

P&C Treasurer's Information Sheets Supplement



ACT Council of
Parents & Citizens
Associations

The parent voice on public education

ACT Council of Parents & Citizens Associations is the representative body
for Parent & Citizen associations in the ACT.

Council represents over 60,000 parents in 85 ACT public schools.

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Preface to the Revised Edition

This document was reviewed in February 2011. Minor changes and updates were made in April 2013.

It was previously revised in March 2008 after the Goods and Services Tax with all its complexities was introduced. Mr Geoff Martin kindly agreed to update the Guide to address the relevant matters for P&C associations. This was the major change to the document.

Council is also grateful to Mr. David Ruthven who as Treasurer of Council for 2006-07 assisted in the revision of the text, by creating the first electronic version of this document.

Mr Terry L Sanders

Executive Officer

ACT Council of P&C Associations

February 2012



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Information and Services



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100 Maitland St
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Civic Insurance Brokers (P&C Council's insurance broker 2013)

Contact Person: David McAlary
Telephone: 62626106
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Accountants available to assist P&Cs with accountancy/auditing requirements

<p>CANBERRA CENTRAL Houston Hanna, Chartered Accountant George Turner Offices 11 McKay Gardens Turner Telephone: 6249 8515 Email: kim@khanna.com.au</p>	<p>BELCONNEN Brett Wells, Sleigh P.E.C., Chartered Accountants Suite 37, Kippax Fair, Holt (next to the Commonwealth Bank) Telephone: 6254 5717</p>
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Please note, in providing the names of these accountants, P&C Council is not endorsing their services, nor recommending them to P&C associations. Other accountants may also be willing to considering auditing P&C association accounts.



Welcome to P&C Treasurers

Congratulations on your election as the Treasurer of your school P&C Association. We hope you find the role enjoyable and that your volunteered time is appreciated. P&C Council looks forward to working with you in 2013.

Information for Treasurers included in this folder

The purpose of this information folder is to assist you in your role as P&C Treasurer. Included in this folder are the following documents:

1. A Guide for P&C Treasurers
2. P&C Council Information Sheets for P&C Treasurers
3. Department of Education and Training (DET) Risk Management Toolkit.

Please refer to these documents for handling your P&C's finances. Please contact Council's office if you need to discuss issues relating to your job as P&C Treasurer.

Information and Training Sessions

Council will hold information and training sessions for all P&C Treasurers in term 1 (notice of these sessions will be announced shortly). Council recommends that both new and returning treasurers attend as both sessions will contain new information relating to the financial management of P&Cs.

- P&C Treasurers' Evening

This training session will provide up to date information and best practice for Treasurers managing their school P&C's finances.

- Insurance Information Session

A representative from Council's insurance broker will conduct a special information session on P&C Insurance. This information session will provide an overview on the various insurance packages available to P&Cs as well how to complete the paperwork and timeframes.

It is important that all Treasurers (and if possible the President) attend this information session as many errors, including overpayments, can be avoided by attending this meeting. This practical information session also provides an excellent opportunity for P&Cs to put questions to the brokers' representatives directly.

Business and Workers' Compensation Insurance

P&Cs associations are required by law to have business insurance (and workers compensation if an employer). Please read through the information sheets included in this folder relating to P&Cs Insurance.

- Business Insurance

The insurance period is 1 July to 30 June - this timeframe is designed to allow new Treasurers time to understand insurance issues relating to their P&C. It is mandatory that ALL P&Cs have adequate business insurance for P&C volunteers and activities carried out throughout the year by P&Cs. Business insurance covers the following:

- o public liability

- personal accident
- fire and theft of assets.

- **Declaration forms**

In term 2 declaration forms will be issued to P&C associations. The Treasurer needs to specify in these forms the insurance needs of the association such as the value of assets requiring insurance and whether or not the association employs anyone as well as any insurance claims made in the last five years. Please note, volunteer insurance and public liability insurance (\$20M) are included in the package.

- **Workers' Compensation Insurance**

If your P&C employs staff it is mandatory that your P&C has workers' compensation insurance. The workers' declaration form will be issued in May and must be filled in and returned to the insurance broker (the form must be signed by an auditor or an accountant). The declaration form enables the insurance broker to work out how much your workers' compensation premiums will be for the new financial year.

- **Access to P&C Council Insurance Package**

One of the services Council offers to affiliated P&C associations is access to insurance cover. Council works with insurance brokers to provide the most appropriate type of insurance cover for P&Cs at a reasonable price. Please contact Council's office if you would like further information.

Please note, in order to take out insurance through Council's insurance scheme then your P&C must be affiliated with Council.



Affiliation with P&C Council

P&Cs wishing to affiliate with Council will be sent individual invoices with the affiliation amount owing. Please note affiliation fees are due by June 30.

Affiliation fees are calculated by multiplying the number of students enrolled at a school on the February 2013 Census Day by 99c (which includes GST).

Do I need to include the number of preschool children enrolled at our school?

Due to government policy changes in 2008 many preschools have been merged with their primary school and in this case the preschool students are included in the school census. If this is the case at your school, preschool pupil numbers will be included in your affiliation fee calculation.



The Role of P&C Council

The ACT Council of Parents & Citizens Associations is the peak body for government school parents and P&C Associations in the Australian Capital Territory.

Council is a non-profit, non-government representative organisation whose objectives are to foster a quality public education system, provide support services for affiliates and make representations to Government on behalf of parents of Government school students.

Since 1954, Council has played an important role in promoting parent participation and the public education system as a whole.

Top ten reasons to affiliate with Council

1. Council-organised association insurance at below market rates.
2. Comprehensive information and advice on operating a P&C, including sample constitutions and canteen staff contracts.
3. Regular workshops for Treasurers and representatives.
4. A friendly staff ready to help with any issues your P&C might encounter.
5. Facilitation of direct contact between parents and education figures at Council meetings.
6. Representation of school interests to the Department of Education and the Minister.
7. Effective lobbying for public education, including funding and standards.
8. A public voice for parents of students in government schools.
9. Opportunities to network with parents passionate about education from other schools.
10. Regular Council publications such as [ParentACTion](#).



Preface

Many school P&C associations find it difficult each year to fill the position of Treasurer in their organisation. The lack of a clear and concise guide to keeping accounts and preparing financial reports means many a P&C is dependent on finding a person who has had some experience in these matters. Without these skills, financial accountability can easily deteriorate to the extent of undermining the operations of a P&C and the efforts of the many parents on behalf of the P&C and the school.

A Guide for P&C Treasurers was first published by the ACT Council of P&C Associations in 1990 as an attempt to make financial accounting more accessible to parents and thereby facilitate the work of the P&C. With this revised edition we sincerely hope that it makes a worthwhile contribution to the P&C's operation.

We are not so bold, however, as to think this guide will be the solution to all the accounting problems which occur for P&Cs and their Treasurers. In all probability there will be a need to make amendments and additions. Council will be grateful for comment and suggestions from P&Cs for future editions.

Council wishes to record its appreciation of the time and effort which our auditor, Mr Geoff Martin, has committed to the preparation of this guide. Without his skills, effort and enthusiasm this publication would not have been possible. Thanks to Ms Roxanne Ingham, Mr Arthur Hutchcraft and Ms Karen Realph for their assistance in preparing the original manuscript for this publication.

Trevor Cobbold

Secretary

March 2008



Chapter 1: Introduction

Congratulations on your appointment as Treasurer of your local Parents and Citizens Association. This guide has been prepared to assist you in undertaking this task on behalf of the members of your association.

The role of the Treasurer is not usually well defined and is a job which most people are more than happy for someone else to perform. Let's hope that as a result of reading this Guide to Treasurers of P&C associations you will be able to undertake the task with confidence and to the satisfaction of the members.

The position of Treasurer does entail responsibility and the following list of duties will help to outline the tasks you will be responsible for.

- The receipt and care of all monies received on behalf of your Association.
- The payment from association funds of any amount duly authorised for payment.
- The keeping of adequate records and books of account in which to record all transactions pertaining to Association funds and property.
- Reporting to Executive Committee and Association members on a regular basis of the receipts and payments which have been handled.
- A Financial Statement of Income and Expenditure and a Balance Sheet (Statement of Affairs) will need to be prepared for the Annual Meeting. This is also required for the audit of the Association's books and by the Registrar General's Office, if your Association is an Incorporated body.
- The preparation and presentation of an Annual Budget which will set out the Association's financial objectives and commitments for the financial year.

The duties of a Treasurer are generally not beyond the capabilities of any responsible person. The book-keeping requirements are not onerous if you record your transactions regularly. The actual timing is dependent on the number of transactions handled but it is suggested that you should write up the Receipts and Payments book/s weekly, balancing them monthly with the Bank Statement. Money received should be receipted immediately and banked as soon as possible in accordance with the requirements of your Constitution.

The proformas and examples contained in the Annexes have been prepared for your guidance.

If any further information or explanations are required it is suggested that you discuss the matter with your Association's Auditor.



Chapter 2: Books and Records

Books and Records

Book-keeping starts with a transaction that is recorded on some form of business paper called a source document. Such a document could be a purchase invoice, receipt, bank deposit slip or cheque. Book-keeping is the recording of these transactions. The information gathered as a result of analysing the transactions of the Association is eventually summarised in two financial statements, the Income and Expenditure Statement and a Statement of Assets and Liabilities or Balance Sheet. There are usually four main headings under which the transactions to be recorded could be divided. These are income and expenditure and assets and liabilities.

Form 1 illustrates money received by the Association as income, e.g. subscriptions, fees or donations. Some money received may not strictly be income because it could be from the sale of an asset, e.g. sale of a photocopier. This is regarded as the realisation of the asset and would be written off against the asset item concerned. Form 2 illustrates payments, which can be either operating expenditure, such as wages, advertising or capital expenditure being the purchase of assets or loan repayments.

Anything which the Association purchases of monetary value and owned by the organisation is regarded as an Asset. This includes cash and equipment. Equipment is usually depreciated each year so that a proportion of the cost of the equipment is brought to account in that year as an operating expense. Eventually the total cost of the equipment is written off over a set number of years and a provision is provided to replace the equipment when needed. A Liability is any debt that is owed by the Association. The person to whom a debt is owed is called a creditor. For example, if the Association buys equipment and promises to pay for the purchase at a future date, it has incurred a liability for the amount owing.

The difference between assets and liabilities shows the net worth or value of the Association's funds at any particular date.

What type of records should be kept?

As Treasurer you will be required to decide what records are to be kept and the method of recording necessary entries. The following records are the basic requirements:

- Cash Book - Receipts
- Cash Book - Payments
- Petty Cash Payment Book (if Petty Cash is used)
- Journal
- Ledger (if double entry accounting is required).

The Cash Books are supported by Bank Deposit Books, Bank Cheque Books and Bank Statements, received monthly. Receipt books suitably stamped and serially numbered are also essential. The Treasurer should be the only authorised person to sign official receipts on behalf of the Association.

Reconciliation Statements between the Cash Receipts/Payments and the Bank Account should be prepared monthly and recorded in the Cash Book. Any discrepancy must be investigated and adjusted accordingly to ensure that the Cash Books and the Bank Account agree.



