

INSTRUCTIONS FOR WRITING UP A CASHBOOK

It is vital a cash book reconciles with the bank statement. The steps to achieve this are:-

1. Obtain a blank cash book with as many columns as needed, e.g. 12, 14, 24 etc. You can also use Excel spreadsheets on a computer or a program called Cash Flow manager.

2. From cheque book enter column, e.g.:

1	2	3	4
Date (Including year)	Description	Totals	Dissections e.g. Light & Power

See example on below

There should be a separate column for each major expense – expenses that occur one or two times a year can be put in a sundries column.

3. Next – tick these cheques in the total amount column with the corresponding amount on the bank statement.
4. Then enter the balance of the debits on the bank statement as with the cheques.
5. You then add the totals of expenses columns, stationary, phone, etc which should cross add to the total amount column.
6. The credits on the bank statement can be entered as follows:
Date Description Total Amounts Sales Sundry
7. You then add the totals of the sales and sundry columns which should cross add to the total amount column.
8. This procedure should be followed for each bank account/credit card held which has had transactions during the financial year.

9. If you are registered for GST it is important that all amounts should be entered GST inclusive. A separate column should be entered with GST figures.

EXAMPLE OF A CASHBOOK PAGE:

Date 2009	Description	Cheque Number	Total	Bank Charges	Stationary	Postage	Phone	Sundry	GST
1 July	Optus	1	100				100		10
1 July	Australia Post	2	10			10			1
1 July	Officeworks	3	150		150				15
1 July	Friends Computers	4	2000					2000 New Computer	200
1 July	Bank Statement	BS	10	10					-
	Totals		2270	10	150	10	100	2000	226