

Cash Book Factsheet



Dunedin Community Accounting

A free service for clubs, societies and other not-for-profits

What is a Cash Book?

- A Cash Book is essential to an organisation and records financial transactions.
- There are two common forms: A multi-column book or a computer spreadsheet.

Why keep a Cash Book? What is it used for?

- Keeps financially up to date and allows you to help control over your finances.
- It tells you:
 - How much money has been paid into the account.
 - Where the money came from.
 - What cheques have been paid out (to who and what).
 - The total for the month or year for each individual type of income or expenditure e.g. rent.
 - The total for the month or year for all receipts and payments.
 - The current bank balance.
- A Cash Book helps you when preparing monthly and annual accounts. Because information is up to date and easily accessible. Reporting to committee is easy.

Cash Book Controls

1. Cash Book should be kept in a secure (locked) place for safe keeping.
2. Treasurer should be the only person who has access to the cash book. Limited access is important so unauthorised changes can be avoided.
3. If electronic, remember to keep files secure. I.e. passwords and ALWAYS have a backup.
4. A Cash Book helps with preparing monthly and annual reports.
5. Having up to date information also helps when reporting back to the committee.

Petty Cash

- The petty cash book should be balanced at regular intervals. The balance in the petty cash will be the previous balance, plus any re-imbursments, minus the receipts as listed.
- Reimbursments from petty cash are subject to audit along with the organisation`s other financial systems.
- Any cash received should be banked and not put into the petty cash.

¹ SOURCE: COMMUNITY RESOURCE KIT WWW.COMMUNITY.NET.NZ VERSION 1/OCTOBER 2006