

# Finances and Records

## I. INTRODUCTION

### Keeping of Records:

Daily events and activities are so numerous for the human mind to retain. Where the significant events and activities are needed to be compiled for future recall, they must be written in records.

Individuals, families, social, civic and religious organizations, governmental institutions, and business enterprises keep records of their significant activities either at their own initiative or under the compulsory force of the law. Records are kept of important activities either because it is advisable to do so or because the government requires it so.

To individuals and families, a written record of their activities will be of help in the programming of their expenses. In relation to their incomes. This written record may also be used as reference in the future in order to recollect the expenditures of the past or in determining what family or personal expenses are necessary or dispensable.

Social, civic and religious organizations put in writing all their plans for fund raising and the projects which they intend to undertake. Funds and their dispositions should be accounted for properly to their members or to the public. This accounting

is by means of reports containing data taken from the written records.

To the government, written records are a "must." From the records, the government accounts for all the money it collects from the people, as well as, how the money collected is spent. The government makes periodic reports to the people through the Congress of the Philippines. These reports are all extracts from the written records kept by the government which are required either by the Constitution of the Philippines or by statutes.

To the business enterprises, the need for written records cannot be overemphasized. Information regarding the daily business activities are recorded in the books of accounts by procedures peculiar to accounting. From these records, reports and statements showing the progress and status of the business are prepared periodically. These reports are indispensable to the owners of the business as they are the only means by which the owners can properly manage the business. All projects and plans for the future are based on what the reports contain. Furthermore, the government (specially the Bureau of Internal Revenue) and other parties require the periodic preparation of the financial reports and statements concerning the business.

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## II. RECORDS IN THE CHURCH

### A. Needed By The Government Agencies

1. *Minute Books for Meetings*

2. *Books of Record for all Financial Transactions (will be discussed in Finances portion)*

- a. **Cashbook** - books used to record all transactions involving cash using 10 - 16 columns - columnar book for registered churches and a ledger book for newly established churches.
- b. **General Journal** - book used to record corrections of errors , adjusting entries in the cashbook and closing entries every end of Accounting Period (for registered churches). There is also a need to record all other asset transactions aside from cash, for newly established churches.

### B. Registered Churches (Same with Newly Established Church)

1. *Cash Book - using 10 column columnar book*

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DATE	EXPLANATION	OR#CV#	CASH DEBIT	HAND CRDT	CASH DEBIT	BANK CRDT	G F OFRNG CRDT	LABOR SALRY DEBIT	TRANS TRAVL CRDT	SUNDRS	F	DEBIT	CRDT
1993													
May 1			200				200						
17			100				100						
22				60--						Supplies		60--	
			<u>300</u>	<u>60--</u>			<u>300</u>					<u>60--</u>	

( 2 ) ( 2 )

( 12 )

( 17 )

2. *Journal Book - using 2 column-columnar book or Journal*

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DATE	EXPLANATION	F	Debit	Credit
1993				
May 20	Supplies	17	5 00	
	Cash	2		5 00
	To record correction of purchases of Source of Light Materials			

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## C. NEWLY ESTABLISHED CHURCH

### 1. Cash Book - Use a Ledger Book

#### January, 19A

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DATE	RECEIPTS	F	AMOUNT	DATE	DISBURSEMENT	F	AMOUNT
19A			P				
Jan	1 Offering		400.00	Jan	8 Bond paper	P	95.00
	7 Offering		300.00		16 Offering Envelope		50.00
	14 Offering		500.00		17 Tricycle fare		15.00
	21 Offering		600.00		26 Tricycle fare		30.00
	28		<u>1,800.00</u>		29 1 roll film		<u>55.00</u>
	Ending Balance		<u>1,555.00</u>				245.00

#### February, 19A

Page 2

DATE	RECEIPTS	F	AMOUNT	DATE	DISBURSEMENT	F	AMOUNT
19A	Balance Beginning		P 1,555.00				
Feb.	1 Offering		450.00	Feb.	1 Tricycle fare	P	25.00
	4 Offering		500.00		5 Cartlna,paste,pentl		67.00
	11 Offering		700.00		8 Xerox-SS material		50.00
	18 Offering		450.00		20 Tricycle fare		23.00
	25		<u>P 3,655.00</u>		Love gift - speaker		150.00
	Ending Balance		<u>P 3,224.00</u>		23 Paint		56.00
					27 Tricycle fare		<u>60.00</u>
							421.00

### 2. Journal Book - use 2 columns - columnar book.

Date	ITEM	Donation From	Donated To
Jan	3 Electric fan from LBC	P 800.00	
	6 Bibles from MBC	2,000.00	
	15 Yamaha Organ from BAMA	5,000.00	
	BBC chairs - Monobloc 2 pcs.		500.00

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3. **Ledger** - The form of record used for each individual item is called an account, and a group of related accounts is called a ledger. It is the book of final entry.

