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शक्तिउत्थानआश्रमलखीसरायबिहार

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Accounting for Not-for-Profit Organisation

1.3 Receipt and Payment Account

It is prepared at the end of the accounting year on the basis of cash receipts and cash payments recorded in the cash book. It simply is a summary of cash and bank transactions under various heads. For example, subscriptions received from the members on different dates which appear on the debit side of the cash book, shall be shown on the receipts side of the Receipt and Payment Account as one item with its total amount. Similarly, salary, rent, electricity charges paid from time to time as recorded on the credit side of the cash book but the total salary paid, total rent paid, total electricity charges paid during the year appear on the payment side of the Receipt and Payment Account. Thus, Receipt and Payment Account gives summarised picture of various receipts and payments, irrespective of whether they pertain to the current period, previous period or succeeding period or whether they are of capital or revenue nature. It may be noted that this account does not show any non-item like depreciation. The opening balance in Receipt and Payment Account represents cash in hand/ cash at bank which is shown on its receipts side and the closing balance of this account represents cash in hand and bank balance as at the end of the year, which appear on the credit side of the Receipt and Payment Account. However, if it is bank overdraft at the end it shall be shown on its debit side as the last item. Let us look at the cash book given in example how the total amount of each item of receipt and payment has been worked out.

Example 1

Cash Book (Columnar)

Dr.					Cr.				
Date	Details	L.F.	Bank Amount (Rs.)	Office Amount (Rs.)	Date	Details	L.F.	Bank Amount (Rs.)	Office Amount (Rs.)
2006					2006				
April 1	Balance b/d		35,000	20,000	April 15	Insurance premium		15,000	
April 10	Subscriptions		1,20,000		May 12	Printing and stationery		10,750	
April 10	Entrance fees		13,000		May 20	Postage and courier fees			430
May 20	Life membership fees		12,000		June 16	Telephone expenses			810
June 12	Locker rent			42,000	July 10	Wages and salaries			22,000
July 23	Life membership fees		8,000		July 15	Rates and Taxes		17,000	
Aug. 20	Donation for building		60,000		July 30	Govt. securities		1,00,000	
Sept. 13	Subscriptions (2005-2006)		30,000		Aug. 13	Printing and stationery		15,000	
Sept. 13	Subscription		45,000		Aug. 15	Postage and courier service			480
					Sept. 10	Lighting		12,250	

Sept. 14	Entrance fees	10,000		Sept 13	Telephone expenses		830
Nov. 9	Subscription	35,000		Oct. 1	Wages and salaries	10,000	12,000
Nov. 9	Subscription (2007-2008)	10,000		Oct. 18	Printing and stationary	13,000	
2007				Oct. 31	Govt. securities	1,00,000	
Feb. 07	Subscription	25,000		Dec. 31	Wages and Salaries	22,000	
Mar. 28	Interest on government securities	18,000		2007			
				Jan. 21	Courier charges		240
				Feb. 2	Telephone expenses		960
				Mar. 10	Postage and Courier fees		850
				Mar. 27	Lighting	14,000	
				Mar. 27	Wages and Salaries	22,000	
				Mar. 31	Balance c/d	70,000	23,400
		4,21,000	62,000			4,21,000	62,000

Part A

Item wise Aggregation of various Receipts

Subscriptions (2006-2007)

<i>Date</i>	<i>Amount (Rs.)</i>
April 10, 2006	1,20,000
Sept. 13, 2006	45,000
Nov. 9, 2006	35,000
Feb. 7, 2007	25,000
Total	2,25,000

Subscriptions (2005-06)

<i>Date</i>	<i>Amount (Rs.)</i>
Sept. 13, 2006	30,000
Total	30,000

Subscription

<i>Date</i>	<i>Amount (Rs)</i>
Nov. 9, 2006	10,000
Total	10,000

Entrance Fees

<i>Date</i>	<i>Amount (Rs)</i>
April 10, 2006	13,000
Sept. 14, 2006	10,000
Total	23,000

Locker Rent

<i>Date</i>	<i>Amount (Rs)</i>
April 12, 2006	42,000
Total	42,000

Life Membership fee

<i>Date</i>	<i>Amount (Rs)</i>
May 12, 2006	12,000
July 23, 2006	8,000
Total	20,000

Donation for Buildings

<i>Date</i>	<i>Amount (Rs)</i>
Aug. 20, 2006	60,000
Total	60,000

Interest on Government securities

<i>Date</i>	<i>Amount (Rs)</i>
March 28, 2007	18,000
Total	18,000

Part B

Item wise Aggregation of various Payments

Insurance Premium

<i>Date</i>	<i>Amount (Rs)</i>
April 15, 2006	15,000
Total	15,000

Printing and Stationery

<i>Date</i>	<i>Amount (Rs.)</i>
May 12, 2006	10,750
Aug. 13, 2006	15,000
Oct. 18, 2006	13,000
Total	38,750

