Completing Monthly Cashbooks - Hard Copies only v17.0

Triggers & Inputs

Outputs

Volunteer

1.0 Set up the first page of the Cash Book for a new calendar year.

2.0 Enter information in the body of the cash book page.

3.0 Update the TOTALS row.

4.0 Complete the Cashbook Reconciliation

5.0 Complete the Bank Reconciliation.

6.0 Check the reconciliations

7.0 Assemble documentation to submit to Council

Completing Monthly Cashbooks - Hard Copies only v17.0

Summary

Objective

To provide an easy to follow guideline, for treasurers of Council's 355C Committees, on how to complete the monthly cashbook returns for Council records. (This is for treasurers who are using the hard copy books only.)

Background

Although there has been considerable improvement in the quality of the cashbook returns, there is still a lot of room for improvement, which will provide Council with accurate and auditable accounts.

Owner   Sally Wivell

Expert   Danielle Bright

Procedure

1.0   Set up the first page of the Cash Book for a new calendar year.
Volunteer

   a   Enter the full Committee name in the space provided. Do not use abbreviations.

   b   Enter the month and year in the spaces provided.

   c   Enter the opening balance for the year, under the word "Balance" at the top right of the table.

      NOTE   **If this is a new committee the opening balance will be zero. If it is for a committee that was operating in the previous year, enter the closing balance from the cash book, from the previous month.**

2.0   Enter information in the body of the cash book page.
Volunteer

   a   Using a new line for each transaction, enter the date, a description of what you have purchased or received funds for.

      NOTE   **A cash book is exactly that. Only enter income when you receive the cash or cheque, not when you issue an invoice. Also only enter expenditure when you have written out the cheque, or paid in cash, not when you have ordered something.**

   b   Income: If this income is a result of an invoice you have issued, enter your invoice number. Income is divided into four sources; General Income, Grants other than those from Council, Interest, and funds from Council. Enter the full amount of the income into the appropriate column. Enter the GST value in the GST column.

      NOTE   **Be sure that you know how to calculate GST properly. It is NOT 1/10 of the total payment. It is actually 1/11. Example: A customer's bill is $10 plus GST. The customer must pay $10 plus 1/10 of $10 which is $1, or $11 in total. To work out how much GST the customer paid from the $11, you must divide by 11 to come back to the $1. The usual mistake is to divide by 10 which in the example would give $1.10 which is incorrect.**

      NOTE   **GST - hints**
         GST is NOT applicable to interest received from the bank, funds from Council or any of its Committees or bond money.

   c   Expenditure: If you are paying by cheque, enter the cheque number into the Cheque No. column. If you are paying by cash leave that space blank or write "Cash". Expenditure is divided into five types; Costs, Payments to Council, Bank Charges, Project or Capital Costs, and Other Expenses. Enter the full amount into the appropriate column. If the bill has some general running costs plus some project costs, split the value across the two columns ensuring that they total to the value of the bill. Enter the GST value in the GST column.

      NOTE   **GST expenditure hints**
         GST is NOT applicable on bank fees, payments to Council or any of its Committees or bond refunds. NOTE: Bond Refunds should be entered in the "Other Expenses" column.

   d   Keep the balance column updated. As you enter each row of detail, calculate the new balance figure in the cash book and enter it into the Balance column.

      NOTE   **For example: If the opening balance was $100 and you received $10 income, you would now enter $110.00 in the balance column on the same row as the income record. If you then spent $60.00, you would then enter $50.00 in the balance column on the same row as the expenditure record. At the end of the month this balance figure should reconcile to your bank account.**

3.0 Update the TOTALS row.
Volunteer

a Add up each of the columns (numbered 1 to 9) and the GST columns and enter them into the TOTALS row.

- -

4.0 Complete the Cashbook Reconciliation
Volunteer

a Complete the Cashbook reconciliation at the lower left of the page. Copy the Opening balance into the space beside "Balance at beginning of Month". Add up the totals for columns 1,2,3 and 4. Enter that value in the space beside "Add Monthly Income (1 +2+3+4)". Add the two totals together and enter it at "Sub Total". Add columns 5 to 9 and enter the total in the space beside "Less Monthly Expenditure (5+6+7+8+9)". Finally subtract that value from the Sub Total and enter it at "Balance at end of Month".

b Check your work. The final value in the Balance column (B) must equal the "Balance at the end of Month" (A)value from the Cash Book Reconciliation. If it does not, go back and check you entries and additions.

