NPO 5-15m

(social welfare)

(club, societies - cricket club, medical, etc)

- → Receipts & Payments a/c (R and P a/c)
- → Income & exp a/c (I and E a/c)
- → Balance sheet

Cashbook:

Dr Receipts And Payment A/c Cr

RECEIPTS	PAYMENTS
To bal b/d (op. bal - cash & bank)	By capital Payments (Asset)
To cap. receipts (Liability)	By Revenue Payments (Exp)
To Revenue receipts (Income)	By bal c/d (cl. bal - cash & bank)

NO → Non Trans of cash

* its prepared on (cash basis) (not accrual)
  Paid ✓
  receipt ✓
  Credit (X)
  o/s exp

* records both cap & revenue nature transc

Income & Expenditure a/c

Expenditure	Income
To Revenue payments (Incl. adjustment)	By revenue receipts (Including adjust.)
To Non cash exp (Depsn)	By Non cash Income
TO SURPLUS	BY DEFICIT

Expense a/c ↓

Dr	Cr
To Prepaid exp a/c [op. bal]	By o/s exp a/c [op. bal]
To cash [Rec & pay a/c] [payments]	By Inc & Exp [I&E a/c] expense for year
To o/s exp a/c [cl. bal]	By Prepaid exp a/c [cl. bal]

Prepaid exp (op bal)	XX
(+) Payments (R & P A/c)	XX
(+) o/s exp (cl. bal)	XX
(−) prepaid exp (")	XX
(−) o/s exp (op. bal	XX
	XX

XX → Expense for year

Salary ↓

(+) o/s end
(−) o/s beg
(+) prepaid beg
(−) " end

Subscription

(+) o/s end
(−) o/s beg
(+) adv. beg
(−) Adv. end.

Income a/c

Dr	Cr
To accrued income (O/S) op. bal	By income recd in adv (op. bal)
To I&E a/c [P&L a/c] Income for year	By cash a/c [R&P a/c] (Total receipts)
To income recd in adv [cl. bal]	By accrued income [cl. bal] O/S

Income a/c

Income recd in adv (op. bal) xx
(+) total receipts (R&P a/c) xx
(+) Accrued income (O/S) [cl. bal] xx
(−) income recd in adv (cl. bal) xx
(−) Accrued income (O/S) op. bal xx
Income

ITEMS	NATURE	TREATMENT
1. subscription	Revenue receipt	Dr – R&P a/c Cr – I&E a/c
2. donations (gen)	Revenue receipt	Dr – R&P a/c Cr – I&E a/c
3. specific donation	capital receipt →	Dr in R&P a/c liab in B/S.
4. Entrance fees (Admi. fee)	capital receipts	Dr in R/P a/c liab in B/S
5. life membership fees	capital receipts	Dr – R/P a/c & liab B/S
6. legacy	capital receipt	Dr in R/P a/c liab – B/S
7. honorarium	revenue expenditure →	Cr in R/P a/c Dr in I&E a/c
8. sale of old newspaper	Revenue receipts →	Dr – R&P a/c Cr – I&E a/c
9. sale of old asset ⊛ gain/loss shown in I&E a/c	Capital receipts	Dr in R&P a/c Asset B/S (reduce)

Diff betn Recp & Pay VS Inc Exp a/c

Receipt & Payment	Income & Expenditure
* only deals with cash transactions	* deals with both cash and credit transactions
* prepared for short duration	* prepared for long duration (1yr)
* deals with current assets & current liabilities	* deals with all assets & liabilities.
* short term transaction	deals with both short-term & long-term transc.
* shows cash inflows and outflows	* shows revenue and expenses.

Keep Going!

BY ⤵
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-24