



Information for Lodge & Chapter Treasurers



ADMINISTRATION

Provincial Office: "Oakley House"
Bromley Common
Bromley
Kent BR2 8HA

Telephone: 020 8462 9249

Fax: 020 8462 7076

E-mail PGTreas@freemasons-westkent.org.uk

Web Site www.freemasons-westkent.org.uk

Provincial Grand Treasurer Michael Read

INDEX

Index	2
Introduction	3
Regulation – Treasurer’s Duties and Lodge accounts	5
A guide to the preparation of Masonic accounts	7
Example accounts	9
“Help” - Notes on the accounts.....	13
Example cash book and bank reconciliation.....	15
Subscription proforma	19
Notes on the cash book.....	20

INTRODUCTION

This booklet is produced primarily for the information of newly appointed Lodge or Chapter Treasurers, but it is hoped that it will also prove to be useful source to those who are already in office. It has been written mainly with reference to Lodges but, with a few presentational amendments where appropriate, the content applies equally to Chapters and other Orders.

The main objectives are to provide Treasurers with guidance on their duties and responsibilities and to provide a framework for the production of meaningful accounts which also promote a consistency of approach within the Province. Should you require clarification of any point then please contact the Provincial Treasurer via the Provincial Office.

The all encompassing rule for Treasurers and Auditors is Rule 153 Book of Constitutions which is reproduced in full starting on the page 5, but set out in paragraph form to emphasize the points being made. There is a highlighted note of explanation following each paragraph.

The other rules in the Book of Constitutions that the Treasurer ought to be familiar with are:-

- Rule 146 – Annual Returns
- Rule 147 – Remittance of fees
- Rule 148 – Cessation of membership
- Rule 152 – Out of time payment penalty
- Rule 181 – Exclusion of a member

Additionally there is By-law 18 of the Province which requires that each Lodge submits a copy of its last Annual Accounts to the Province with its Annual Return. This applies to all accounts prepared by the Lodge not just those of the “general” account. In practice most Lodges are forwarding a copy of their accounts as soon as they have been prepared rather than waiting for the next Annual Return and this is encouraged. Rule 153 also imposes a time limit for the meeting at which the accounts are presented to the Lodge as being the third after the date to which the accounts are made up.

One other area of regulation that Treasurers need to be aware of is the Charities Act 2006 and, in particular, its effect on the uses to which Lodge “charity” monies can be put. The Act states that a charity's funds can only be used for “charitable purposes” and as far as Lodges are concerned this generally means “for the prevention or relief of poverty” or payments to other charities both Masonic and non-Masonic. The area of difficulty for Lodges is whether Christmas gifts to widows, flowers to brethren and their dependants, cards and other items of a similar nature fall within this definition. Whilst such payments are in the best Masonic tradition they are not, in law, regarded as charitable purposes and must not be provided from any fund which is in law a charity. This means that if the Lodge's “charity” fund is a registered charity then its funds should not be used to make such payments.

In the example accounts included, it has been assumed that the Charity/Benevolent fund is not a registered charity and it has used to make this type of payment and that they have been funded by alms collections or raffles specified for that purpose. Alternatively the payments could be made through the Lodge general account with the alms collections and any charitable payments passing through the Charity/Benevolent Fund.

Moving on to the accounts, the circumstances of each Lodge are different so it is not possible to produce a set of documents that will fit every conceivable situation but it is hoped that Treasurers will be able to tailor the accounts set out on page 9 onwards to suit their Lodge's requirements. The example accounts comprise an Income and Expenditure account, Balance Sheet and a Charity/Benevolent Fund account and are preceded by a general guide.

Copies of the accounts and a blank master copy can be downloaded from the website for use by Treasurers if they wish to adopt the proformas. The excel spreadsheets used contain formulas that will add up the sub-totals and totals.

The notes starting on page 13 are designed to provide further information to assist in the preparation of the accounts and the accounts include a cross reference to the relevant note. The note numbers have been deleted from the blank master copy of the accounts as the notes do not form part of the actual accounts. Should Treasurer's wish to include any notes with the accounts they prepare then the appropriate note numbers can be inserted.

