

# Keeping the Books for a Clinic on Jane

The Clinic Ledger · A Steel City CFO practice

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## Keeping the Books for a Clinic on Jane

*A plain-language field guide for bookkeepers and clinic owners. Written by Kevin Cosgrove, fractional CFO, Steel City CFO. If you keep the books for a Canadian clinic running on Jane, this is meant to save you the surprises I hit the first few times. It's built around Jane's own reports and standard double-entry, no special software required on your end. Not affiliated with Jane Software Inc.*

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### Start here: Jane is a clinic system, not accounting software

Jane is practice-management software. It handles scheduling, charting, invoicing, and taking payment. It is very good at that. What it does not do is keep your books. There's no QuickBooks Online or Xero integration, and Jane's own guidance is to export reports and post journal entries manually with a bookkeeper. So that's the job: Jane is the source of truth for what happened, and your ledger is a separate thing you build from Jane's reports.

That one fact drives everything below. You're not syncing anything. You're reading Jane's reports each month, understanding what each one actually measures, and turning that into entries. The traps clinics run into are almost all versions of the same mistake: treating a Jane number as if it means what the same word means in QuickBooks, when it doesn't.

A few things that follow from Jane being a clinic system:

- **Cash and accrual live in different reports.** What was invoiced, what was collected, and what hit the bank are three different numbers in three different places. They rarely match on any given day, and they're not supposed to.
- **Payment processing sits underneath.** Jane Payments runs on Stripe. Money the clinic earns and money that lands in the bank are separated by fees and a batching delay. More on this below, it's the single biggest source of mess.
- **Nothing reconciles itself.** There's no feed. If you don't build the reconciliation, it doesn't exist, and it shows up as a fight at year end.

### The reports you'll actually use, and what each one is for

Jane has a lot of reports. For the books you need a handful. Here's what each one is really telling you. (For exact column names and export quirks, there's a detailed schema doc, `Jane-report-schemas.md`, but you can keep the books from the plain descriptions here.)

**Daily Transactions Report.** Money taken in per day, by payment method (cash, Interac, cards, and so on). Good for a daily sales-and-payments picture. One big catch, covered again below: **card**

**payments taken through Jane Payments do not show up here.** This report shows cash and Interac. If you reconcile off Daily Transactions alone, you will miss all the card revenue and every processing fee. It also excludes patient names by design, which is handy for privacy.

**Sales Report.** The accrual view: what was invoiced, line by line, with the income category (treatment, product, documentation), the subtotal, tax, what was collected, and the balance owing. This is where you see revenue by discipline and by practitioner, and where insurance shows up as paired lines (an insurer portion and a patient portion for the same visit). This report does carry patient names and a patient ID, so it's the one to handle carefully on privacy (see the no-PHI standard at the end).

**Compensation Report.** What each practitioner earned, usually on collected amounts, with commission rates, tips as their own lines, and product cost for margin. You'll use this for the comp accrual and for splitting revenue by practitioner. It has three date columns (purchase, transaction, payment) which is how you catch the cross-period timing issue described below.

**Jane Payments Transactions Report.** Every card charge processed through Jane Payments, with the gross charge, the Jane Payments fee, and the net paid to the clinic. This is where the card revenue and the fees actually live. Pull it every month. It has a "hide patient names" toggle, use it.

**Jane Payments Payouts Report.** The batches Jane actually deposits to the clinic's bank. This is your bridge from "cards processed" to "money in the bank." You reconcile the bank statement against this, not against invoices. (Note: a fresh clinic or a demo account may show no payouts yet; on a live clinic taking card payment, this populates.)

**Accounts Receivable Report.** What's owed, aged into five buckets (0-30, 31-60, 61-90, 91-120, 120+ days), with insurers and patients in one list. Amounts here include sales tax. This is your month-end A/R support, and for clinics that bill insurance it's where the real aging lives.

A practical note: Jane reports are as-of snapshots and can change if someone edits a past invoice. Pick a reconciliation cut-off, pull everything as of the same moment, and note the date you pulled. If you pull the Sales Report on the 3rd and the Payments report on the 9th, they won't agree, and it won't be Jane's fault.

