

UNDERSTANDING THE CASHBOOK

The term “cashbook page.” This is typically a two-page spread in a bound book. While a bound book is typical, it isn’t required (e.g., it could be an excel spreadsheet in a three-ring binder). On the left-hand side is listed (and totaled) all the income. On the right-hand side is listed (and totaled) all the expenses. At the top of the left-hand side is a beginning balance. At the bottom of the right-hand side is an ending balance, that is **highlighted**. And at the top of the right-hand side is the date of the stated meeting.

Every “cashbook page” ends on the date of a stated meeting. Everything (income/expense/credits/debits) after that stated meeting goes onto the next “cashbook page” that will end on the next stated meeting date. So, if a chapter has two stated meetings a month, there will be two cashbook pages every month. When the bank statement comes in, any bank debits or credits are then added onto the next cashbook page for the next stated meeting (not the last stated meeting that has already happened).

Also, make sure that both the Secretary and the Treasurer are getting a copy of the bank statement, so that each can list bank debits/credits in their cashbooks and balance the statement correctly against the last stated cashbook page. We added a new downloadable form to the web site to help someone in balancing a bank statement.

When income (cash/checks) comes in to the Secretary, it’s listed with the arrival date on the Secretary’s cashbook page for the next stated meeting. Typically, the Secretary will wait until the meeting to give to the Treasurer all the income that has been collected and listed on the new cashbook page. A Treasurer’s receipt will go to the Secretary, listing the money given to the Treasurer. The date of the Treasurer’s receipt is the date when the money is given to the Treasurer. And that is the date of the income line item(s) in the Treasurer’s cashbook, **NOT** the date when the money is deposited in the bank. When the money is actually deposited into the bank doesn’t affect what the Cashbook balance is. As the next bank statement arrives and is balanced, the whereabouts of the deposit is verified (either in the bank or needs to be found).

If a Secretary chooses not to wait until the next stated meeting, but gives money to the Treasurer sooner, then a Treasurer’s receipt is prepared for it and that date is used for the line item(s) in the Treasurer's cashbook. Again, not the date it is deposited in the bank. If additional income is given to the Treasurer at the meeting, then there will be two Treasurer receipts for that cashbook page.

Normally, at the end of each stated meeting, the Secretary and the Treasurer sit down together to make sure that cashbooks have the same beginning balance, income, expenses, and ending balance on that stated meeting’s cashbook page. The ending balance of each cashbook page should be **highlighted** so that it is easy to find for the WGM during her audit of the books. Sometimes, due to the lateness of the hour after a meeting, this sit-down is postponed to the next day or the day after, but it should still be conducted as though it happened that night of the stated meeting.

So, typically, a cashbook is a series of cashbook pages, each dated sequentially with dates of the stated meetings, with the ending balances **highlighted**. The ending balances from the Secretary’s and Treasurer’s cashbooks should always match for the same meeting dates.

Very rarely, if for some reason the income could not be transferred to the Treasurer by the end of the stated meeting night, and the income ends up being on the next stated meeting’s page in the Treasurer’s cashbook, then the ending balances of the cashbooks won’t be the same for one meeting but will match up again on the next meeting’s page. Just annotate the reason for the ending balances not being the same on the Treasurer’s cashbook page. And the difference between the balances should be equal to the delayed income amount. Remember, this should be very rare!

A quick word about white-out. Don’t use it! Line-out and initial, just like on a check, for the same reason.