Lighting

<i>Date</i>	<i>Amount (Rs.)</i>
Sept. 10, 2006	12,250
March 27, 2007	14,000
Total	26,250

Telephone Expenses

<i>Date</i>	<i>Amount (Rs.)</i>
June 16, 2006	810
Sept. 13, 2006	830
Feb. 12, 2007	960
Total	2,600

Rates and Taxes

<i>Date</i>	<i>Amount (Rs.)</i>
July 15, 2006	17,000
Total	17,000

Government Securities

<i>Date</i>	<i>Amount (Rs.)</i>
July 30, 2006	1,00,000
Oct. 31, 2006	1,00,000
Total	2,00,000

Wages and Salaries

<i>Date</i>	<i>Amount (Rs.)</i>
July 10, 2006	22,000
Oct. 1, 2006	22,000
Dec. 31, 2006	22,000
March 30, 2007	22,000
Total	88,000

Postage and Courier Service

<i>Date</i>	<i>Amount (Rs.)</i>
May 20, 2006	430
Aug. 15, 2006	480
Jan. 22, 2007	240
March 10, 2007	850
Total	2,000

The above data can also be shown in the form of the respective accounts in the ledger. A detailed illustrative list of items of receipts and payments is given as follows:

<i>Receipts</i>	<i>Payments</i>
1. Donations (a) General (b) Specific purpose	1. Purchase of Fixed Assets
2. Entrance Fees	2. Purchase of Sports Material
3. Legacies	3. Investment in Securities
4. Sale of Investments	4. Printing and Stationery
5. Sale of Fixed Assets	5. Postage and Courier Charges
6. Subscriptions from Members	6. Advertisements
7. Life Membership Fees	7. Wages and Salary
8. Sale of old Newspapers	8. Honorarium
9. Sale of Old Sports Material	9. Telephone Charges
10. Interest on Fixed Deposits	10. Electricity and Water Charges
11. Interest/ Dividend on Investments	11. Repairs and Renewals
12. Proceed from Charity Shows	12. Upkeep of Play Ground
13. Sale of Scrap	13. Conveyance Charges
14. Grant-in-aid	14. Subscription for Periodicals
15. Interest/Dividend on Specific Fund Investments	15. Audit Fees
16. Miscellaneous Receipts.	16. Entertainment Expenses
	17. Municipal Taxes
	18. Charity
	19. Insurance

Receipt and Payment Account is given below:

Receipt and Payment Account for the year ending _____

Dr.

Cr.

<i>Receipts</i>	<i>Amount (Rs.)</i>	<i>Payments</i>	<i>Amount (Rs.)</i>
Balance b/d		Balance b/d (Bank overdraft)	xxx
Cash in Hand	xxx	Wages and Salaries	xxx
Cash at Bank	xxx	Rent	xxx
Subscriptions	xxx	Rates and Taxes	xxx
General Donations	xxx	Insurance	xxx
Sale of newspaper/ periodicals/waste paper	xxx	Printing and Stationery	xxx
Sale of old sports materials	xxx	Postage and courier	xxx
Interest on fixed deposits	xxx	Advertisement	xxx
Interest/Dividend on general investments	xxx	Sundry expenses	xxx
Locker Rent	xxx	Telephone charges	xxx
Sale of scraps	xxx	Entertainment expenses	xxx
Proceeds from charity show	xxx	Audit fees	xxx
Miscellaneous receipts	xxx	Honorarium	xxx
Grant-in-aid**	xxx	Repair and Renewals	xxx
Legacies	xxx	Upkeep of ground	xxx
Specific Donations	xxx	Conveyance	xxx
Sale of Investments	xxx	Newspapers and Periodicals	xxx
Sale of Fixed Assets	xxx	Purchases of Assets	xxx
		Purchase of Investments	xxx
		Balance c/d	xxx

<i>Life membership fees</i>	<i>xxx</i>	<i>Cash in hand</i>	<i>xxx</i>
<i>Entrance fees</i>	<i>xxx</i>	<i>Cash at Bank*</i>	<i>xxx</i>
<i>Receipts on account of specific purpose funds</i>	<i>xxx</i>		
<i>Interest on specific funds' investments</i>	<i>xxx</i>		
<i>Balance b/d (Bank Overdraft)*</i>	<i>xxx</i>		
	<i>xxxxx</i>		<i>xxxxx</i>

Fig. 1.1: *Format of Receipt and Payment Account*

* There will be either of the two amounts *i.e.*, each at bank or bank overdraft, not both.

It may be noted that the receipts side of the Receipt and Payment Account gives a list of revenue receipts (for past, current and future periods) as well as capital receipts. Similarly, the payments side of the Receipts and Payments Account lists the Revenue Payments (for past, current and future periods) as well as Capital Payments.