- -

5.0 Complete the Bank Reconciliation.
Volunteer

a You will need the balance in the committees account as at the last transaction recorded for the month. This may come from a bank statement, a passbook, an on-line enquiry or directly from your financial institution.You will need to provide documented proof of this balance when you lodge the monthly cash book. Enter the "balance as per the Bank Statement at end of Month".

NOTE **The bank statement or passbook may have some entries for the start of the following month. Ignore these and use the balance at the end of the month you are reconciling to.**

b "Add Outstanding Deposits" - this is where you add up any income that is recorded in the cashbook, but has not yet been deposited or was deposited after the end of the month. Add the "Balance as per the Bank Statement at the end of Month" to the "Add Outstanding Deposits" total and write it in the space provided. This is the subtotal that will be referred to in Task "d" below.

c "Less Unpresented Cheques" - This is where you enter the cheque numbers and values of those cheques that you have written, but have not appeared on your bank records for the month. There is space for three unpresented cheques. If you have more than this attach a note with all the details including the total of these cheques. Enter the sum of the cheques in the space provided.

d Subtract the "Unpresented Cheques" total from the subtotal at Task "b", and enter it at "(C)" Balance as per Cashbook at end of Month".

- -

6.0 Check the reconciliations
Volunteer

a Compare the figures that you now have at points (A), (B) and (C). ie "Balance at end of Month" from Cashbook Reconciliation table, Total at bottom of "Balance" column and "Balance as per Cashbook at end of Month" from the "Bank Reconciliation as at " table. They should all equal the same value. If this is not the case you will need to recheck your additions etc.

NOTE **If you cannot find the error, speak to your Committee's Council Finance Contact. They will assist you.**

- -

7.0 Assemble documentation to submit to Council
Volunteer

a Sign off on the reconciliations at the bottom of the sheet. Print your name alongside your signature. Enter the date the monthly sheet was completed.

b Gather originals or copies (your choice) of every income or expense item you have listed on the monthly sheet.

NOTE **Please keep the income separate from the expenditure documents, and it also helps if you place them in the same order as they appear in the cashbook.**

c Get a copy of the bank statement or passbook showing the months transactions and the balance at the end of the month. You can send the original bank statement if you wish. It will be stored in Council's TRIM files with your records.

d Clip the four items together and post to Council. If you have a scanner, you are welcome to scan all of this documentation and email to "355cfinancials@portstephens.nsw.gov.au" .

- -

Triggers & Inputs

TRIGGERS

Starts	Frequency	Volume
End of a calendar month	Monthly	One per month

INPUTS

Input	From Process	How Used
Cashbook	n/a	Records cash transactions
Financial statements	Financial Institution	Reconciles cashbook
Copies of Invoices	Issued and from Purchases	Support entries in cashbook

Outputs & Targets

OUTPUTS

Output	To Process	How Used
Completed & Reconciled Monthly Cashbook	Annual Financial Summary	Verifies income and expenditure by committee

PERFORMANCE TARGETS

Measure	Target
Timeliness of submission of Monthly Cashbook	Before the end of the following month
Compliance with guidelines	Complete compliance

Process Dependencies

PROCESS LINKS FROM THIS PROCESS

None Noted

PROCESS LINKS TO THIS PROCESS

None Noted

RACI

RESPONSIBLE
Roles that perform process activities

Volunteer

Systems that perform process activities

None Noted

ACCOUNTABLE
For ensuring that process is effective and improving

Process Owner	Sally Wivell
Process Expert	Danielle Bright

CONSULTED
Those whose opinions are sought

STAKEHOLDERS
None Noted

STAKEHOLDERS FROM LINKED PROCESSES
None Noted

INFORMED
Those notified of changes

All of the above. These parties are informed via dashboard notifications.

Systems

None Noted

Lean

None Noted

Process Approval

Published on 30-09-2019 (GMT) by Faye Johnstone