Chapter 3: Cash Book

Receipts

A Cash Book records the first entry of a transaction into your book-keeping system and these books are called books of original entry.

All money received by the Treasurer is to be receipted. Money received from stalls, fetes, etc., should also be receipted both for the protection of the Treasurer and the sub-committee responsible for the fundraising activity. A separate accounting record for the specific fundraising activity should also be handed to the Treasurer for his supporting records, and to the Auditor.

Entries in the Cash Book will record:

- a) the date
- b) details of money received
- c) receipt number and amount.

If an Analysis Book is used (as recommended) the amount is entered in two places, i.e. a Total column and a Category column. The amount then forms a part of a bank deposit. Form 1 refers.

A separate book can be used to record receipts or both receipts and payments can be combined in one book using the left hand side for the receipts and the right hand side for payments.

The Receipts Book is to be ruled off at the end of each month and totals entered in all columns. Additions across the page should agree with the total column. Balances from the previous months since the beginning of the financial year should also be established and recorded under the totals for the current month. The carried forward balance can be entered at the top of the page for the next month, if required for ease of reference in establishing total receipts for any particular category of income.

The total of each banking transaction is recorded in the Bank column and will agree with the Bank deposit slip signed by the Bank Teller. The classification of receipts in the Cash Book depends on where money is received from and the number of different activities undertaken by the P&C. A guide to the type of categories is shown in Form 1. The broader the original analysis the easier it is when reports are to be prepared.

All entries are to be in chronological/numerical order.

Payments

All payments should be made by cheque unless a Petty Cash Imprest System is established for the payment of small expenses, e.g. postage stamps etc. All payments should be supported by source documents or vouchers. Depending on the Association's requirements in relation to the payment of accounts, the Treasurer may be required to seek the approval of an Executive Meeting before accounts can be paid. Notation of accounts authorised for payment, if this is required, should be made in the Minutes of the meeting for verification by the Auditor.

Cheques should be signed in accordance with the authorities submitted to the Bank. Generally these authorities require two signatures to the cheque. Three or four persons, one of whom is the Treasurer, are authorised to act as signatories. Ensure that cheques are crossed to ensure maximum protection from the banking system. Rubber stamps can readily be obtained to facilitate this action. The wording that affords the greatest protection is 'Not negotiable - Account payee only'. Cheques crossed with two straight lines together with this wording must be banked into an account in the name of the person in whose favour the cheque is drawn. Cheques drawn to obtain cash, for example to obtain change for functions, do not need to be crossed.

Cancelled cheques should be retained in the cheque book.

Adequate details should be written on each cheque butt to enable a ready reference to be made to the source documents and to facilitate the writing up of the Cash Payments Book to provide evidence of the payment for the Auditor. The account or invoice relating to each cheque should be endorsed with the cheque number and filed in cheque number order for easy reference. All cheque payments are classified in the Cash Payments Book. Form 2 refers.

The total of each cheque drawn is written in the bank column. The nature of the expense, as recorded on the cheque butt, will determine the headings required for the analysis column, e.g. Telephones, Stationery, Postage, etc. A column titled Sundries could be used for small non-recurring expenses but these may need to be detailed for the annual report, if the total is significant.

Details of entries to be made in the Cash Payments Book are the date of the transaction, to whom it was paid, and the amount of the cheque. It would then be entered under the respective expenditure column as well as the bank column.

Before finalising entries for the month it will be necessary to examine the bank statement to see if any charges have been made by the Bank which will need to be added to your books before establishing totals.

Totals will be established for each column and cross added to ensure additions have been made correctly. The monthly totals will be added to the balances carried forward from the beginning of the financial year to record the total expenditure to date.

The total payments for the period will be used in the bank reconciliation statement.

Bank Reconciliation Statement

At the end of each month the Cash Book is required to be reconciled with the Bank Statement received from the Bank. Cash Books should have been written up showing all receipts received and payments made by the Association during the month. As you will realise, some of the cheques drawn during the month may not have been presented for payment at the Bank and the last deposit for the month may not have been credited to your Bank Account prior to the issuing of the statement. Bank charges and interest may also need to be brought to account at this stage to enable a complete record of the financial activities of the Association for the month.

It is necessary for you as Treasurer to ensure that the Bank Statement and Cash Book balances agree after taking into account the adjustments mentioned above. This procedure is commonly known as the Bank Reconciliation.

The following procedure could be followed in order to reconcile your Cash Books with the Bank Statement.

- Working from the Bank Statement and checking the receipts and payments entries one at a time, tick on the Bank Statement and also against the item in the Bank column of the Cash Book all entries which are found in both places.
- Any items not ticked on the Bank Statement should now be looked into.
- From the previous Bank Reconciliation you will have details of cheques and deposits outstanding at that date. Any items appearing on the Bank Statement are then ticked against this list and on the Bank Statement.
- If there are any items still not ticked on the Bank Statement they should then be direct debits or credits made by the Bank, and could be items such as Interest Received and Bank Charges. These items are then entered in the respective Cash Books in the appropriate places (see Form 1 and 2 - second line).

The additions of the Cash Books can now be completed and it will be noted that the total of all individual columns should equal the respective total of the Bank column in both the receipts and payments cash books.

You are now in a position where you can prepare the Bank Reconciliation Statement (see Form 3), which is written in the Cash Payments Book at the foot of the page below the ruled off totals. First of all you will arrive at the balance of monies held in accordance with the Cash Books. To do this you commence with the closing Cash Book balance from the previous month and to this is added the total of the Bank column from the Receipts Cash Book and deduct the total of the Bank column from the Payments Cash Book (see Form 3).

You now proceed to enter details from the Bank Statement. The commencing figure from which to work is the balance as per the Statement at the end of the month. From your Cash Books you will be able to make a list of both deposits and cheques that have not been as yet entered on the Bank Statement, i.e. un-ticked entries. Assuming a credit balance, the total of the outstanding deposits is added to the bank balance and the total of the outstanding cheques should then be deducted from the balance of the bank funds.

Deposits not entered would increase funds available and cheques not yet presented would reduce funds available. The remaining balance should now equal the figure of your Cash Book balance and the Bank Reconciliation Statement is written into the Cash Book as previously indicated.

Petty Cash Payments Book

It is sometimes inconvenient and not really expedient to draw a cheque to pay an account for a small amount. An amount of cash can be kept on hand for this use and is referred to as **petty cash**. Expenses to be paid from Petty Cash should only be for amounts not in excess of say \$10. To commence a Petty Cash advance, a cash cheque is drawn for the amount it is decided would be desirable to have on hand. This should not be large and could be \$100. When there is a small expense item to be met it can then be paid from this Petty Cash Advance. Each time any monies are taken from Petty Cash a voucher should be completed setting out the date, amount paid, details of the transactions and signed by the person incurring the expense. When the cash funds have been depleted, or almost, a further cheque is drawn to reimburse the fund for the total amount spent to date since the last reimbursement and this will bring the monies on hand up to the original amount. This is called an Imprest Petty Cash System and the total cash held at any time should never exceed the original amount drawn.

The details of the expenses incurred and the monies reimbursed are written up in a Petty Cash Book (see Form 4). This is similar in some respects to your Payments Cash Book. There is however a column for Cash Received and Total Expenses and the difference between the total of these two columns should be the actual amount of cash on hand. The cash should be counted each time you draw a cheque to reimburse monies to ensure that you have the correct amount of money on hand. The Petty Cash Book is added at the end of each month and as in the case of the Cash Payments Book, the total of all expense columns will equal that of the Total Expenses.

Journal

The Journal is the remaining book of original entry and the least used of all the books. Because the journal entry is the first record of a transaction, a journal is called a book of original entry. The analysis and classification of the transaction is reflected in the actual entry that is recorded. The entries contain:

- the date
- the titles of the accounts affected
- the debit and credit amounts
- a brief explanation (see Form 5).

The entries in this book are those that do not originate from cash transactions. As in all other instances there is a corresponding debit and credit in the Journal. An example of a transaction for recording in the Journal would be the provision for depreciation of an asset of the Association or if some equipment was donated for use by the P&C. It is now the property of the P&C and should be reflected in the accounts accordingly. As no cash transaction is involved, such as if it were purchased, the transaction is recorded in the Journal as illustrated in Form 5. Other entries could refer to amounts owing at the end of a financial year which have not been paid at that date and are regarded as liabilities and therefore not recorded elsewhere in the books.

Finally, if you are operating a full set of Ledgers, the closing entries are recorded in the Journal. These particular entries are described at the end of the following section about the Ledger.

Ledger

For the purpose of completeness in presenting this Guide for Treasurers, it is proposed to outline the functions and posting procedures for a full double entry system of book-keeping. The Ledgers, as they are called, are regarded as the books of final entry. They present a complete picture of the assets and liabilities together with details of all income and expenditure transacted by the Association.

For the purposes of most P&C associations it is not necessary to maintain a full double entry system of book-keeping. It will be adequate to maintain the single entry system whereby you will keep the cash books, previously described and prepare the end of year journal entries for the preparation of the annual statement of Income and Expenditure and Balance Sheet. A separate register detailing assets will be required if the Association holds assets in its own right (see Form 6).

In preparing Ledger Accounts it is necessary to reflect changes to any particular account and in doing so all these changes are to be recorded in one place. These changes are what are described as debits and credits and the ledger account is the place to record these changes. A separate account must be set up for each asset, liability and item of income and expenditure. The simplest form of an account is the T account (see Form 7).

An amount recorded on the left side of any ledger account is called a debit and recording such debit is known as debiting the account. An amount recorded on the right side of any ledger account is called a credit and recording such credit is known as crediting the account. Because the T account has these two sides, it is a convenient method of showing increases and decreases in each account. All amounts recorded on one side of an account are increases to be added and all amounts recorded on the opposite side are decreases and to be subtracted.

Book-keeping is the recording of transactions and basically it is governed by two rules:

- each transaction affects at least two accounts
- the debit entry in one account must be equal to the credit entry in the other account.

These two rules require that equal debit and credit is recorded for each transaction and forms the basis for double entry book-keeping. Additional rules that apply are:

- to increase an asset, debit the account
- to decrease an asset, credit the account
- to increase a liability, credit the account
- to decrease a liability, debit the account
- to enter a payment, debit an account
- to enter a receipt, credit an account.

Another way to remember the treatment of transactions is:

- debit the receiver - credit the giver
- debit what comes in - credit what goes out
- debit an asset - credit a liability.

The summary used to show any increases or decreases for each asset, liability, income and expense are called Ledger accounts.

The Ledger in which these accounts are kept can be a bound book, a loose leaf book or a file of loose cards. Whereas the Journal and Cash Books are books of original entry, the Ledger, as previously mentioned, is the book of final entry. The process of transferring details to the Ledger from books of original entry as set out above is called posting. The standard form of a ledger account is the same as that of a T account (see Form 7).