## SAMPLE

### CASH

Page 2

DATE 1993		ITEMS	F	DEBIT		DATE 1993		ITEMS	F	CREDIT	
May	1	Beginning Bal.	CB1	300	00	May	31		CB1	60	00
	3					GJ1	5			00	

### GENERAL FUND OFFERING

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DATE 1993		ITEMS	F	DEBIT		DATE 1993		ITEMS	F	CREDIT	
May	31					May	31		CB1	300	0

### SUPPLIES

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DATE 1993		ITEMS	F	DEBIT		DATE 1993		ITEMS	F	CREDIT	
May	31		CB1	60	00						
			GJ1	5	00						

## D. Membership Book

A record book used for recording of newly baptized or persons who wish to transfer membership. It is arranged alphabetically.

	N A M E	CIVIL Stats	A D D R E S S	PHONE Numbr	DATE BIRTH	OCCUPAT'N	SPOUSE	Aniv'sary	DATE SAVED	DATE Baptized	CHURCH Baptized
1	Adam, Elias	M	#3 Apo St, Q.C.	21234	1/5/65	Teacher	Nel Adam	2/4/92	9/8/85	1/5/85	La Loma BC
2	Alas, Gina	S	# Dalia St. K.C.	none	5/2/58	Busswoman			1/2/63	2/3/78	Iloilo BC
3	Azul, Genoveva	W	#8 Dao, Makati.	88430	9/3/16	Retired			8/9/90	1/8/91	La Loma BC

## E. Other Church Records

1. *Visitor's Logbook*
2. *Church History Book*
3. *Visitation File*
4. *Baptism Logbook*
5. *Source of Light Record File*
6. *Transferred Membership Logbook*

# Finances and Records

## III. FINANCES

### A. Introduction

#### *Nonprofit Service Organizations*

A number of privately organized non-profit service organizations that possess many of the characteristics of the governmental unit are found in our society. These organizations include schools and colleges, hospitals, churches, charities and social service groups. Services of these units may be offered only to closed membership groups or they may be offered to the general public.

Privately organized service organizations differ widely as to size, nature, and diversity of operations. They may also differ in the means that they employ to finance their activities. Contributions are generally an important part of the financing program, but the nature of the contributions and the use of such resources also differ.

Service organizations require books and records to summarize receipts and expenditures as well as assets, liabilities and equities. Systems for achieving accounting and administrative control are required. Budgets that provide for direction and control of proposed activities and financial statements that summarize past activities are indispensable parts of an accounting program.

Although privately organized service organizations are not subject to the rigid legal controls that are found in the

governmental unit, nevertheless they are subject to special conditions that suggest an accounting similar to that employed by the government unit. Service organizations ordinarily engage in a core of general activities that are accompanied by a number of auxiliary activities. Gifts and grants from both private and public channels in the form of cash and other properties are frequently accompanied by detailed requirements on exactly how such resources are to be spent or utilized. Instead of emphasis upon operating at a profit emphasis centers upon the resources that are available and the proper and efficient use of such resources in meeting the service objectives for which the units were organized. These factors call for the use of fund accounting.

### B. What Is Accounting?

Accounting is a service activity and has been called the "language of business." Accounting terms and concepts are used in statements and reports submitted to interested users-the owners, investors, creditors, government, business analysts, and for the church members.

Accounting has been defined as - "an art of recording, classifying, summarizing, in a significant manner and in terms of money, transactions and events which are in part, at least, of a financial character and interpreting the results thereof."

# Finances and Records

## C. Transaction:

Transaction is the exchange of goods or services for a certain sum of money. It is an exchange of monetary values. In every transaction, there is value received and value parted with. Value is anything susceptible of pecuniary estimation. It may represent money itself, property other than money, services, or rights. Every transaction should be authenticated by a genuine business form.

## D. FORMS NEEDED

### 1. Church Financial Forms For Registered Churches:

- a. **Official Receipt** - form used as proof of money received for Tithes, Faith Promise Giving, Building Offering, etc.

