certain responsibilities are completed each day. This will also help you maintain a well organised workplace.

Remember to keep some “float” money locked in the cash box. The float should be in small denominations and will be used to give people change when they make purchases with big notes. The float is never banked and the same amount must be kept in the float every week. Because the float is always the same amount, you can calculate exactly how much money you have received from purchases and you will know the exact amount you need to bank.


BANKING LEDGER

You must record all money deposited at the bank by writing the details in a “banking ledger”. Even though your banking deposit book shows all bank transactions, this is the best way for you to keep track of your own banking. You can then measure this amount against the sales you have made, the receipts you have written and the actual money you have received. They should all balance. If money is missing, it will show up here.

In the banking ledger you should include the following information:

- Date of banking
- Amount of money deposited
- Brief description of what the money was for (usually this will be for spectacle purchases, BUT, there may be an unusual purchase or payment that a person has made). Bulk amounts should be written next to different purchases
- Name and signature of the person who is banking the money.

EXAMPLE:

| Banking date | Amount deposited | Description | Name | Signature |
|--------------|------------------|---|--------------|---|
| 12/09/09 | \$165.00 | Total spectacle sales: \$70 Total low vision aids sold: \$85 Total spectacle accessories sold: \$10 | Isabelle See |  |
| | | | | |
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BILLS AND ACCOUNTS

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| BILLS | <p>All clinics will receive bills that must be paid to continue effective operations. Bills for different services will vary for each clinic as it depends on where they are located. Bills may be for the services such as:</p> <ul style="list-style-type: none"> • Electricity • Water • Rent • Telephone/fax line • Internet connection. <p>Paying bills for these services may vary due to the clinic's location. If a clinic is located in a hospital or health centre, many of these services may be provided by the hospital or health clinic. However, if the clinic is situated in its own premises, all services will have to be paid for by the clinic.</p> |
| ACCOUNTS | <p>An account is not always a bank account. An account can also be opened with a company that supplies your clinic with stock.</p> <p>Example: your supplier of readymade spectacles will make an account for you so that when you order your spectacles, you will not need to pay for them immediately. Instead the supplier will send you an account with your spectacle order. You will be given a certain time frame to pay that account (usually 14 or 30 days). Once you have established a good working relationship with your suppliers, you can often negotiate a payment time that suits you.</p> |
| PAYING BILLS AND ACCOUNTS | <p>Each bill and account will show a "due date". This is the latest date that you can pay your account.</p> <p>It is important that all bills and accounts are paid by the due date. You must keep track of all payments to be made – which is easy to do if you are properly organised.</p> |
| TO PAY | <p>The best way to keep track of payments is to have a tray for bills and accounts called "To Pay". You should highlight or circle the due date on every bill and account and file it in this tray with the latest date for the month on the bottom and the earliest date to pay on the top. Every day you should go through this tray and arrange payments.</p> |
| PAID BILLS AND ACCOUNTS | <p>Once bills and accounts have been paid, they should be filed in the corresponding supplier's file. You should keep a copy of every paid bill for the clinic records as proof of payment.</p> |

FILING

A well organised clinic has a good filing system.

A filing cupboard is the best place to store your files. You should have a file for each:

- month
- supplier
- service provider (Examples: electricity, water, telephone/fax, rent, Internet service provider).

All the files for each year can be kept in a larger folder that is labelled with the date of that year.

SUMMARY: MANAGING A CLINIC FOR REFRACTION SERVICES

STOCK AND INVENTORY

Stock and inventory are different words meaning the same thing.

They refer to everything in a clinic that gets used or sold and needs to be restocked.

This includes:

- readymade spectacles
- spectacle frames and lenses
- referral and prescription pads
- eye examination record cards
- stationery items
- consumables and equipment parts
- dispensing parts
- low vision aids.

INITIAL STOCK AND COMMON STOCK

- Initial stock is the list of the original stock that is in the clinic.
- Common stock is the stock that is preferred by people in the community where the refraction clinic is located.

ORDERING STOCK

- Usually you will order new stock once every month.
- You should do a stock audit on the last day of every month.
- Order new stock on the same day as the stock audit.
- Write each new order in the order book or record it in the computer.
- Email, fax, mail or telephone your order to your suppliers.
- Complete a monthly stock sales sheet when you do each order.

RECORD KEEPING

- Records let you know:
 - how much stock you have
 - how much stock you need
 - how much stock you do not need.
- Records should be kept daily, weekly and monthly → depending on what they are for.
- Spectacle Sales Book / Computerised file – records all spectacle sales and helps you keep track of spectacles in the clinic. This should be completed after every sale.
- Monthly Stock Sales sheet / Computerised file – records spectacle sales for each month.
- Receipt Book – a receipt must be written for and given to every person who has made a purchase at the time of purchase.

SUMMARY: MANAGING A CLINIC FOR REFRACTION SERVICES (cont.)

BANKING

- Banking should be done at least once every week.
- A “float” should be kept in the cash box and not banked.
- All money that is banked must be recorded in the banking ledger.
- Only money received for sales of goods should be banked.

BILLS AND ACCOUNTS

- A bill is provided for a service (such as electricity, water, rent, telephone or Internet service provider).
- An account is provided by a supplier. It may give you a certain time frame to pay for ordered stock.
- All bills and accounts must be paid on time.
- You must be organised and pay bills and accounts by the due date. The best way to do this is by filing bills in a “To Pay” tray.
- Paid bills should be filed in each supplier’s file.

FILING

- A good filing system is essential to run an organised clinic.

TEST YOURSELF QUESTIONS

1. What is the difference between “initial stock” and “common stock”?

2. Imagine it is the last day of the month and you need to order more stock. What must you do?

3. Mrs Garden has ordered some spectacles from you today.

She has ordered a new Priceline spectacle frame: Model number – 8765
 Colour – Pink
 Size – 47-18

With these lenses: R +2.25 D L +2.50 D

The total cost of these new spectacles is: \$100

She pays you: \$80

She tells you that she will pay the remaining money that she owes when she returns to collect her spectacles.

Write a receipt for Mrs Garden:

Date: Name:

Spectacle Style:

Spectacle Power:

Amount paid (in words):

Amount paid (in figures):

Receipt Number: 3456 Received by:

4. What is the “float” money for?