Before the accounts can be prepared the source information is of course required and a proforma cash book and subscription proforma in excel format have been included which can also be downloaded.

Finally, before moving onto the main content, the management of a Lodge's finances and the preparation of the accounts are not easy for all and it is not possible to cover everything in a handbook of this kind. Please remember that Province exists for the benefit of its Members so no one should feel any reluctance in asking for advice. The Provincial Treasurer will always be happy to help so please do not hesitate to seek his assistance with any problems you encounter in performing the duties of your very important office.

REGULATION

Treasurer's Duties and Accounts Rule 153 Book of Constitutions

All moneys due to, or held for, the Lodge (or Chapter) shall be paid or remitted, to the Treasurer direct, who shall without undue delay deposit the same in the name of the Lodge at a bank to be approved by resolution of the Lodge.

This means that others should not hold on to lodge monies and should pass it to the Treasurer without delay and he should promptly pay monies into the Lodge bank account. The Lodge bank accounts must be in the name of the Lodge and not in any circumstances in the Treasurer's or any other individual's name.

The Treasurer shall make such payments as are duly authorised, or have been sanctioned by the Lodge. All cheques must bear the signature of the Treasurer and (unless the Lodge resolves to the contrary) of at least one other member authorised by the Lodge.

This means that only payments that are legitimately made on behalf of the Lodge and have been agreed by the Lodge members should be made out of the account. Although it is not against this rule to have only one signature, this is not advised. Two signatures are preferable as this acts as a safeguard to both the Lodge and the Treasurer. To provide flexibility and convenience it would be best practice to arrange with the bank for any two from three signatories, e.g. the Treasurer and either the Secretary or one other member.

The signatories must always satisfy themselves as to the validity of the payments being made. This precludes the common practice of a signatory signing blank cheques in advance which, although convenient, is dangerous and should be avoided.

The Treasurer shall regularly enter a complete record of all moneys passing through his hands in proper books of account, which shall be the property of the Lodge, and which, together with all Lodge funds and property in his possession, shall be transferred to his successor upon investiture.

This means that the Treasurer must keep proper and accessible books and records on behalf of the Lodge and pass these together with any other property and money to his successor promptly at the appropriate time.

He shall prepare a statement of accounts annually, at a date to be determined by the members, showing the exact financial position of the Lodge, which statement shall be verified and audited by a committee of members of the Lodge annually elected for that purpose.

This means that the Treasurer must prepare accounts that truly reflect the financial position of the Lodge based on the properly kept books and records and pass these to the Audit Committee for review and verification. There must be at least two Auditors and it is preferable, where possible, that they have some knowledge of accounts.

Copies of the accounts and of the certificate signed by this Audit Committee that all balances have been checked and that the accounts have been duly audited shall be sent to all the members of the Lodge together with the summons convening the meeting at which they are to be considered.

This means that the accounts should be sent out in good time to enable members to consider them prior to the meeting. They should not be handed out at the meeting, as is often the case.

Such meeting shall not be later than the third after the date to which the accounts are made up. The books of account shall be produced for inspection in open Lodge at such meeting, and on any other occasion if required by resolution of the Lodge.

This means that the accounts should be prepared and audited as soon as practicable after the year so that they can be presented to the members no later than the third meeting after that date. The books and records should also be available at the meeting and it is also a good idea if the Treasurer brings them to each meeting.

The same procedure of annual accounts, audit and presentation to members shall, *mutatis mutandis*, be followed in relation to any other funds maintained by or in connection with the Lodge (whether by the Treasurer or by a Charity or other Steward) such as Lodge Benevolent Funds, the funds of Charity or Benevolent Associations, Dining Funds, Charity Box collections or other monies receivable from individual members of the Lodge or any of its Officers.

This means that all subsidiary accounts or activities of the Lodge that do not form part of the main Lodge accounts should have their own set of accounts which should be audited and signed off. The different functions may mean that the format of the accounts varies but the procedure should be the same, *mutatis mutandis*.

