

SUBJECT- FINANCIAL ACCOUNTING

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FEATURES OF RECEIPTS AND PAYMENTS ACCOUNT

The Basic Features of Receipts and Payments Account are as under:

- (i) It is a real account and summarizes all cash transactions of non-profit organizations.
- (ii) It starts with the opening balance of cash and Bank Balances and ends with the closing balance of cash and Bank Balances.
- (iii) It is similar to cash book and contains all receipts on debit side and payments on credit side.
- (iv) Distinction of capital and revenue is not made while recording cash transactions in it.
- (v) All actual receipts and actual payments (whether they are related to the past, present or future accounting period) of the relevant accounting period are recorded in this account.

It should be noted that Receipts and Payments Account is not as comprehensive as Trial Balance, even then it helps in preparation of final accounts of non-profit organization if it is supported with opening balance-sheet and all relevant information and adjustments. For this reason, sometimes this is also known as Cash Trial.

A specimen of a Receipts and Payments Account is given below:

RECEIPTS AND PAYMENTS ACCOUNT

Dr.

for the year ended.....

Cr.

| Particulars | ₹ | Particulars | ₹ |
|--|-----|--------------------------------|-------|
| To Balance b/d (opening) | | By Balance b/d | xxx |
| Cash in hand xxx | | (in case of Bank overdraft) | |
| Cash at Bank xxx | xxx | By Fixed assets | xxx |
| To, Legacies | xxx | By Sports Equipments | xxx |
| To Donations (General or specific) | xxx | By Investments | xxx |
| To Membership fees | xxx | By Library Books | xxx |
| To Entrance Fees | xxx | By Repairs | xxx |
| To Endowment Fund Receipts | xxx | By Prizes paid | xxx |
| To Grants (General or Specific) | xxx | By Salary and wages | xxx |
| To Subscriptions | xxx | By Entertainment Expenses | xxx |
| To Receipts on account of specific fund (Tournament Funds etc) | xxx | By printing and stationery | xxx |
| To Interest Received | | By News papers and periodicals | xxx |
| (On specific fund investments or General investments) | | By postage | xxx |
| To, Sale of Investments | xxx | By Bar purchases | xxx |
| To Sale of Fixed assets | xxx | By Bar Expenses | xxx |
| To Sale of Consumable items (Sports material, crockery etc.) | xxx | By upkeep of Lawns | xxx |
| To, Proceeds from Entertainments | xxx | By Rent | xxx |
| To sale of old News papers, magazines etc. | xxx | By Municipal taxes | xxx |
| To Miscellaneous Receipts | xxx | By Insurance | xxx |
| To Balance c/d | xxx | By charity | xxx |
| (in case of Bank overdraft) | | By legal charges | xxx |
| | | By Audit fees | xxx |
| | | By Balance c/d (closing) | |
| | | Cash in hand xxx | |
| | | Cash at Bank xxx | xxx |
| Total | | | Total |