## **The Jane Payments payout reconciliation (the one that eats the most time)**

This is the piece most generalist bookkeepers underestimate, so it's worth doing slowly.

Jane Payments is Stripe underneath. When a patient pays by card, Jane doesn't hand the clinic that exact dollar the same day. It groups charges into a batch and deposits the batch to the bank, and the deposits come roughly every two business days, net of fees of about 2.75%. So a single bank deposit is a bundle of several days' card charges, minus fees, and it will basically never equal any one day's invoices. If you try to match a bank deposit to a day of sales, you'll go in circles.

The fix is a clearing account (some people call it an undeposited-funds or a "Jane Payments clearing" account). The idea:

1. **When cards are charged**, record the gross card revenue as a debit to the Jane Payments clearing account. That's money the clinic has earned and is owed by the processor but doesn't have in the bank yet. (Credit revenue, and credit GST/HST payable where the service is taxable, per the tax section below.)
2. **When a payout lands in the bank**, record the deposit as a debit to the bank and a credit to the clearing account for the net amount, and book the difference, the processing fees, as a debit to a merchant-fees expense account. Now the clearing account for that batch nets to zero.

3. **The clearing account balance at month end** should equal the card charges that have been processed but not yet paid out (the in-transit batch). That's a real, explainable number, and it's your check that nothing fell through.

Where the numbers come from: gross card revenue and the fee come from the Jane Payments Transactions Report; the actual deposit amounts come from the Payouts Report and the bank statement. Reconcile bank to payouts, and payouts back to transactions. Do not reconcile bank to invoices.

Two things people get wrong here. First, they book the net deposit straight to revenue and never record the fees, so revenue is understated and there's no fee expense on the books. Second, they forget the timing: the last few days of card charges in a month are usually still in transit at month end, so the bank will always be "short" versus sales by roughly the in-transit batch plus fees. That gap is the clearing account balance, and it's correct.

### **The deposit-vs-invoice double-count trap**

Closely related, and worth calling out on its own because it silently doubles revenue.

If you book revenue from the Sales Report (invoices), and then also book the bank deposits as income when they arrive, you've counted the same money twice. The invoice already recognized the revenue. The deposit is just that same money moving from "owed by the processor" into the bank. It's a balance-sheet movement, not new income.

The fix is the clearing account again. Invoices create revenue and a receivable (or a debit to clearing for card sales). Deposits clear the receivable/clearing, they don't create income. If your books show revenue that's noticeably higher than the Sales Report says it should be, this double-count is the usual reason. The tell is a merchant-services or income line that moves every time a Jane payout hits.

A cash-basis version of the same trap: if a clinic is on cash basis and you book both the daily cash-and-Interac takings *and* the card deposits *and* the Jane Payments transactions, you can triple-count. Pick one recognition path per payment type and stick to it.

### **Comp splits, at a basic level**

Most clinics pay practitioners a percentage of what's collected, not a percentage of what's billed. That matters for two reasons.

First, it's a real expense you should be accruing, not just something that comes out in payroll later. The Compensation Report gives you the amount per practitioner for the period; book it as a practitioner-comp expense with the matching payable.

Second, comp can land in a different month than the service. Because it's usually paid on *collected* dollars, a treatment done on June 27 that the patient (or insurer) pays for on July 2 shows up in July's collected comp, even though the service was June. The Compensation Report exposes this with its separate purchase, transaction, and payment dates. You don't have to do anything fancy at the basic level, just know that comp won't tie perfectly to the same month's revenue, and that's expected when comp is on collections. If a clinic wants comp expense matched to the service month, that's a more involved accrual and worth flagging as its own piece of work.

Tips ride along in the Compensation Report as their own lines. Tips collected on the clinic's behalf and paid out to staff are a flow-through (a liability you owe the practitioner), not clinic revenue. Keep them out of the revenue line.

## Deferred revenue: packages, memberships, and gift cards

Clinics sell things that are paid for now and delivered later. Under accrual accounting, the cash you take today for services you haven't provided yet isn't revenue yet, it's a liability (deferred revenue, sometimes called unearned revenue).