	<b>LA LOMA BAPTIST CHURCH, INC.</b>	(GENERAL FUND)
	133 Isarog St. La Loma, Q.C.	
Official Receipt No. 001	TIN 001-223-351	
<b>OFFICIAL RECEIPT</b>		
RECEIVED from _____		
the sum of Pesos _____ (P. _____ )		

IN PAYMENT OF			DETAILS OF PAYMENT		
INVOICE NO.	DATE	AMOUNT	CASH:	CHECK:	
TOTAL			TOTAL		
Amount Credit:			<b>LALOMA BAPTIST CHURCH,</b>		
			Collector		
			Cashier		
			Date		

**For newly established churches** - use only Offering Count Report (see next page)

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b. **Offering Count Report** - a list of the number of moneterial denominations received.

LA LOMA BAPTIST CHURCH OFFERING COUNT REPORT _____ FUND DATE _____					
COUNTED BY: _____			CERTIFIED BY: _____		
DENOMINATION	PRAYER MEETING	WORSHIP SERVICE	GOSPEL HOUR	TOTAL NO. PIECES	TOTAL AMOUNT
500					
100					
50					
20					
10					
5					
2					
1					
.50					
0.25					
.10					
.05					
CHECK NO.					
				TOTAL	

c. **Cash Voucher** - this form shows the cash payment made and issued to the recipient.

<b>VOUCHER</b>	LA LOMA BAPTIST CHURCH, INC. (GENERAL FUND)	<b>NO 001</b>
PAYEE _____		DATE _____
ADDRESS _____		
NATURE OF PAYMENTS		AMOUNT
CHECK NO. TOTAL		
ACCOUNT DISTRIBUTION	D E B I T	C R E D I T
Received payments in pesos _____ _____ (P _____ )		
Print Name & Signature _____	PREPARED By: _____	VERIFIED By: _____
	APPROVED By: _____	POSTED By: _____

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**d. Cash Advance Vouchers** - for Newly Established Church.

<b><u>CASH ADVANCE VOUCHER</u></b>	
	Date _____
Received from: _____	
The amount of PESOS _____	
for _____	
	Signature _____
Approved by: _____	
	_____ General Fund
	_____ Mission Fund
	_____ Building Fund
Pastor's Name _____	

**e. Liquidation Statement** - form made by the recipient of cash to explain his expenses made.

GF _____	MF _____	SF _____	BF _____
Voucher No. _____			
<b><u>LIQUIDATION STATEMENT</u></b>			
Representing liquidation of cash advances for P _____			
made last _____ to wit:			
Transportation .....	P	_____	
Gasoline .....		_____	
Others .....		_____	
.....		_____	
Total Expenses	P	_____	
Amount still due/refundable .....	P	_____	
Received by: _____		Signature _____	

**f. Offering Envelope** - form used to place your moneterial giving and indicate where your offering goes.

<b>LA LOMA BAPTIST CHURCH</b>			
<p>“Upon the first day of the week let everyone of you lay by him in store as God hath prospered ....” I Cor. 16:2</p>		<p>Name _____</p> <p>Date _____</p>	
<p style="text-align: center;"><b>GOD'S TITHE</b> (10%)</p> <p>“Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it” Malachi 3:10</p> <p>Amount ₱ _____</p>	<p style="text-align: center;"><b>MISSIONS</b> (Faith Promise)</p> <p>My love gift to God from my 90% for missions. (Helping to win souls and plant churches) “God loveth a cheerful giver” II Cor. 9:7 “Freely ye have received freely give” Matt. 10:8</p> <p>Amount ₱ _____</p>	<p style="text-align: center;"><b>BUILDING FUND</b></p> <p>I give because I love God. “Let us rise up and build.” Neh. 2:18 “The work is great and large” Neh. 4:19</p> <p>Amount ₱ _____</p>	<p style="text-align: center;"><b>OTHER</b></p> <hr/> <p style="text-align: center;">Please Specify</p> <p>Amount ₱ _____</p>
<p><b>Total Amount Enclosed</b> _____</p>			

**g. Donation Receipts** - issued upon the request of a person who wish to make donations to church whether it be moneterial or material .



# Finances and Records

## **E. Chart of Account**

In the formal recording of business transactions and events, it is customary to provide a "guide" to the bookkeeper. A classified list of accounts titles is prepared for the use of the bookkeeper. This is called the chart of accounts.