The Ledger should be posted at frequent intervals, i.e. monthly, so that the information in every account may be kept up to date. The cash book receipts and cash book payments are posted to the appropriate ledger accounts. The bank column of the Cash Payments Book is posted to the credit of the Bank Account and reflects less funds available or the reduction in the asset. The totals of each of the expense columns are debited to the appropriate expense account in the Ledger. In the posting reference column of the Ledger, enter the letters and page number from which each posting entry has been made, e.g. CP12. Similarly in the Cash Payments Book enter the Ledger Account number under the total of the expense column of the entry posted. This cross referencing enables anyone to trace postings that have been made. Further, it helps prevent erroneously posting an entry for a second time.

Trial Balance

After all entries have been posted to the Ledger, in order to prepare the financial accounts, a summary of the balances shown in each particular Ledger account is prepared. The difference between the total debits and total credits in each Ledger account gives the

balance of that particular account. If the debit total exceeds the credit total, the difference is a debit balance. Similarly, there is a credit balance if the total of the credits exceeds the total of the debits. This is called a Trial Balance and the total of all the debit balances should equal the total of all the credit balances (see Form 8). From this summary, the monthly reporting statement of receipts and payments is prepared and the remaining balances are those to be shown in the statement of Assets and Liabilities or Balance Sheet.

Final Accounts

At the end of each financial year, the Statement of Income and Expenditure is prepared from the Trial Balance which covers the full year's records. On this occasion there will be some additional Ledger accounts required to be listed in the Trial Balance as journal entries for any depreciation, and creditors will have been entered and posted for the year. The monthly statement has recorded items of receipts and payments only whereas the annual statement records all items of income or expenditure actually incurred during the year irrespective of whether they have actually been received or paid at the close of the financial year. Thus, the slight change of title for the annual accounts. The excess of income over expenditure is credited to the Accumulated Funds Account and the remaining accounts in the Ledger represent the Assets and Liabilities of the P&C Association at the close of the financial year which are then summarised in the Statement of Assets and Liabilities (Balance Sheet). Preparation of this statement is dealt with in detail in Chapter 4.

Once these financial statements have been compiled, the Ledger must be made ready for the next accounting period. This procedure is known as closing entries in the Ledger. The balance of each income and expense account must be reduced to nil. This is done by transferring the balance of each of these accounts to an account which summarises these items. The transfer of an amount from one account to another is done by means of a journal entry with a debit and a credit component.

A summary of income and expenditure is therefore established in the Ledger. A journal entry is made whereby each respective income account is debited and the total income is credited to a summary of Income and Expenditure in the Ledger.

A further journal entry is then raised and each expense account is credited and the total expenditure is debited to the summary of Income and Expenditure account. After these closing entries are posted, all income and expense accounts will have a nil balance in the Ledger ie summary of Income and Expenditure account will then show the surplus (credit balance) or deficit in funds for the year. This account is then closed in the same manner by transferring such surplus or deficit for the year to the Accumulated Fund Account.



Chapter 4: Reporting

The importance of regular reporting should not be underestimated. In your capacity as Treasurer you will be required to present regular reports on the financial position of the Association. In most instances the monthly report is presented to your Executive.

Monthly Reports

These statements would be prepared to cover the month just passed and actually under review. The statement should give details of the amount of funds at the commencement of the month, details of receipts and payments for the month and balance of funds on hand at the close of the month. A simple statement which will show the actual financial position is all that is required for regular reporting.

As you have reconciled your Cash Book for the month and totalled the various receipts and expenses columns, the preparation of your monthly statement is actually a summary of these records. The Cash Book totals of the respective receipts and expense items are entered against the heading applicable. The balance of the Bank Account at the commencement of the month and balance of the Bank Account at the end of the month are entered in the appropriate place and additions checked to see they are correct. The suggested statement for monthly reporting can be adapted to your requirements (see Form 10). A more advanced type of monthly reporting can also be used - Form 11. You may want to hold back on this format until you have prepared several of the simplified reports.

Basically, as far as presentation of receipts and payments is concerned, both types of forms are the same. In order to compare the actual figures for the period against the budgeted amounts these are shown beside each other. The progressive figures for the year are also shown in this manner. All that is required to enable you to arrive at the progressive figures is to add the respective receipts and payments items for the month to the progressive total from the previous month. By comparing the forms you should be able to follow this procedure. This type of reporting then shows the actual and budgeted figures for the month and the actual and budgeted figures from the commencement of the year to date. Any items that are not in accordance with the budgeted amount and other financial matters, that you as Treasurer feel should be considered by the Executive, can be easily drawn to their attention.

Annual Reporting

In most instances the Annual Financial Statements of the Association are required to fulfill a dual purpose. Firstly, to be presented to your own Association members and, secondly, to be submitted to the Registrar General's Office if you are an incorporated association. These reports are the basis of your annual audit requirement of an incorporated body. It is therefore prudent to prepare your Annual Statements in a form that will meet the requirements of both. Accounts for the financial year are submitted in two parts, an Income and Expenditure Statement and a Statement of Assets and Liabilities (Balance Sheet). The figures of the previous year could also be shown for comparative purposes.

Income and Expenditure Statement

Before preparation of this Statement is commenced it is necessary to have completed writing up all your books of account for the year and brought them to a stage where you have summarised them and ensured that they balance.

All items that relate directly to income or expenditure are summarised in the Income and Expenditure Statement. An item that is a non-cash outgoing would be depreciation on the equipment purchased by the P&C and still held, or any furniture purchased in setting up an

office, etc. To enable an amount for depreciation to be brought into this Statement, you will need to prepare a journal entry in order to record this intention by showing a debit to Depreciation (an Expense Account) and a corresponding credit to an account called Provision for Depreciation (a Liability Account recorded in the Balance Sheet or Statement of Assets and Liabilities). It is desirable to include an amount in your Statement that would cover normal wear and tear on those assets during the year. It could be that equipment is purchased with the intention that it would be replaced after a period of say 10 years in which case you could then write off one tenth (10%) of the original cost of that equipment each year during this period so that the cost is spread in the accounts over the life of the equipment and is not an expense item in the year it was purchased. The difference between the Total Income and the Total Expenditure will give the Excess of Income over Expenditure for the year. This figure is then transferred to the Accumulated Funds Account and it will then be included in the Statement of Assets and Liabilities (see Forms 12 and 13).

Statement of Assets and Liabilities (Balance Sheet)

This Statement is, as the name would indicate, a summary of all the Assets and Liabilities of the Association at the close of the financial year.

Funds held at the Bank, amounts owing, amounts owed and Accumulated Funds are brought into this Statement to give a true picture of the worth of the Association at a particular date (Balance Day). Assets are shown under two headings - Current and Fixed.

Current Assets are those that can be easily converted or realized at short notice.

Fixed Assets are those which are of a more permanent nature and are not available for converting to liquid funds at short notice. Similarly the Liabilities are divided into Current Liabilities and Long Term Liabilities. The latter would refer to Loan Accounts, if applicable.

The figures used in the Statement of Assets and Liabilities are taken from the summary of Ledger accounts or Trial Balance. It will be seen that all amounts from this summary have now been included in either the Income and Expenditure Statement or the Statement of Assets and Liabilities (Balance Sheet). As you had originally ensured that the debits and credits totalled the same figure, likewise your figures in the Statement of Assets and Liabilities will also be equal in total (see Form 13).

Annual Report

The Annual Financial Statements should be accompanied by a Report from the Treasurer to members of the P&C Association. This will give a summary of the financial position and draw attention to items of an abnormal nature. A short concise report is preferable bearing in mind that it should cover the financial activities of the past year making meaningful comparisons to the previous year's figures where desirable. As Treasurer you will be required to answer any questions directly relating to finances raised at the Annual General Meeting of the Association. It may also be necessary and desirable for the Treasurer to present written reports at the quarterly meetings, if these are held by your Association.

It is only necessary to submit the Financial Statements to the Registrar General's Office at the end of each Financial Year to satisfy the requirements of Incorporation in accordance with the Associations Incorporation Act 1991.

Goods and Services Tax (GST)

Since July 2000, when a goods and services tax was introduced, the Treasurer has needed to be aware of implications this could bring to the task of keeping financial records, which need to comply with the requirements of the GST.

In some cases where registration for GST is necessary, because the total turnover of the Association (Entity) is in excess of \$150,000 (excluding donations), it will also be necessary for the Association to obtain an Australian Business Number (ABN) for taxation purposes. This will then require the Association to submit Business Activity Statements (BAS) usually on a quarterly basis along with details of PAYG tax withheld, where staff of a Canteen or other paid activities of the Association are involved.

Details of the GST and the requirements for registration and applying for the ABN, are contained in the Australian Taxation Office publication "Schools - The New Tax System" available from the Australian Taxation Office.

Special rules can apply to Canteens, where these are run by the P&C Association and sell food only. In this case the income of the Canteen can be excluded from the limit for GST registration.



Chapter 5: Internal Control

Reasons for Internal Control

P&C funds are substantially contributed by the parents of the school children, or in some cases from Government Grants (if you are lucky) and can then broadly speaking be regarded as "public monies". It is therefore desirable that some control be implemented to see that these funds are properly dealt with by the Association to which they are given. The purpose of having an internal control is to prevent misappropriation, errors and fraud. As Treasurer you are responsible for the total funds although you personally do not and should not handle all monies. It has been found that it is possible to minimise the risk of discrepancies or errors occurring when the duties are so interlocked that an error in one section will become obvious in another section. Collusion between one or more would then be necessary for any form of fraud to be perpetrated.

An efficient internal control not only gives smooth operations of the Association's affairs but will also act as a protection for you as Treasurer.

Types of control that could be implemented are as follows.

Cash received

When you, as Treasurer, receive cash of any description, whether it be voluntary contributions or proceeds from a function, you should check the monies immediately with the Convenor or the person who collected the money. A receipt or an acknowledgement should then be given and signed by you as the person receiving the money. You should ensure that sufficient detail is given so as to ensure there is no doubt as to the fund or purpose these funds are to be applied. A duplicate receipt book is the most appropriate type to use whereby the original is given to the person collecting the money and the copy is retained in the book by the Treasurer. Both persons are then able to check and verify their own records at a later date. The receipt book also constitutes the original entry and is used for audit purposes.

Payments

Generally speaking, it is desirable that all payments are made by cheque wherever possible and only small amounts are paid from cash funds. It is accepted that sometimes it is not possible to pay all expenses by cheque, such as when a function is held. In these instances, the Convenor of the function would be responsible for, and give all details of payments made in cash from the takings in a signed statement which is handed to the Treasurer with the net cash receipts. The Convenor should safeguard himself or herself by obtaining a receipt or voucher for the monies paid and this should be signed by the person to whom he or she has paid such monies and give details of the nature of the payment.

Voluntary contributions

A Members Register should be maintained by the Association and cross referenced to receipts issued for contributions received. Monies collected will then be passed to the Treasurer by the person collecting the contributions together with a note listing the receipt numbers. The Treasurer will issue a receipt to the Convenor indicating that the monies have been received and noting in the Cash Book details of both the receipt number and also the details of those who have made the contributions.

Special projects or functions

The receipt and payment of monies for special functions have been dealt with generally under the heading of Cash Receipts and Cash Payments. However, where a function such as a fete is held and large amounts of change are required, special attention should be given to the distribution of change. It is advisable that when change is handed out it is signed for. It is also necessary to ensure that the amount of change is adjusted against cash takings before the gross takings are calculated.