The three common ones:

- **Packages / prepaid visit bundles.** A patient buys ten sessions up front. On sale, that's cash in and a deferred-revenue liability, not ten sessions of income. Each time a session is used, move one session's worth from the liability to revenue. At month end, the liability should equal the value of the sessions still unused across all patients.
- **Memberships.** A monthly or annual membership paid up front is recognized across the period it covers. Annual paid in January is roughly one-twelfth of revenue a month, with the rest sitting in deferred revenue until earned.
- **Gift cards.** Cash in, liability out. Revenue is recognized when the card is redeemed against services or products, not when it's sold. Unredeemed cards stay as a liability. (Breakage, cards that are never redeemed, is a later and smaller question; don't worry about it until a clinic has a real balance of stale cards.)

The practical move is to keep a simple liability schedule per category (packages, memberships, gift cards) that ties to the balance-sheet account each month. Jane tracks the sale and the redemption; your schedule turns that into the right revenue-vs-liability split. Clinics that sell a lot of packages and skip this end up recognizing revenue way too early, which overstates income in the sale month and understates it later.

## Mixed GST/HST, because clinic income isn't all the same

Canadian clinics usually have a mix of taxable and exempt income under one roof, and the tax treatment depends on what was sold, not just who sold it. You have to map it by type. The common cases:

- **Psychotherapy and counselling therapy services: exempt** as of June 20, 2024. (This changed recently, so books from before and after that date can differ, worth checking if you're cleaning up an older period.)
- **Massage / RMT services: taxable.** These are not GST/HST exempt, so tax applies.
- **Naturopathic services: the service side is generally exempt, but the dispensary is not.** Supplements and products sold are taxable even when the consult isn't.
- **Retail and products: taxable.** Supplements, creams, supports, whatever's on the shelf.
- **Other regulated health services** (physiotherapy, chiropractic, and so on) have their own treatment; check the specific discipline rather than assuming.

The point for the books: a single clinic can have exempt service revenue, taxable service revenue, and taxable product revenue all in the same month, and each needs the right tax code. The Sales Report's income category and item detail are what you map from. Get the chart of accounts and the tax codes set up by discipline and product once, and the monthly work gets a lot cleaner. Get it wrong and the GST/HST return is wrong, which is exactly the kind of thing that surfaces in an audit.

None of the above is tax advice for a specific clinic. Provincial rules and a clinic's own facts can change the answer, so confirm the treatment for the actual services before you lock the codes.

## The no-PHI standard: keep patient names out of the ledger

Clinics handle health information, and you don't want it in your accounting file. You don't need it there either. The standard I hold to, and recommend:

- **No patient names in the ledger.** The books care about amounts, categories, and accounts, not who the patient was. Favour Jane's Daily Transactions Report, which excludes patient names by design, and the Jane Payments reports with the "hide patient names" toggle on.
- **When you need Sales-level detail** (for revenue by discipline, insurance splits, and so on), strip or hash the patient name and the patient ID at intake. Keep the insurer names, those aren't personal health info and you need them for A/R. Drop the patient identity.
- **Keep insurer names.** MSP, Pacific Blue Cross, Manulife, WCB/WSBC and the rest are fine and necessary for tracking receivables. It's patient identities you're removing, not the payer.
- **Don't email identifiable patient data.** Jane itself won't let you export certain things by email for this reason; treat that as the standard. Move files through secure, access-controlled tools.

Handled this way, keeping a Jane clinic's books stays in ordinary bookkeeping-privacy territory rather than anything heavier. It's also just good practice: the less health information sitting in a QuickBooks file, the better for everyone.

### A short, honest note

I do this for a living. I run the month-end close for clinics on Jane, and I've built a close system specifically for the Jane part, most of it automated on my side. If you're a bookkeeper who's picked up a Jane clinic and would rather not fight the Payments-to-bank reconciliation every month, I sometimes run that close underneath a firm so the client stays yours. And if you're a clinic owner reading this, the same offer stands directly. Either way, this guide is meant to stand on its own. Use it.

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