### **General Fund Ledger**

<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>	<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>
Advances to Officers & Staff .....	16	Meal Allowance .....	52
Bank Charges .....	92	Medical Allowance .....	50
Books, Tapes, & Manuals .....	32	Miscellaneous .....	96
Cash in Bank .....	6	Notes Payable .....	36
Cash on Hand .....	4	Office Equipment .....	24
Church Equipment .....	20	Other Assets .....	34
Donations & Social Work .....	94	Other Income .....	44
Due to/from - Building Fund .....	8	Petty Cash Fund .....	2
Due to/from - Mission Fund .....	10	Professional & Legal Fees .....	82
Due to/from - School Fund .....	12	Rental - Annex & Parsonage .....	76
Due to/from - Others .....	14	Rental - Film .....	78
Foods & Other Promotions .....	60	Rental - Others .....	80
Furniture & Fixtures .....	28	Repairs & Maintenance-Church Equipment .....	64
Games & Sports Equipment .....	26	Repairs & Maintenance-Office Equipment .....	68
General Fund Balance .....	38	Repairs & Maintenance-Transportation Equip. ..	66
General Fund Offerings .....	40	Repairs & Maintenance-Others .....	70
Interest Expense .....	88	Representation & Entertainment .....	62
Interest Income .....	42	Supplies .....	58
Insurance .....	86	Taxes & Licenses .....	84
Labor, Salaries & Wages .....	46	Telephone & Telegram .....	74
Land .....	18	Training & Seminar Fee .....	54
Light & Water .....	72	Transportation Equipment .....	22
Love Gifts .....	48	Transportation & Traveling .....	56
Mailing .....	90	Tools .....	30
		Vouchers Payable	

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## Mission Fund Ledger

<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>	<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>
Advances to Missionaries .....	16	Mission Fund Balance .....	34
Bank Charges .....	88	Mission Fund Offering .....	38
Books, Tapes & Manuals .....	28	Mission Support .....	48
Cash in Bank .....	6	Other Assets .....	32
Cash on Hand .....	4	Other Equipment .....	20
Donations & Social Work .....	90	Other Income .....	42
Due to/from - Building Fund .....	10	Petty Cash Fund .....	2
Due to/from - General Fund .....	8	Professional & Legal Fees .....	74
Due to/from - School Fund .....	12	Rental - Film .....	82
Due to from - Others .....	14	Rental - Others .....	84
Foods & Other Promotions .....	64	Repairs & Maintenance - Trans. Equip. ....	78
Furniture & Fixtures .....	22	Repairs & Maintenance - Others .....	80
Interest Expense .....	86	Representation & Entertainment .....	62
Interest Income .....	40	Supplies .....	66
Insurance .....	76	Taxes & Licenses .....	72
Love Gifts .....	52	Telephone & Telegram .....	68
Mailing .....	70	Training & Seminar Fee .....	56
Meal Allowance .....	58	Transportation Equipment .....	18
Medical Expenses .....	54	Transportation & Traveling .....	60
Miscellaneous .....	92	Vouchers Payable	
Missionaries Support .....	50		

# Finances and Records

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## Building Fund Ledger

<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>	<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>
Bank Charges .....	66	Insurance .....	60
Building .....	18	Labor, Salaries & Wages .....	44
Building Improvement .....	20	Love Gifts .....	46
Building Fund Balance .....	30	Meal Allowance .....	50
Building Fund Offering .....	36	Medical Expense .....	48
Cash in Bank .....	6	Miscellaneous .....	74
Cash on Hand .....	4	Other Income .....	40
Donations & Social Work .....	64	Petty Cash Fund .....	2
Due to/from - General Fund .....	8	Professional & Legal Fees .....	56
Due to/from - Mission Fund .....	10	Repairs & Maintenance .....	42
Due to/from - School Fund .....	12	Representation & Entertainment ....	54
Due to/from - Others .....	14	Taxes & Licenses .....	58
Interest Expense .....	62	Transportation & Traveling .....	52
Interest Income .....	38	Vouchers Payable	

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## School Fund Ledger

<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>	<b>ACCOUNT TITLE</b>	<b>PAGE NO.</b>
Advances to Staff & Officers .....	16	Meal Allowance .....	56
Bank Charges .....	88	Medical .....	80
Books, Tapes & Manuals .....	22	Miscellaneous .....	90
Cash in Bank .....	6	Other Assets .....	24
Cash on Hand .....	4	Other Income .....	44
Clothing Allowance .....	52	Petty Cash Fund .....	2
Donations & Social Work .....	86	Professional & Legal Fees .....	68
Due to/from - Building Fund .....	12	Rental Expenses .....	82
Due to/from - General Fund .....	8	Repairs & Maintenance - Equipment .....	70
Due to/from - Mission Fund .....	10	Repairs & Maintenance - Others .....	72
Due to/from - Others .....	14	Representation & Entertainment .....	62
Equipment .....	18	School Fund Balance .....	32
Foods & Other Promotions .....	60	Supplies .....	58
Furniture & Fixtures .....	20	Taxes & Licenses .....	66
Interest Income .....	42	Telephone & Telegram .....	74
Insurance .....	78	Training & Seminar Fees .....	54
Labor, Salaries & Wages .....	50	Transportation & Traveling .....	64
Love Gifts .....	84	Tuition Fees .....	40
Mailing .....	76	Vouchers Payable	

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## F. Personal Stewardship of Money

Definition - faithful management of money entrusted to us by God. Stewardship of money begins with the EARNING of it; then with the BUDGETING, and lastly with the SPENDING of it.