A GUIDE TO THE PREPARATION OF MASONIC ACCOUNTS

1. INTRODUCTION

Although the majority of Lodge and Chapter Treasurers prepare perfectly acceptable accounts, there are many different styles and layouts and some can be both misleading and inaccurate. This guide sets out a recommended layout which may be of use to Treasurers in all Degrees and Orders. For simplicity this guide always refers to a Lodge but the type of Order concerned can be substituted wherever it arises in the text.

2. PROBLEMS

The main problem is where Treasurers use what is known as a "Receipts and Payments" account rather than an accruals based "Income and Expenditure" account. The former includes all items that have been received or paid in the year, which may well include income which relates to the following or previous year (e.g. subscriptions in advance or arrear) or omit expenditure which is not paid until the following year (e.g. catering charges or Grand Lodge dues etc.). Unless all items of income and expenditure which relate to a particular year are included within that year's accounts, whether or not actually received or paid, then those accounts will not accurately reflect the activities for the year. A Balance Sheet should always be included to show the actual financial position of the Lodge at the year end.

It is a common misconception that Grand and Provincial dues relate to the year in which they are paid but they are actually charged in arrear and are payable within 30 days of the end of the year they apply to. Lodges should therefore always have sufficient funds available at the year end to make these payments without having to rely on the following year's subscriptions. The amounts due should be included in the expenditure of the year and in creditors in the Balance Sheet.

Subscriptions on the other hand are payable in accordance with the Lodge by-laws and are payable "in full" and "on the due date" which normally means the first day of the new year. This is to enable the Treasurer to have sufficient funds to pay the bills incurred by the Lodge throughout that year, including the dues as referred to in the previous paragraph that are not paid until after the year end.

3. INCOME AND EXPENDITURE ACCOUNT

As intimated above the Income and Expenditure account is the preferred format because it ensures: -

that all the transactions for a particular year are included in the accounts for that year and that the accounts are not distorted by the inclusion of items relating to any other year.

The headings of the various types of income and expenditure will vary according to the requirements of each Lodge. The columns should be headed with the actual years concerned.

4. BALANCE SHEET

A Balance Sheet should be included to show the financial position of the Lodge at the end of the last day of the financial year. It is a snapshot of the state of affairs at the year end and is a very important part of the accounting process as it sets out clearly whether or not the Lodge is "solvent" and "able to pay its way".

5. THE CHARITY OR BENEVOLENT FUND

For the purpose of this handbook it is assumed that we are dealing with an unregistered charity (i.e. one with an income of less than £5,000).

The accounts follow a similar format to the General Fund but, with fewer types of income and expenditure, it should be possible to fit it all on one page.

It must always be a separate account and under no circumstances should it be combined with the Lodge General Funds to ensure that no charity monies are used for non charitable purposes.

In the case of a registered charity the accounts would need to be prepared under the provisions of the Charities Act 2006 and Statement of Recommended Practice (SORP) 2005 which are outside the scope of this handbook.

6. GRAND CHARITY RELIEF CHEST

Once monies have been transferred to the Lodge's Relief Chest they cease to be under the total control of the Lodge as they cannot be returned, unless the Lodge Charity Fund is itself a Registered Charity, and the account should therefore be dealt with by way of a note to the accounts.

The Lodge is still able to direct the transfer of the monies in its Relief Chest to other charities both Masonic and non-Masonic.

The same treatment should be adopted for other such external accounts, e.g. if the Lodge opens up an account for the Masonic Samaritan Fund for the 2015 Festival.

7. REPORT OF THE AUDITORS

In accordance with Rule 153 each set of Lodge accounts should have attached to them a report from the auditors a suggested wording for such reports is as follows:-

REPORT OF THE AUDITORS TO THE MEMBERS OF PROFORMA LODGE No 9999

In accordance with Rule 153 Book of Constitutions we have examined the above Balance Sheet and the attached Income and Expenditure account and have verified the bank and other balances. In our opinion they are in accordance with the books and records and give a true and fair view of the state of the affairs of the Lodge General Fund as at 31 March xxxx and of the surplus for the year ended on that date.