Bank accounts

More than one Bank Account may be used if desired. A separate account for each particular fund is often the simplest means of keeping independent records for those funds eg. Raffle Account (often compulsory), Fete Account etc.

The Association should ensure it avails itself of the banking facilities that are available for non-profit organisations enabling it to reduce charges to a minimum while still receiving interest and cheque facilities.

All income and expenditure of a normal nature would be paid into a General Account or Working Account. Special Funds, eg. Investments or provisions for long service leave etc. would be held in a separate account or a Term Deposit. You are then able to readily determine the amount held for special purposes and eliminate the possibility of using those funds for general purposes.

Signatories

The requirements for signatories to the General Account are normally set out in the Constitution and should be strictly adhered to and checked periodically by the President or Public Officer.

Canteen requirements

Daily cash takings should be recorded on a proforma and signed by two people indicating that the money has been counted and is the basis of the cash deposit for that day. Cash takings are to be banked on the day of trading and should not be held overnight in the canteen. Supplies should not be purchased from daily takings.

Stocktakes should be undertaken regularly, say each term, by two persons, both signing the stock sheets on completion. Stock is to be valued at cost price.

Stock received is to be receipted on arrival and the claim or delivery slip passed to the Treasurer for payment.

General

The Treasurer is responsible and accountable to the Public Officer of an Incorporated Association and the Executive. The Public Officer should ensure that the procedures followed by the Treasurer are satisfactory and he or she should satisfy themselves from time to time that the Treasurer is in fact following them.



Chapter 6: Canteen Accounts

Responsibility

The responsibility for the operation of a school canteen generally rests with the Parents and Citizens Association of that school.

The P&C Association may set up a Canteen Committee to organise and control canteen operations. This would include Chairman, Treasurer and Secretary. A Canteen Convenor may be appointed as a voluntary or paid position, if canteen operations are complex enough to warrant day-to-day control. It should be noted that tax instalment deductions are due and payable to the Taxation Department of the Commonwealth for any payment made by an employer to a person when that person's services are engaged wholly or principally for the labour of that person.

However, where P&C operations are relatively small, it may not be practical to appoint a committee, and the P&C Association itself may have to fulfill this role with or without a Convenor. In no circumstance is a paid Canteen Convenor to be a member of the P&C Executive.

Accounting Records

Receipts (Sales)

Where money is received in the form of over-the-counter sales to students from the canteen, individual receipts are not required to be issued.

To facilitate the collection of cash in the canteen, lockable drawers or cash tins must be provided.

At the end of the daily sales, the cash should be counted by two persons (the Convenor and one other person). Prior to banking, the change float should be removed and the net takings recorded in a daily takings book along with the signatures of the two persons, one who counted the money, and the other who checked its accuracy. The net takings should be banked on the day of collection, or, if this is not possible, should be locked in the (office) safe and banked on the next working day. Large sums of money should not be left in the safe.

Daily takings books are usually drawn up along the lines of the illustration shown in Sample I, in an exercise or memo book. The information in this book is used by the Treasurer to write up the canteen cash book.

Payments

As goods are delivered to the canteen, two workers should check that all goods listed on the invoice have been received into canteen stock. Each of these workers should sign the invoice as having carried out this check. Any stock not up to standard should be returned and a credit note obtained. It is a good idea to enter deliveries into a stock record book which should be kept at the canteen and used to facilitate stocktake and stock control. No goods for the personal consumption of staff or canteen personnel are to be purchased through the canteen.

All invoices should be checked for quantity ordered, price charged, credit for goods returned, discounts, and other calculations. Errors do occur in suppliers' invoices and, unless detected, can contribute to a trading loss. Once invoices have been certified and checked in this manner they should be collected by the Treasurer of the Canteen Committee.

Ratification of all canteen payments should be obtained from the P&C association or Canteen Committee, as applicable.

Small purchases and other payments should not be paid for out of cash takings. If some day-to-day payments must be made by cash, a petty cash fund should be established. No payments should be made by cheques made out to cash.

GST

If registered for GST, separate accounting entries must be recorded in the Cash Book. This will facilitate the completion of the BAS Report each quarter. GST registration of Canteens is not recommended. See Chapter on GST and Sample 2a and 3a, if applicable.

Cash Book

A multi-column cash book with the left hand page for Receipts, and the right hand page for Payments is an ideal document for recording canteen transactions. No white-out correction fluid is to be used in this document. If an error is made, rule a line through the incorrect entry, place an initial alongside and write the correct figure above the original entry.

The required information is recorded in separated columns so that information can be broken down into the details required for the Profit and Loss Statement.

Where a cash register is used and is capable of providing dissections, revenue can be broken down into the different sales areas. Also, where a canteen receives revenue from other sources, e.g. bank interest, sale of equipment, private telephone calls, donations, stationery, etc, these should be identified and shown separately in the cash book. The majority of receipts however, are recorded under a column headed "Sales". This is illustrated in an example of the Receipts page of the canteen cash book in sample 2.

Payments should also be recorded in separate columns that conform with the cost items included in the profit and loss statement. This information comes from the details recorded on cheque butts. A separate column is normally required for goods purchased. This is broken down into separate categories, e.g. food, drinks, ice creams, etc. however this would only be of use when revenue can be broken down into matching categories. Separate columns are also normally required for items such as wages, telephone, cleaning, etc. An example of the Payments page of a canteen cash book is contained in sample 3.

Balancing

The cash book pages for both receipts and payments are ruled off and totalled at the end of each month. The balances brought forward from the previous month are included to give "year to date" figures.

Column totals must cross add to the final column total.

The "Year to date" figures are carried forward to a new page in the cash book each month. A Bank reconciliation should be done at the end of each month.

Procedures for preparing the reconciliation are detailed in the Accounting Guidelines - Chapter 3, however the format of the canteen Account Reconciliation is somewhat different and is illustrated in sample 4 of these guidelines.

Canteen Profit and Loss Statement

Reason for and method of preparation

Profits and losses are determined by means of a Profit and Loss Statement (as per sample 5).

This statement shows the profits that the canteen has made for a certain period (say for a term). This is calculated by comparing receipts from sales etc. for the period with the payment for that period to get a net result. This will be explained more fully.

"Profit and Loss Statements" should be presented each term to the P&C meeting. An annual financial statement is required for the Auditor. This should reflect transactions for the whole year.

A "Profit and Loss Statement" would be a great advantage because it provides the members of the Canteen Committee (and the P&C) with precise information about the financial operation of the canteen.

Gross Profit

Gross profit is the difference between the total amount of money received from goods sold (sales) and the total amount that was paid out to purchase those good in the first place (cost of goods sold).

The cost of goods sold is calculated as follows.

- Opening stock- saleable items-on-hand at the start of the period.
- Plus purchases- items purchased for resale during the period. These purchases increase the stock-on-hand.
- Less Closing stock- saleable items-on-hand at the end of the period.
- Equals cost of goods sold- the cost of all saleable items sold this period.

An example calculation is included in this section, however, each item of data used to arrive at the Cost of Goods figure should firstly be explained more fully. It may be helpful to refer to the example calculation whilst reading the following explanations.

Purchases

The initial information for arriving at the purchases figure for the year can be obtained from the cash book. The total of the purchases column in the payments side of the cash book (eg. food, drinks, ice creams) represents all items for resale which have been paid for during this year.

This figure must be adjusted however to ensure that the purchases figure represents items purchased this year. The information required is the amount of Sundry Creditors at the beginning and end of the year. Sundry Creditors are suppliers to whom the canteen owes money for goods purchased and received. For example:

- Purchases as per Cash Book.
- Plus Sundry Creditors unpaid at this date -31 December (2007) i.e. accounts -unpaid. This refers to accounts for goods ordered, received and probably sold in December which have not been paid for during December. To omit these accounts from the "purchases" would give an unrealistically low purchase figure.
- Less Sundry Creditors -1 January (2007) - This refers to accounts for goods received in December of the previous financial year, which have been paid during January of the current financial year. To include these accounts in the "Purchases" would give an unrealistically high figure. A list of Sundry Creditors should be prepared at the end of each month, as per sample 6.

The effect of both of these adjustments is to include all the accounts that refer to "purchases" for the current financial year, and exclude those that do not, thereby giving a completely accurate purchases figure.

The same procedure applies to any period for which a trading statement is being prepared, e.g. month or term, as well as a whole year.

The purchases for a period, whether or not they are paid for, must be compared with the sales for that identical period.

By deducting and adding the figures to the actual purchases figure (as explained above) you have the net purchases for the year or term.

Purchases are only those goods bought for resale and do not include paper bags, wrapping, etc. These items are treated as consumables.

Stock (Opening Stock and Closing Stock)

Opening Stock is the value of saleable goods left over from the previous period. This is a cost of the current period, as these goods are available for sale during the current period.

Closing Stock is the value of the saleable goods left at the end of the period under review. This will be sold in the next period and therefore cannot be included in calculations for this period.

Therefore, Cost of Goods sold equals Opening Stock plus Purchases of Stock less Closing Stock.

When these calculations have been carried out you have the "cost of goods sold" figure.

Example Gross Profit Calculation

Assume for the period of 1 January 2006 -31 December 2006 the following:

Sales (taken from cash book)	\$30,000
Purchases (taken from cash book payments)	\$21,000
Accounts paid in January 2006 for goods bought in December 2005 (the previous period) (1.1.06)	\$1,500
Accounts not paid in December 2006, ie paid in January 2007, which is outside of the accounting period (31.12.06)	\$3,100
Opening Stock 1 January 2006	\$700
Closing Stock 31 December 2006	\$800

The Gross Profit figure and percentage of sales would be $\frac{33}{133} \times 100/1 = 25\%$

If an item was bought for a dollar and sold for \$1.50, there would be a 50% mark up. However, profit on sales would be: $\frac{50}{150} \times 100/1 = 33 \frac{1}{3}\%$

If your canteen is making less than 25% Gross Profit and your prices are average to high (as compared with other like trading organisations), there is a need to examine operations to make sure the canteen is running correctly.

The mark up on high turnover items such as pies and pasties is more like 45%, Coke 33 - 40% and chips 33%. Therefore, for the low mark up items, such as orange juice to affect Gross Profit (i.e. reduce it below the 25% level) you would have to sell very large quantities of these items.

A low gross profit percentage indicates that one or more of the following problems may be occurring.

- Quantities of goods are not being checked properly when delivered.
- Money is being stolen from the till.
- Goods are being stolen.
- Goods are being wasted (e.g. food left-over).
- Give aways are too high (e.g. volunteers' lunches).
- Losses through spoilage of perishables are too high.
- Prices are too low.

The above is only included as a guideline to possible gross profit to be earned. Actual markups and gross profit objectives should be decided by the P&C depending on whether high profits are required or whether it is more desirable that the students are able to purchase inexpensive lunches.

Net Profit

Net Profit is the result of deducting from Gross Profit the operating expenses such as cleaning, wages, paper bags, etc. i.e. those items which do not affect the cost of goods sold. If operating expenses exceed gross profit then a net loss will result. This will be a clue for corrective action to be taken.