The wording can be amended as necessary to suit the accounts under review.

EXAMPLE ACCOUNTS

WEST KENT PROFORMA LODGE No 9999
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH xxxx

	Note	This Year		Last Year	
		£	£	£	£
INCOME					
Subscriptions Receivable	1	4,515		4,250	
Subscriptions Written Off		<u>95</u>	4,420	<u>-</u>	4,250
Initiation Fees			200		100
Joining Fees			100		50
Sundry	2		20		5
Interest	3		12		11
			<u>4,752</u>		<u>4,416</u>
EXPENDITURE					
DUES & FEES					
United Grand Lodge	4	1,489		1,320	
Provincial Grand Lodge	4	<u>748</u>	2,237	<u>704</u>	2,024
MEETING COSTS					
Dining Costs	5	4,253		4,171	
<u>Deduct:</u> Receipts	5	<u>4,147</u>		<u>4,148</u>	
Loss (-surplus) on Dining		106		23	
Organist and Tylers Fees		100		100	
Temple Rents		1,500		1,450	
Signwriting		19		18	
			1,725		1,591
ADMINISTRATION COSTS					
Printing and Stationery		181		178	
Postage and Telephone		196		184	
Secretary and Treasurer's Expenses		49		18	
Regalia and Ritual Books		174		138	
Insurance		25		23	
Sundry Expenses		32		46	
			657		587
TOTAL OVERHEADS			<u>4,619</u>		<u>4,202</u>
SURPLUS (-DEFICIT) FOR THE YEAR	6		<u>133</u>		<u>214</u>

EXAMPLE ACCOUNTS

**WEST KENT PROFORMA LODGE No 9999
BALANCE SHEET
AS AT 31 MARCH xxxx**

	Note	This Year		Last Year	
		£	£	£	£
CURRENT ASSETS					
Debtors	7	100		107	
Cash at Bank - General Fund	8	<u>3,690</u>	3,790	<u>3,485</u>	3,592
CURRENT LIABILITIES					
Creditors	9	2,372		2,237	
Subscriptions in advance	10	<u>630</u>	3,002	<u>700</u>	2,937
NET CURRENT ASSETS			<u>788</u>		<u>655</u>
GENERAL FUND					
Balance at 1 April xxxx			655		441
Surplus for the year	6		133		214
Balance at 31 March xxxx			<u>788</u>		<u>655</u>

..... Worshipful Master

..... Treasurer

In accordance with Rule 153 Book of Constitutions we have examined the above Balance Sheet and the attached Income & Expenditure Accounts and have verified the bank and other balances shown. In our opinion they are in accordance with the books and records and give a true and fair view of the state of the affairs of the Lodge as at 31 March xxxx and of the surplus for the year ended on that date.

..... }
 } Auditors Date:
 }

EXAMPLE ACCOUNTS

**WEST KENT PROFORMA LODGE No 9999
CHARITY / BENEVOLENT FUND
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH xxxx**

	This Year		Last Year	
	£	£	£	£
INCOME				
Alms Collections		444		421
Donations		165		120
Raffles		1,112		907
Interest		13		12
Donations from other activities				
Ladies Night	726		781	
LOI Supper	192		201	
Quiz Night	245		-	
		<u>1,163</u>		<u>982</u>
		<u>2,897</u>		<u>2,442</u>
EXPENDITURE				
Almoner's Disbursements	87		68	
Christmas Gifts to Widows	332		343	
Donations				
In Memoriam Donations	100		50	
Hospice in the Weald	400		-	
WKMCA - Demelza Appeal	1,000		1,500	
Kent Air Ambulance	-		250	
Transfer - Grand Charity Relief Chest	1,000		-	
		<u>2,919</u>		<u>2,211</u>
Surplus (-Deficit) for the Year		<u>- 22</u>		<u>231</u>

**BALANCE SHEET
AS AT 31 MARCH xxxx**

	£	£
CURRENT ASSETS		
Cash at Bank	620	642
TOTAL ASSETS	<u>620</u>	<u>642</u>
ACCUMULATED FUND		
Balance brought forward	642	411
Surplus (-Deficit) for the year	- 22	231
Balance carried forward	<u>620</u>	<u>642</u>

..... Worshipsful Master

..... Charity Steward

In accordance with Rule 153 Book of Constitutions we have examined the above Balance Sheet and Income & Expenditure Account and have verified the bank and other balances shown. In our opinion they are in accordance with the books and records and give a true and fair view of the state of the affairs of the Lodge's Charity Fund as at 31 March xxxx and of the surplus for the year ended on that date.

.....
.....

}
} Auditors
}

Date:

EXAMPLE ACCOUNTS

WEST KENT PROFORMA LODGE No 9999
NOTE TO THE CHARITY FUND ACCOUNTS
GRAND CHARITY RELIEF CHEST NUMBER E099
YEAR ENDED 31 MARCH xxxx

	This Year		Last Year	
	£	£	£	£
BALANCE brought forward at 1 April xxxx		-		-
INCOME				
Transfer from Lodge Charity Fund	1,000			-
Gift Aid donations from Members	600			-
Income Tax recovered	150			-
Interest credited	<u>20</u>	1,770		-
		<u>1,770</u>		<u>-</u>
EXPENDITURE				
Marie Curie Cancer Research	250		-	
Masonic Samaritan Fund - 2015 Festival account	500		-	
Previous Year	<u>-</u>	750	<u>-</u>	-
BALANCE carried forward at 31 March xxxx		<u>1,020</u>		<u>-</u>

"HELP"

NOTES ON THE ACCOUNTS

1. Subscriptions should be the multiple of the number of members times the appropriate subscription rates for the year, excluding non-payers such as honorary members, Tyler or Secretary, where appropriate. Unrecoverable subscriptions will arise when a member is excluded for non-payment under Rule 181 or whose membership has ceased under Rule 148, Book of Constitutions.
2. Sundry receipts may arise, for example, where the Lodge collects a membership fee from a new member joining the centre's Masonic Club, which it then pays over and is included in sundry expenses.
3. Interest earned on bank current and deposit accounts is technically chargeable to corporation tax but H M Revenue & Customs have indicated that they will not generally attempt to collect tax on small club type accounts where small amounts of interest are the only taxable amounts. If you are submitting a corporation tax return and paying tax it might be worth asking for the concessionary treatment to be applied. Banks and Building Societies should be paying the interest gross and it may be worthwhile checking to ensure they are.
4. Each year must bear the charge for both Grand and Provincial Dues arising in that year which become payable immediately following the year end. These will be advised to the Secretary, based on the annual return he completes, he will advise you of the amounts payable which should then be included in the Income & Expenditure Account and in "Creditors" in the Balance Sheet.
Where this practice is not in place the position should be rectified as soon as possible and an appropriate amount included in the subscription budget to make good any shortfall over as short a period as possible.
5. Dining costs should be self-financing. Any costs to the Lodge should consist of any special guests attending during the year who are entertained as "Guests of the Lodge".
6. A surplus exists where the income exceeds the expenditure for the year and represents the amount by which the Lodge Funds have been increased. Clearly a deficit is created where the opposite applies and represents the amount by which the Lodge Funds have reduced. The General Fund Balance (or net worth) shown in the Balance Sheet will increase or decrease accordingly. It is an accounting convention for negative figures to be shown in parentheses but in these days of spreadsheets this can throw the figures out of alignment. It is perfectly acceptable (and neater) to show negative figures with a minus sign in front. A deficit would thus have a minus sign in front.
7. Debtors consist of income included in the Income & Expenditure Account where payment has not been received or where there is a residual value whose use extends into future periods such as insurance. The latter should not be included unless the amounts concerned are "material" and their omission would significantly distort the accounts.
8. Balances at bank (and in cash) need not be shown individually but can be if the Lodge so desires. Lodge Treasurers are advised not to retain cash as it places them at risk but if they do have cash in hand it should be included in this total and reflected in the appropriate account in the Income & Expenditure Account. The accounts and bookkeeping sections have been drawn up on the basis that all receipts are banked.