Budgeting

Canteen Budget

A canteen budget is a plan of action for a future period in financial terms and is expressed as forecasts of income and expenditure for the period concerned. A budget requires the Canteen Committee to set sales targets, determine the expected trading results on the proposed operations for the period and plan action to forestall possible adverse developments.

A budget will provide a "measuring stick" against which actual results may be compared as the current period progresses, so that prompt corrective action may be taken to prevent the continuance of any unfavourable trends.

Preparation of a Canteen Budget

The canteen budget should be in a format similar to the trading statement. However the figures will be estimated as shown in the following paragraphs.

- From previous year's results, divide sales by the school enrolment to obtain a value of sales per student. If this figure is available for a number of years a trend may be evident or the value may be static.
- Using an appropriate value for sales per student, multiply it by the anticipated enrolment for the next year to obtain the gross sales.
- From previous records, obtain a value for gross profit percentage.
- This percentage is applied to the budgeted sales to give the gross profit. An example of a school canteen budget is shown in sample 8.
- An estimate of the Canteen Convenor's annual wages should also be included.
- All other expenses can be estimated by using last year's as a base, allowing for projected inflation.
- If the budget indicates that the profit is too low or it is a loss, sales must be increased or expenses reduced.

Distribution of profits - Canteen Committees

The disbursement of canteen profits or the reimbursement of its losses is the responsibility of the P&C association. However, it is in the interest of the P&C to consult the Canteen

Committee. Agreements on the use of funds may be made in advance with the P&C association.

Before transferring profits to the P&C association account, the Committee should ensure that sufficient funds are held in hand to meet contingencies. This is normally done at the end of each term. .

Payments on major items of equipment should be approved by the P&C Association.

Stock Control

Stock sheets

To help with stock-taking, stock sheets can be prepared in advance and printed with items that are regularly carried in stock. Prices used to calculate the value of stock are entered after the stock is counted and should be the cost price. Stock sheets are available from stationery suppliers or Canteen Committees may draw up their own as per sample 7. When the value of the stock-on-hand is calculated, this is then used in the trading statement to calculate profit for the period.

Stock Control and Wastage

An important factor in maintenance of reasonable gross profit percentages is control of stocks. Small and seemingly insignificant daily wastages can very easily result in losses for a canteen. Losses or wastages occur mainly through:

- spoilage of perishable materials
- wastages of end pieces of small goods e.g. end of cheese, hams, etc., which have been consumed by staff or voluntary help
- over-ordering of foodstuffs such as buns, bread, pies or pasties which can only be thrown out or given away
- high consumption of products by staff, or voluntary help
- pilfering.

Canteens which return good profits inevitably have strong management who ensure that perishables such as milk are turned over regularly or are not stocked at all; that there is no over- supply of daily foodstuffs or non use of end pieces of foods; and that the consumption of goods by staff, or voluntary help is strictly regulated.

Use of Students

The use of students as voluntary help in canteens is not favoured in the absence of adult supervision since experience has shown that students are prone to give hand outs or wrong change to friends and are subject to peer pressures to give favours. However, useful programs of work experience, properly supervised, can be of benefit both to the students and to the canteen.

Private Purchasing

Problems frequently arise where staff or canteen helpers make private purchases of goods through the canteen facilities and pay for them through the canteen accounts. This activity should not take place. Private arrangements might possibly be made with the Supplier on a cash basis.

School Catering

If the school requires catering for staff functions, arrangements should be made in advance concerning payment, and availability of assistance.

Security

Canteen keys should be retained by the Canteen Convenor, the Principal, and the Chairperson of the Canteen Committee. Entry to the canteen should be restricted to the canteen staff. School children whose mothers are working in the canteen should not be admitted.

Insurance

There are several types of Insurance that a Canteen should have, and these should be referred to the P&C Association for discussion and approval:

- Workers' Compensation Insurance (for paid staff only)
- Voluntary Workers' Insurance
- Public Liability Insurance
- General Property Insurance – to cover stock, spoilage or refrigerated or frozen foods due to equipment breakdown, fusion of electric motors, loss of canteen equipment, and money in transit to the bank.



Canteen Accounting Forms

**NAME OF SCHOOL CANTEEN
DAILY TAKINGS BOOK**

Sample 1			For the Month of	
Date	Gross Takings	Cash Counted (signature Convenor)	Cash Count Checked (signature any other person)	Banked
Total			Total	

Entries Examined

CANTEEN CONVENOR Date

CANTEEN CASH BOOK

RECEIPTS

Month of

Apr-07

Sample
2

Date	Type of Transaction	ReceiptNo	Amount	Bank Interest	Non Operating Income	Total of Receipts	Banked
21-Apr	Sales	92	\$172.00			\$ 172.00	\$ 172.00
20-Apr	Sales	93	\$176.00			\$ 176.00	\$ 176.00
21-Apr	Sales	94	\$194.00			\$ 194.00	\$ 194.00
22-Apr	Sales	95	\$139.00			\$ 139.00	\$ 139.00
23-Apr	Sales	96	\$154.00			\$ 154.00	\$ 154.00
24-Apr	Sales	97	\$157.00			\$ 157.00	\$ 157.00
27-Apr	Sales	98	\$165.00			\$ 165.00	\$ 165.00
28-Apr	Sales		\$153.00			\$ 153.00	\$ 153.00
29-Apr	Sales		\$151.00			\$ 151.00	\$ 151.00
	Refund				\$42.00	\$ 42.00	\$ 42.00
	Bank Interest	n/a		\$12.00		\$ 12.00	\$ 12.00
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
30-Apr	Total Apr Receipts plus Bal c/f from March		\$1,461.00	\$12.00	\$42.00	\$1,515.00	\$1,515.00
			\$25,984.80	\$69.50	\$ 58.00		\$26,112.30
	YEAR TO DATE		\$27,445.80	\$81.50	\$100.00	\$1,515.00	\$27,627.30

CANTEEN CASH BOOK – with GST

Month of Apr-07

RECEIPTS

Sample
3

Date	Type of Transaction	Receipt No	Amount	Bank Interest	Non Operating Income	Total of Receipts	GST	Banked
21-Apr	Sales	92	\$172.00			\$172.00		\$172.00
20-Apr	Sales	93	\$176.00			\$176.00		\$176.00
21-Apr	Sales	94	\$194.00			\$194.00		\$194.00
22-Apr	Sales	95	\$139.00			\$139.00		\$139.00
23-Apr	Sales	96	\$154.00			\$154.00		\$154.00
24-Apr	Sales	97	\$157.00			\$157.00		\$157.00
27-Apr	Sales	98	\$165.00			\$165.00		\$165.00
28-Apr	Sales		\$153.00			\$153.00		\$153.00
29-Apr	Sales		\$151.00			\$151.00		\$151.00
	Refund				\$42.00	\$42.00		\$42.00
	Bank Interest	n/a		\$12.00		\$12.00		\$12.00
						\$		\$ -
						\$ -		\$ -
						\$ -		\$ -
						\$ -		\$ -
						\$ -		\$ -
						\$ -		\$ -
30-Apr	Total Apr Receipts		\$ 1,461.00	\$12.00	\$42.00	\$1,515.00		\$1,515.00
	plus Bal c/f from March		\$25,984.80	\$69.50	\$ 58.00			\$26,112.30
	YEAR TO DATE		\$27,445.80	\$81.50	\$100.00	\$1,515.00		\$27,627.30

CANTEEN CASHBOOK PAYMENTS

Sample 4

Date	Description	Cheque	Amount	Purchases	Consumables	Wages	Cleaning	Repairs	Stationery	Hirings	Sundries
15-Apr	Star Supplies	1235	\$ 1,500.00	\$ 1,500.00							
16-Apr	Best Repairs	1236	\$ 30.00					\$ 30.00			
17-Apr	Papar Bag Co	1237	\$ 200.00		\$ 200.00						
18-Apr	Aust Post	1238	\$ 10.00						\$ 10.00		
19-Apr	Mrs Smith	1239	\$ 210.00			\$ 210.00					
20-Apr	Tip Top Bread	1240	\$ 641.00	\$ 641.00							
21-Apr	Aust Tax Office	1241	\$ 50.00			\$ 50.00					
22-Apr	Mrs Smith	1242	\$ 210.00			\$ 210.00					
23-Apr	Bank Charges	1243	\$ 2.00								\$ 2.00
Totals - Month of			\$ 2,853.00	\$ 2,141.00	\$ 200.00	\$ 470.00	\$ -	\$ 30.00	\$ 10.00	\$ -	\$ 2.00
PlusBalanceCrdfromPrev Month			\$20,836.00	\$14,759.00	\$ 343.00	\$4,360.00	\$ 39.00	\$158.00	\$ 39.00	\$ 48.00	\$1,090.00
Totals Year to Date			\$23,689.00	\$16,900.00	\$ 543.00	\$4,830.00	\$ 39.00	\$188.00	\$ 49.00	\$ 48.00	\$1,092.00

**CANTEEN CASHBOOK
PAYMENTS - GST**

Sample 5

Date	Description	Cheque	Amount	Purchases	GST	Consumables	Wages	Cleaning	Repairs	Stationery	Hirings	Sundries
15-Apr	Star Supplies	1235	\$ 1,500.00	\$ 1,500.00								
16-Apr	Best Repairs	1236	\$ 30.00						\$ 30.00			
17-Apr	Papar Bag Co	1237	\$ 200.00			\$200.00						
18-Apr	Aust Post	1238	\$ 10.00							\$ 10.00		
19-Apr	Mrs Smith	1239	\$ 210.00				\$ 210.00					
20-Apr	Tip Top Bread	1240	\$ 641.00	\$ 641.00								
21-Apr	Aust Tax Office	1241	\$ 50.00				\$ 50.00					
22-Apr	Mrs Smith	1242	\$ 210.00				\$ 210.00					
23-Apr	Bank Charges	1243	\$ 2.00									\$ 2.00
Totals - Month of			\$ 2,853.00	\$ 2,141.00	\$ -	\$200.00	\$ 470.00	\$ -	\$ 30.00	\$10.00	\$ -	\$ 2.00
plus Balance Crd from Prev Month			\$20,836.00	\$14,759.00		\$343.00	\$4,360.00	\$39.00	\$158.00	\$39.00	\$ 48.00	\$1,090.00
Totals Year to Date			\$23,689.00	\$16,900.00	\$ -	543.00	\$4,830.00	\$39.00	\$188.00	\$49.00	\$ 48.00	\$1,092.00

CANTEEN - CASH BOOK RECONCILIATIONSample
6

Balance b/f		\$	4,000.00
Receipts for Year to Date		\$	27,627.30
		\$	31,627.30
less Payments for the Year to Date		\$	23,689.00
CASH BOOK BALANCE - Date			
		\$	7,938.30
BALANCE AS PER BANK STATEMENT		\$	8,596.30
plus Deposits not yet showing on Bank Statement		\$	193.00
		\$	8,789.30
less Unpresented Cheques	Cheque No		
	1240	\$	641.00
	1242	\$	210.00
Total of Unpresented Cheques		\$	851.00
Total		\$	7,938.30