9. Creditors are purchases or costs which relate to the accounting year but where payment has not been paid at the Balance Sheet date. These would normally be the annual Grand and Provincial Lodge Dues outstanding but could also include items such as printing, secretarial or catering costs.
10. Subscriptions in advance consist of payments received whose "value" relates to the following year. Some Lodges have had to encourage advance payments of subscriptions where they do not have sufficient funds to pay their Dues. This money should not be shown as income of the year in which it is received but as a creditor because, if the Lodge ceased as at the Balance Sheet date then those payments would have to be repaid.

CASH BOOK

WEST KENT PROFORMA LODGE No 9999													
CASH BOOK FOR THE YEAR ENDED													
RECEIPTS													
	Current Year Subs.	Prev. Year Subs.	Next Year Subs.	Initiat'n Fees	Joining Fees	Dining Fees	Sundry	Interest					Check
Period 1	2,940.00	95.00	0.00	150.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Add: Cash book balance b/ fwd	2,940.00	95.00	0.00	150.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	655.00												
	4,540.00												
Add: Creditor b/ fwd from last year	0.00												0.00
Less: Debtors b/ fwd from last year	0.00	0.00				0.00							0.00
Add: Debtors c/ fwd to next year - balance sheet	0.00	0.00	0.00			0.00							0.00
Creditor c/ fwd to next year - balance sheet	0.00												0.00
Income & Expenditure Account	2,940.00	95.00		150.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PAYMENTS													
	UGL Dues & Fees	PGL Dues & Fees	Dining Costs	Organist / Tyler	Temple Rents	Sign-writing	Printing & Stat.	Postage & Tel	Sec. & Treas. Exps	Regalia & Ritual Bks	Insur'ce	Sundry	
Period 1	1,530.00	842.00	682.50	0.00	0.00	0.00	36.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Period 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Add: Cash book balance c/ fwd	1,530.00	842.00	682.50	0.00	0.00	0.00	36.00	0.00	0.00	0.00	0.00	0.00	0.00
	1,449.50												
	4,540.00												
Less: Creditors b/ fwd from prev. year	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Add: Creditors c/ fwd to next year - balance sheet	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income & Expenditure Account	1,530.00	842.00	682.50	0.00	0.00	0.00	36.00	0.00	0.00	0.00	0.00	0.00	0.00

BANK RECONCILIATION

WEST KENT PROFORMA LODGE No 9999			
BANK RECONCILIATION			
FOR THE YEAR ENDED			
Balance per bank statement at year end			2,132.00
Add: Bankings not credited		0.00	
		0.00	0.00
			2,132.00
Deduct: Cheques issued but not cleared	chq. no.		
	104	682.50	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
		0.00	682.50
Balance per cash book at year end			1,449.50

NOTES ON THE CASH BOOK

1. The cash book has been split into 6 periods although, depending on the number of transactions passing through the bank account, these can be increased or reduced using the copy or delete functions.
2. The total amount of a receipt or payment should be entered in the appropriate total column and then analysed under the receipt or expense column(s). The column headings can be amended as necessary to meet individual Lodge circumstances. A check column has been included to ensure the figures balance across the sheets and each sheet will total itself and those totals will be carried forward to the yearly summary.

If the records are to be kept manually rather than on a computer then the proforma could be used as a basis for setting up the cash book but it will not add itself up!

3. The receipts and payments should be checked off against the bank statements to ensure everything has been correctly entered.
Entering the opening bank balance on the summary sheet will produce a closing balance at the period end and this can be proved by completing the bank reconciliation statement. Any differences should be investigated and any errors found corrected.
This procedure can be carried out at the end of every period to prevent errors accumulating.
4. By adjusting the summary sheet for the opening and closing creditors, as indicated, the summary should produce the necessary figures that can be entered straight onto the income and expenditure and balance sheet.
5. The subscription proforma can be used to record subscription details and the totals should prove the figures in the cash book and accounts.
To avoid having to enter the members' details each year a copy of the sheet could be made and the previous year's amounts deleted. All that will then be required is to deal with any alterations.