CANTEEN PROFIT AND LOSS STATEMENT
 FOR YEAR ENDED -
 Sample 7

			% of Turnover
Total Sales		\$ 27,445.80	
less Cost of Goods Sold (purchases*)	\$ 16,983.00		
plus Opening Stock	\$ 427.20		
Total	\$ 17,410.20		
less Closing Stock	\$ 336.90		
Total	\$ 17,073.30		
Cost of Goods Sold		\$ 17,073.30	
GROSS PROFIT		\$ 10,372.50	38%
less Operating Expenses			
Wages (Gross)	\$ 4,830.00		
Cleaning	\$ 39.00		
Hire Charges	\$ 48.00		
Non Profit Consumables	\$ 543.00		
Stationery and Postage	\$ 49.00		
Repairs	\$ 188.00		
Sundries	\$ 1,092.00		
Total		\$ 6,789.00	
NET PROFIT FROM TRADING		\$ 3,583.50	13%
plus Interest	\$ 81.50		
Non-Operating Income	\$ 100.00		
Total		\$ 181.50	
NET PROFIT		\$ 3,765.00	14%

* Purchases consist of:

Cash payments for period	\$ 16,900.00
plus Sundry Creditors as of _____	\$ 220.00
less Sundry Creditors as of _____	\$ 137.00
Total Cost of Goods Sold	\$ 16,983.00

Non-Operating Income - from any transaction that is not normal sales

This Sample incorporates information from Sample Sheets 2 & 3 and excludes GST

SUNDRY CREDITORS

AS AT _____

Sample 8

Delivery Date	Supplier	Invoice No	Food	Ice-Cream	Drinks	Total

CANTEEN STOCK SHEET

Sample 9

Item	Unit Details	Cost Price	Mark Up	Selling Price	Profit Margin	Stock On Hand	Value of Stock

CANTEEN BUDGET
FOR YEAR 2007/2008

Sample 10

INCOME		%
Sales - _____ Students X \$ _____	\$ 26,000.00	100
less Cost of Goods Sold	\$ 18,000.00	69%
Gross Profit	\$ 8,000.00	31%
OPERATING EXPENSES		
Wages (Gross)	\$ 4,900.00	18.85%
Superannuation	\$ 441.00	1.70%
Telephone	\$ 120.00	0.46%
Cleaning	\$ 50.00	0.19%
Hire Charges	\$ 40.00	0.15%
Paper Bags	\$ 550.00	2.12%
Insurance	\$ 35.00	0.13%
Repairs	\$ 200.00	0.77%
Stationery	\$ 50.00	0.19%
Postage	\$ 10.00	0.04%
Sundries	\$ 35.00	0.13%
Total Operating Expenses	\$ 6,431.00	24.73%
Net Profit - Gross Profit less Operating Expenses	\$ 1,569.00	6.03%



Chapter 7: After School Care Programs

Accounting for the After School Care Program can be almost the same system as that which applies to the P&C Accounts. Receipts are issued for all monies received and all payments made by cheques, except for minor incidental expenses for which a Petty Cash Advance on an Imprest System could be operated. Cash Books and subsidiary Registers are maintained.

The Coordinator, who is usually a paid employee of the P&C, would be responsible for the collection of money from parents and the maintenance of the Membership Roll and Enrolment Deposit Register. Fees can be paid fortnightly in arrears or in advance according to the scale of fees adopted by your P&C.

It may, in some situations, be possible to have a voluntary Fees Treasurer whose sole responsibility would be to maintain the financial records and collection of monies received from parents by means of fees, fines, etc. and the issue of receipts. Money received should be regularly transferred to the After School Care Treasurer and a receipt issued by that Treasurer for money received. Details of those receipts will be shown in the respective Cash Books of both persons. Receipts issued to parents could be forwarded with the next fortnightly account, to save on postage.

Accounts

Accounts should be issued fortnightly in accordance with attendance records or minimum attendance requirements. Follow up of outstanding accounts should be a regular process and carried forward to the next account, if necessary. Once an account is one month in arrears, action must be taken to recover the outstanding amount. End of Term accounts should be issued in advance in order to receive money for that fortnight prior to the end of term.

Accounts Payable Register

A proforma Register of Accounts Payable has been prepared for your guidance (Form 15). This should be maintained in alphabetical order in a loose leaf format so that additions/deletions can readily be made and still retain all names in alphabetical order for ease of reference. A separate page should be maintained for each family.

Enrolment Deposit Register

The Enrolment Deposit Register is an important accounting record as it will record the liability of the After School Care Program for deposits held on behalf of parents. This is a liability in the running of the Program and to the P&C Association. This amount should be clearly shown in any report presented to the P&C and funds should be readily available to meet any refunds required to be paid to parents.

Reports

The After School Care Program Committee is a sub-committee of the P&C Association. The Coordinator will be responsible for the preparation of regular reports to be submitted to the After School Care Treasurer on attendance numbers, outstanding money on accounts issued, date of the last accounts issued and any other relevant information that may be of interest to the P&C Association. The Treasurer will be responsible for preparing and presenting reports to the P&C monthly meetings. The Treasurer will also be required to prepare the monthly Bank Reconciliation Statement.

Budgets

The Coordinator, in conjunction with the Treasurer, will be responsible for the preparation of the Annual Budget for presentation to the P&C Association. The Treasurer will ensure that the budget is prepared in sufficient time for consideration at the Annual General Meeting or such other meeting decided by the Association.

It may also be prudent to consider a mid-year budget, especially in the earlier years of operation until an established pattern of operation is clear. These budgets must be under continual review and adjusted, if necessary accordingly.

Major items which usually need consideration will be:

- Wages (both fixed time and variable times required for meetings, training, etc)
- Workers' Compensation
- Superannuation Guarantee Levy
- Long Service Leave Provision
- Food
- Rent
- Equipment
- Fixed Assets will require Depreciation. Minor equipment will be regarded as consumables.
- Donations from the Child Care Centre to P&C in cash or kind.

Some Centres may receive Government funding and this will be a major consideration in framing the Budget. Submissions for funding will need to be prepared well in advance of your requirements and fit in with the timetable required by the Government for receiving such submissions. No Government Grant can be anticipated and contingency funding should be available in the event that a Grant does not eventuate. Regular funding of this nature is NOT guaranteed and should not be relied upon.

Where staff are employed, the Treasurer must ensure that a Wages Book is maintained and the correct tax deductions are deducted from wages paid to staff and paid to the Tax Office quarterly. It is suggested that the P&C become a Group Employer with the Taxation Department for this purpose and submit taxation by means of an Instalment Activity Statement or BAS, if registered for the GST.



Chapter 8: School Library Funds

Administrators of school library funds which have been approved by the Taxation Office as a gift deductible organisation are responsible for ensuring that the library maintains its status as a gift deductible organisation. The following information is general advice given by the Australian Taxation Office and does not constitute a change in the income tax law. This information should be read in conjunction with the existing income tax law, taxation rulings and determinations.

The following are general requirements for maintaining the library fund's gift deductible status.

- A building or section of a building is set aside by the school specifically for use as a library.
- In any appeal for gifts to be credited to the library fund, publicity will be given to the fact that they are utilised for the conduct of the library as distinct from other activities of the school.
- All donations will be credited to a separate library bank account and acknowledged by receipts written in the name of the fund.
- Upon dissolution of the fund, any assets remaining on winding up will be distributed to another organisation or fund entitled to receive tax deductible gifts.
- The income of the fund shall be applied solely to the objects of the fund and no profits shall go to the controllers or members of the library fund.
- Any gift made to the library is to be used only for library purposes.

The Australian Tax Office (ATO) has received various inquiries from school library funds which have been approved as a gift deductible organisation .asking about the correct use of the funds donated to the library. The following information, set out in a question and answer style, is aimed at answering some of the common questions received.

Question 1 Can requests for donations to the school library fund be made jointly with requests for donations to the school?

Answer: Donations made to a school library fund must be voluntary. Any linking of the donation with the payment of school fees would preclude the donation from being voluntary. Where the school conducts multipurpose fundraising, eg. they ask for donations to be made to either the school in general or specifically to the school library fund, the fundraising must be conducted in the follow manner:

- an identifiable part of the contributions paid by donors will be allocated directly to the school library fund at the time the donation is made;
- receipts in the name of the fund to which the donor has made a contribution will

be written in respect only of specific gifts to that fund and all amounts shown on those receipts will be credited to that fund and paid direct to the separate account of that fund; and

- no amount credited to that fund will be transferred out of that fund or disbursed other than for the purposes for which the fund is established.

Question 2 What is meant by the term 'Library Books'?

Answer: - There is no definition for taxation purposes of the term 'library book', therefore the term should be applied its common usage. Library books would have to be owned and controlled by the school library and must be used predominantly for library purposes.

Question 3 - Would the definition of 'Library Books' include multiple copies or text books purchased through the library and distributed to students in the school?

Answer:- The Commissioner adopts a practical approach to the question of whether multiple text books can be purchased by the library fund. The number of books purchased, (especially compared to the size of the school), the control and the method of distribution would all indicate whether or not the books were purchased for library use, or were purchased through the library fund for general school use.

Multiple text books purchased with library fund money and then issued to students in the school for their use, would not be considered to be library books where the use extends beyond the normal library lending period..

Question 4 - Can money donated to the library fund be used to purchase computers, DVD players, televisions and other electronic equipment?

Answer: - Equipment can be purchased by the school library fund, however the equipment must be used predominantly for library purposes. A DVD player purchased by the library fund and controlled and held in the library and which is used for the playing of library materials would be an acceptable purchase to be made by the library fund. A DVD player purchased through the library fund but controlled or used predominantly by another department of the school would not be an acceptable use of library fund finances.

Equipment purchased by the school library fund can be located in other areas of the school providing the equipment is owned and controlled by the library and used predominantly for library purposes. Computers located outside the library would be expected to be used primarily for library research purposes. For example, a computer that is installed in the school and used primarily for non-library purposes (word processing by students, computer training), would not be an item used for the purposes of the library fund and it would not be acceptable that the fund pay for this item. However, a computer installed in the school and used primarily for library research and training in library research would be an item used for the purposes of the fund and it would be acceptable for the fund to pay for this item.

Where items are purchased with the library fund moneys and then housed in areas of the school other than the library, care should be taken to ensure that these items continue to be used primarily for library purposes.



Chapter 9: Audit Requirements

Purpose of an Audit

When funds are derived from the public it is essential not only that things be done correctly but that they appear to have been done correctly. An audit is an independent examination of the records, accounts and prepared financial statements, together with any necessary information concerning the transactions to which the records relate. The purpose of an audit is to enable the auditor to form and express an opinion as to whether the prepared statements fairly present the income and expenditure for the period and the correct financial position of the Association as at the end of the year. It is also a requirement of the Association's Constitution and a legal requirement of being an incorporated association registered with the Registrar-General's Office.

Auditor's Requirement to Conduct an Audit

The following records should be collated and made available to the Auditor to enable him or her to conduct an audit of the Association's affairs:

- Copy of the Association's Constitution and Certificate of Incorporation
- Minute Book of all General and Executive Meetings
- BAS Reports (if applicable)
- Books of Account - Cash Books, Petty Cash Book, Ledger (if maintained) and Journal. Cash books are to be ruled off, cross added and reconciled to the Bank Statement. If a computer accounting program is used then a General Ledger report should be printed, showing all transactions for the year.
- Asset Register and List of Members or Members Register.
- Vouchers for all payments made, i.e. invoices and petty cash vouchers (filed in cheque number order)
- Where salaries/wages are paid a wages book.
- Statement of Income and Expenditure covering the year under review and a copy of the previous audit report.
- Statement of Assets and Liabilities (Balance Sheet) as at close of the financial year.
- Documents to verify any investments held.
- Ensure interest has been added to all passbook accounts and included in the Cash Book.
- Documents showing Taxation (where applicable) has been paid.
- Bank Statements covering the period of audit and the last statement of the previous year.
- Receipt books for all monies received

Appointment of an Auditor

The appointment of an Auditor is usually covered by the Association's Constitution and requires that he or she not be a member of the Association. In some cases in relation to Incorporated bodies this person is required to be qualified and a member of a recognized accounting body, if the turnover is in excess of \$150,000

The Auditor is usually appointed at the Annual General Meeting of the Association. It is desirable to have the same Auditor to audit both the Association's books and also the Canteen and After School Care program. All audits should be carried out promptly after the close of the financial year.

Destruction of Records

The retention periods to be observed for important accounting records before they are destroyed are as follows:

- Cash Books -7 years
 - Duplicate Receipts and Vouchers -5 years
 - Wages Books -5 years
 - Cash Register Slips - 3 years
 - Bank Deposit Books and Statements - 2 years
 - Petty Cash, postage books and cheque butts - (not before Audit completion) – 2 years
-



Chapter 10: Budgeting

A budget is a plan, a course through the future. It tells you both where you are going and how you are going to get there. It gives you a destination point - a target profit - and maps out a route.

The P&C association should prepare a Master Budget once every 12 months. This should be a comprehensive plan integrating all the activities, all the costs and revenue, and summarising the target profit for the year ahead. This Master Plan should be based on a series of Mini Budgets, one for each different fundraising activity of the P&C, e.g.

- Canteen
- Fete
- Other Fundraising Activities.

The Budget is a working document which must be used to be effective. Any budget is only as good as the work that the P&C puts in to create it in the first place, and then what the Association does to monitor and control it.

Three fundamental steps in Budget preparation.

- 1) Constructing
- 2) Co-ordinating
- 3) Controlling.

Constructing

The following questions should be asked by the P&C with regard to each mini-budget area:

- a) money position – now, the past and estimates for the future
- b) other resources - people , facilities
- c) market place - the community, the school, competitors
- d) performance – now, the past, estimates for the future.

This type of information is raw material for budget preparation.

1. Setting Standards

This process involves consultation and decision making between the principal (as a representative for the needs of the school) and all P&C members. Involvement of all parties is essential as this ensures that goals are agreed on by all people and will not be rejected at a later stage through lack of consultation.

The actual goals to be set are very different for each Association, but the basic question is "What do we want to achieve for the school this year?" The multiple goals suggested should be put in a priority order.

2. Receipts and Payments Forecast

In other words - How are we going to achieve our goals? This is the most difficult question to answer in the budgeting process. The most important step is to have an accurate financial profile of the Association. This information should be provided by you as Treasurer.

Information on past performance on an activity basis will allow the P&C to analyse each activity to determine its success or otherwise. For most P&Cs the canteen is the most constant source of revenue, however other activities such as the fete, raffles etc should be examined separately.

Other useful information to obtain is the performance of similar sized P&C associations on similar activities. This gives a basis for comparison to indicate the relative success of past projects.

For each project receipts and payments will be forecast realistically. There will be assumptions and guesswork involved, but every effort should be made to ensure that figures are as accurate as possible.

3. Being Realistic

The next step is to test this plan against reality. Can the forecast receipts and payments be attained? Taking as an individual example the Canteen (as this is a common enterprise), the

P&Cs must ask the following type of questions:

Sales:

- Is it possible to generate sufficient sales to meet this goal given that school enrolments have decreased this year?
- What mix of products will produce the most revenue?
- What is the expected sales volume per day/week/month/term?
- How many days a week must the canteen be open to achieve these sales?
- When do the school holidays fall?
- What competition exists in the form of local shops? Has this changed since last year? What are their prices?
- How much stock must be held? What turnover of stock is required?

Gross Profit Margin:

- Is it possible to achieve the desired gross profit margin given the cost increases and selling price changes?

Expenses:

- How much will labour cost? (Convenor's wages etc)
 - What other running expenses will be incurred? (List them all)
 - Do they vary with sales?
 - Can they be cut or avoided?
 - Similar questions should be tailored for each different fundraising activity.
-

Co-ordination

In this step all "mini" budgets for each area should be moulded together to form the "Master" budget. This is the "dollars and cents" stage in that the budget should reveal whether the Association will have funds as necessary to meet long term commitments and whether overall funds raised will be sufficient to meet the goals set. It is a good idea to break the figures down to a monthly basis so that they can be analysed at each P&C meeting.

Controlling

This is the "How are we doing?" step of the cycle. All the work of preparing the budget will go to waste if it is not used and updated regularly. This involves measuring the variance between budgeted results and actual results. Be they favourable, unfavourable, positive or negative, the consequences for P&C goals must be considered in the light of the changes.

Review Actual Performances

At the monthly P&C meeting when the various committee representatives present reports on how each activity is functioning, these results should be compared to the budget and a variance calculated.

React

- Having compared budget with actual results, the following questions must be asked:
 - are the results good/bad?
 - what has caused the variance?
 - what will be the overall effect on the budget?
 - have circumstances changed since the budget was prepared?
- These questions, and others, should lead to a course of action to alleviate any financial problems which are occurring.

Review

Take action as appropriate to get the budget back onto its original course, or revise the original budget commitments to take account of the new facts.

The review process is important in two ways. First, at the end of the year, this year's actual performance will be an important guide (but not the only one) for setting next year's budget plan. Second, throughout the year there is a constant process of feedback and you may need to reconstruct as well as revise, during the course of the year.

Budgeting may seem difficult and pointless at first, because you always have to make so many assumptions when it is "too early to tell". But the budget is essential to give the P&C direction and ensure that each year is as fruitful as possible.

Annexes



Form 1	Cash Book – Receipts
Form 2	Cash Book – Payments
Form 3	Bank Reconciliation Statement
Form 4	Petty Cash Book
Form 5	Journal
Form 6	Asset Register Proforma
Form 7	T Account – Ledger
Form 8	Trial Balancing – Beginning
Form 9	Investment Register
Form 10	Financial Statement – Simplified Version
Form 11	Financial Statement – Advanced
Form 12	Income and Expenditure Statement
Form 13	Statement of Assets and Liabilities (Balance Sheet or Statement of Affairs)
Form 14	Budget Format
Form 15	After School Care – Fee Record

CASH BOOK - RECEIPTS

Form 1

Date	Details	Rec No	Fees	Interest	Fund Raising	Donations Canteen	GST Receivable	BANK
2007								
15-Apr	Canteen Don	37				\$ 53.00		\$ 53.00
16-Apr	Bank Int	B/s		\$ 35.00				\$ 35.00
17-Apr	Fees Rcd (1-3)	38	\$ 50.00				\$ 5.00	\$ 55.00
18-Apr	Fees Rcd (4-7))	39	\$ 75.00				\$ 7.50	\$ 82.50
19-Apr	Raffle proceeds	40			\$ 85.00			\$ 85.00
20-Apr	Canteen Don	41				\$ 50.00		\$ 50.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
	Totals for Month		\$125.00	\$ 35.00	\$ 85.00	\$ 103.00	\$ 12.50	\$ 360.50
	Balance b/f		\$ 92.00		\$ 5.00	\$ 55.00		\$ 152.00
	Total Receipts to Date		\$217.00	\$ 35.00	\$ 90.00	\$ 158.00	\$ 12.50	\$ 512.50

CASH BOOK - PAYMENTS

Date	Details	Cheque No	Affil Fees	Bank Charge	Fund Raising	Wages	Insurance	GST Payable	BANK
2007									
15-Apr	Canteen Wages	123				\$185.00			\$ 185.00
16-Apr	Bank Charge	124		\$5.00					\$ 5.00
17-Apr	P&C Council	124	\$ 90.00					\$ 9.00	\$ 99.00
18-Apr	P&C Council	125					\$1,000.00	\$ 100.00	\$ 1,100.00
19-Apr	Raffle proceeds	126			\$ 10.00				\$ 10.00
20-Apr	Canteen Wages	127				\$180.00			\$ 180.00
	ATO - Tax	128				\$ 100.00			\$ 100.00
	Cancelled Cheque	129							\$ -
									\$ -
									\$ -
									\$ -
	Totals for Month		\$ 90.00	\$ 5.00	\$ 10.00	\$ 465.00	\$1,000.00	\$ 109.00	\$ 1,679.00
	Balance b/f		\$ 90.00		\$ 5.00	\$ 55.00			\$ 150.00
	Total Payments to Date		\$180.00	\$ 5.00	\$ 15.00	\$ 520.00	\$1,000.00	\$ 109.00	\$ 1,829.00

Form 3

BANK RECONCILIATION STATEMENT
CASH BOOK

Cash Book Balance as at 30 Apr 2007

Balance as of 1 Apr 07	\$ 227.31
<u>ADD</u> receipts for Apr 2007	<u>\$ 1,139.45</u>
Total	\$ 1,366.76

Less Payments for Apr 2007 \$ 926.61

Balance as 30 Apr 2007 \$ 440.15

BANK STATEMENT

Balance as per Bank Statement at 30 Apr 2007	\$ 382.03
<u>Add</u> outstanding deposit	<u>\$ 233.20</u>
	\$ 615.23

Less Outstanding cheques

622	\$ 135.60
623	\$ 31.28
624	\$ 8.20

Total outstanding cheques **\$ 175.08**

As per Cash Book \$ 440.15

When the Bank Account balance is overdrawn, the Deposits are subtracted and the Cheques are added to arrive at the balance

JOURNAL

Form 5

Date	Account	Title/Explanation	Reference	Debit	Credit
2006					
Nov 30		Equipment - Mower		\$ 40.00	
		Accumulated Fund			\$ 40.00
		Being Mower Donated			
		Depreciation		\$ 70.00	
Dec 31		Provision for Depreciation			\$ 70.00
		Being provision for Depreciation			
Dec 31		Telephone		\$ 39.00	
		Sundry Creditors			\$ 39.00
		Being outstanding account			

ASSETS REGISTER

Form 6

Date of Purchase	Description/Serial Number	Cost Price	Location	Disposal Action

Account Title

Debit side

Credit side

STANDARD FORM OF LEDGER ACCOUNT

Account	Date	Description	Post Ref	Debit	Date	Description	Post	Credit
		Building						
1000	30-Nov-06	Balance	b/d	\$40,400.00				
		Furniture						
1010	30-Nov-06	Balance	b/d	\$ 5,600.00				
		Prov for Deprec						
1011	31-Dec-06	Balance	c/d	\$ 610.00	30-Nov-06	Balance	b/d	\$ 540.00
					31-Dec-06	Depreciation	J8	\$ 70.00
				\$ 610.00				\$ 610.00
					01-Jan-07	Balance	b/d	\$ 610.00
		Bank						
1101	30-Nov-06	Balance	b/d	\$ 227.31	31-Dec-06	Payments	CP12	\$ 926.61
				\$ 1,139.45		Balance		\$ 440.15
				\$ 1,366.76				\$ 1,366.76
	01-Jan-07	Balance	b/d	\$ 440.15				
		Lawn Mower						
1020	30-Nov-06	Balance	b/d	\$ 40.00	31-Dec-06	Sold	CR7	\$ 40.00
	31-Dec-06	Purchase	CP12	\$ 135.60		Balance	c/d	\$ 135.60
				\$ 175.60				\$ 175.60
		Accumulated Funds						
	01-Jan-07	Balance	b/d	\$ 135.60				
2000	31-Dec-06	Deficit for year	J8	\$ 369.41	30-Nov-06	Balance	b/d	26547.31
		Balance	c/d	26177.9				
				\$26,547.31				\$26,547.31
					01-Jan-07	Balance	b/d	\$26,177.90

TRIAL BALANCE

Form 8

Trial Balance 30 Nov 2006

Account No	Description	Debit	Credit
1101	Bank	\$ 227.31	
1100	Petty Cash	\$ 10.00	
1000	Building	\$ 40,400.00	
1001	Land	\$ 3,990.00	
1010	Furniture	\$ 5,600.00	
1011	Provision for depreciation		\$ 540.00
1020	Lawn Mower	\$ 40.00	
2000	Accumulated Funds		\$ 26,547.31
2100	Loan Bank - CSB		\$ 20,000.00
4001	Voluntary Contributions		\$ 6,680.00
4002	Canteen Donations		\$ 250.00
4004	Proceeds Fund Raising		\$ 810.40
5001	Wages - Canteen	\$ 2,400.00	
5002	Motor Vehicle Expenses	\$ 400.00	
5003	Interest on Loan	\$ 700.00	
5004	Light and Power	\$ 200.00	
5005	Telephone	\$ 450.00	
5006	Rates	\$ 300.00	
5007	Stationery	\$ 150.00	
	Totals	\$ 54,827.71	\$ 54,827.71

Form 9

INVESTMENT REGISTER

INVESTMENT REGISTER

Investment held with _____ Bank/Building Society

Date	Description	In	Out	Balance
03-Nov-06	Initial Investment Cheque No 261331	\$ 1,000.00		\$ 1,000.00
11-Nov-06	Redemption Receipt No 040		\$ 500.00	\$ 500.00
30-Nov-06	Interest	\$ 100.00		\$ 600.00

MONTHLY FINANCIAL STATEMENT - SIMPLIFIED FORM

Form 10

FINANCIAL STATEMENT FOR THE MONTH OF DECEMBER 2006

RECEIPTS

Voluntary Contributions		\$ 299.60	
Canteen Donations		\$ 58.50	
Other Income		\$ 12.05	
Proceeds - Functions			
Fete	\$ 421.40		
Christmas Social	\$ 125.80	\$ 547.20	
Mower Sale		\$ 40.00	
Fete Change Rebanked		\$ 100.00	
Proceeds - Cake Stall		\$ 69.60	
Bank Interest		\$ 12.50	\$1,139.45

PAYMENTS

Wages - Canteen		\$ 150.00	
Motor Vehicle Expenses		\$ 92.65	
Fete Expenses		\$ 63.80	
Fete Change		\$ 100.00	
Telephone		\$ 315.60	
Stationery		\$ 12.21	
Lawn Mower Purchase		\$ 135.60	
Insurance		\$ 49.88	
Sundry Expenses		\$ 6.87	\$ 926.61

EXCESS RECEIPTS OVER PAYMENTS for month **\$ 212.84**

Add Balance at Beginning of Month **\$ 227.31**

Bank Balance at end of Month as per Cash Book **\$ 440.15**

MONTHLY FINANCIAL STATEMENT - ADVANCED FORM

Form 11

FINANCIAL STATEMENT FOR THE MONTH OF DECEMBER 2006

Month			Year to Date	
Budget	Actual		Budget	Actual
RECEIPTS				
\$ 310.00	\$ 300.00	Voluntary Contributions	\$ 3,600.00	\$ 3,380.00
\$ 40.00	\$ 58.00	Canteen Donations	\$ 300.00	\$ 308.00
\$ 10.00	\$ 12.00	Other Income	\$ 10.00	\$ 12.00
Proceeds - Functions				
\$ 450.00	\$ 421.00	Fete	\$ 450.00	\$ 421.00
\$ 110.00	\$ 126.00	Christmas Social	\$ 110.00	\$ 126.00
	\$ 40.00	Mower Sale		\$ 40.00
	\$ 100.00	Fate Change Rebanked		\$ 100.00
	\$ 12.00	Bank Interest		\$ 12.00
\$ 60.00	\$ 70.00	Proceeds - Cake Stall	\$ 600.00	\$ 520.00
\$ 980.00	\$ 1,139.00	TOTAL RECEIPTS	\$ 5,070.00	\$ 4,919.00
PAYMENTS				
\$ 30.00		Interest Payable	\$ 500.00	\$ 700.00
\$ 150.00	\$ 150.00	Wages - Canteen	\$ 2,000.00	\$ 2,550.00
\$ 80.00	\$ 93.00	Motor Vehicle Expenses	\$ 400.00	\$ 493.00
\$ 70.00	\$ 64.00	Fete Expenses	\$ 90.00	\$ 64.00
	\$ 100.00	Fete Change		\$ 100.00
\$ 320.00	\$ 315.00	Telephone	\$ 1,450.00	\$ 1,516.00
	\$ 12.00	Stationery	\$ 150.00	\$ 162.00
\$ 50.00	\$ 50.00	Insurance	\$ 60.00	\$ 50.00
	\$ 136.00	Lawn Mower Purchase	\$ -	\$ 136.00
	\$ 6.00	Sundry Expenses	\$ -	\$ 6.00
\$ 40.00		Electricity	\$ 400.00	\$ 500.00
\$ 740.00	\$ 926.00	TOTAL PAYMENTS	\$ 5,050.00	\$ 6,277.00
\$ 240.00	\$ 213.00	Surplus (Deficit)	\$ 20.00	-\$ 1,358.00
\$ 150.00	\$ 227.00	Add Bank Balance at Beginning	\$ 1,798.00	\$ 1,798.00
\$ 390.00	\$ 440.00	Bank Balance at end as per Cash Book	\$ 1,818.00	\$ 440.00

INCOME AND EXPENDITURE STATEMENT**INCOME AND EXPENDITURE STATEMENT**

for the year ended 31 December 2006

INCOME	2006	2005
Voluntary Contributions	\$ 3,380.00	\$ 3,206.00
Canteen Donations	\$ 308.00	\$ 280.00
Function Proceeds (Net)	\$ 516.00	\$ 509.00
Bank Interest	\$ 12.00	
Other Income	\$ 12.00	
TOTAL INCOME	\$ 4,228.00	\$ 3,995.00
EXPENDITURE		
Interest on Loan	\$ 700.00	\$ 500.00
Wages - Canteen	\$ 2,550.00	\$ 2,000.00
Motor Vehicle Expenses	\$ 516.00	\$ 397.00
Insurance	\$ 72.00	\$ 70.00
Telephone	\$ 716.00	\$ 599.00
Stationery	\$ 189.00	\$ 172.00
Rates	\$ 305.00	\$ 247.00
Depreciation	\$ 70.00	
TOTAL EXPENDITURE	\$ 5,118.00	\$ 3,985.00
Excess Income Over Expenditure	-\$ 890.00	\$ 10.00
To Accumulated Funds		

Note: This Statement is net of GST, if applicable

BALANCE SHEET

Form 13

as at 31 December 2006

		2006	2005
ACCUMULATED FUNDS	Accumulated Funds - Balance 1 Jan 06	\$ 46,547.00	\$ 48,087.00
	Excess Income over Expenditure	-\$ 370.00	\$ 460.00
	Balance 31 Dec 06	\$ 46,177.00	\$ 48,547.00
This is represented by			
FIXED ASSETS	Land	\$ 3,990.00	\$ 3,990.00
	Building - 1973 - cost	\$ 36,400.00	\$ 36,400.00
	Equipment \$ 5,600.00		
	Less Provision for Depreciation \$ 610.00	\$ 4,990.00	\$ 5,060.00
CURRENT ASSETS	Lawn Mower	\$ 136.00	\$ 40.00
		\$ 45,516.00	\$ 45,490.00
LIABILITIES	Bank	\$ 440.00	\$ 1,798.00
	Cash Management	\$ 211.00	\$ 1,249.00
	Petty Cash Advance	\$ 10.00	\$ 10.00
	Total Assets	\$ 46,177.00	\$ 48,547.00
	(if any)	\$ -	\$ -
	Balance 31 Dec 06	\$ 46,177.00	\$ 48,547.00

FORM OF BUDGET

Form 14

	Jan 2007		Feb 2007		Mar 2007	
INCOME	Est	Actual	Est	Actual	Est	Actual
Voluntary Contributions	\$ 186.00		\$ 233.00		\$ 186.00	
Canteen Donations	\$ 20.00		\$ 65.00		\$ 80.00	
Other Income					\$ 5.00	
Function Proceeds			\$ 110.00		\$ 200.00	
TOTAL INCOME	\$ 206.00	\$ -	\$ 408.00	\$ -	\$ 471.00	\$ -
 Less EXPENSES						
Affiliation Fees						
Wages - Canteen	\$ 225.00		\$ 225.00		\$ 225.00	
Advertising	\$ 5.00		\$ 5.00		\$ 5.00	
Bank Charges	\$ 5.00		\$ 5.00		\$ 5.00	
Motor Expenses	\$ 85.00		\$ 85.00		\$ 85.00	
Telephone					\$ 50.00	
Postage			\$ 10.00		\$ 40.00	
Travelling	\$ 10.00		\$ 15.00		\$ 10.00	
Insurance	\$ 50.00		\$ 10.00			
TOTAL EXPENSES	\$ 380.00	\$ -	\$ 355.00	\$ -	\$ 420.00	\$ -
 FUNDS ON HAND						
Bank Bal at Beginning	\$ 440.00		\$ 266.00		\$ 319.00	
Plus Excess or						
less Deficit						
Income/Expenditure	-\$ 174.00	\$ -	\$ 53.00	\$ -	\$ 51.00	\$ -
 Bank Bal End of Month	 \$ 266.00	 \$ -	 \$ 319.00	 \$ -	 \$ 370.00	 \$ -

AFTER SCHOOL CARE

FEES RECORD SHEET

NAME _____

Form 15

P.E. or Session Date	(CR)	(DR)	Sessions	Fees	Fines	Balancing Owing	Amount Paid