1 Corinthians 4:2 says: "Moreover it is required in stewards, that a man be found faithful."

1. *The following is a record of Mr. A an employee and member of BBC. Assuming that he gives to the Lord 2 % of his gross income for Love Offering, P 400.00 for his Faith Promise.*

How much is the cash balance of Mr. A as of May 31, 199B?

Income from Salary:		
May	4	P 1,500.00
	11	1,500.00
	18	1,900.00
	25	1,900.00
Deductions from Salaries:		
	SSS, Medicare	P 120.00
	Withholding Tax	75.00
	Insurance	150.00
Expenses incurred and Budgets set aside		
May	5	P 500.00
	10	110.00
		80.00
	11	250.00
		400.00
	18	500.00
		55.00
		25.00
		700.00
	19	35.00
	25	1,000.00
	27	30.00
	28	150.00
	31	200.00
		1,000.00

2. *Miss B received a regular allowance from her parents for her school needs. January 15, 199B she received P 500.00 and on January 30, 199B her parents sent her P 600.00. Below is a list of expenses she incurred for the month of January, 199B.*

Jan.	5	Notebooks	25.00
	6	Ballpen (red, blue)	8.00
		Transportation Expense	27.00
	12	Shoe repair	10.00
	15	Merienda with classmate	40.00
		Pad paper	16.00
		Contribution for school project	100.00
	20	Groceries	200.00
		Transportation expenses	15.00
	24	Field trip contribution	100.00
	25	Faith Promise	100.00
	30	Text book	120.00
		Birthday gift	50.00

How much cash left for Miss B at the end of January 31, 199B



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**\_\_\_\_\_ BAPTIST CHURCH**  
**FINANCIAL REPORT**  
**\_\_\_\_\_ FUND**  
**AS OF \_\_\_\_\_**

**SUMMARY**

BAL. BROUGHT FORWARD	P
ADD: Receipts	P
TOTAL	P
LESS: Disbursements	P
BAL. CARRIED FORWARD	P

**RECORDS OF RECEIPTS:**

<b>OFFERINGS:</b>	
1st WEEK	P
2nd WEEK	P
3rd WEEK	P
4th WEEK	P
5th WEEK	P
DUE FROM	P
BANK INTERESTS	P
REFUNDS	P
OTHERS	P
<b>GRAND TOTAL</b>	<b>P</b>

**CASH FLOW SUMMARY:**

DATE	EXPLANATION	ACCOUNT TITLE	RECEIPTS (OFF)	DISBURSEMENTS
				P
	<b>BALANCE CARRIED FORWARD</b>		<b>P</b>	<b>P</b>





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## G. CHURCH FINANCES SIMPLIFIED SAMPLE PROBLEMS

1. *Northside Baptist Church had the following transactions for the month of February, 199A.*

**Required:** Compare the Cash Balance of General Fund as of February, 199A using the form given:

Record transactions in Cashbook . (Using the Ledger)

February	6	Tithes, Offering - Worship Service & Gospel Hour	197.15
	13	Church Share for food - Valentines Fellowship	126.25
		Tithes & Offering - Worship Service & Gospel Hour	307.75
	20	Tithes & Offering - Worship Service & Gospel Hour	186.75
	22	Bought 1 piece of microphone foam	25.00
		Church Key Duplicate	18.00
		Bought wood for small table	80.00
	27	Tithes & Offering - Worship Service & Gospel Hour	295.00
	28	Electric fan blade	135.00
		1 can Floor Wax	23.20
		Tricycle Expenses/Jeepney fare	10.00
		1 piece Fluorescent starter, holder bulb	79.00
		Sticker	10.00
		Map holder	45.00
		Broom	30.00

2. *The Eastside Baptist Church Summary of Offering & Expenses showed the following transaction for the month of May, 199B.*

**Required:** Compute - Cash Balance of General Fund, Mission Fund for May, 199B

May	1	Tithes & Offering - Worship Service P306.75; Gospel Hour - Faith Promise -	P 60.00 80.00
		Paid P 30.00 for tricycle to fetch visitors for church services.	
May	4	Tithes & Offering - Prayer Meeting P90.00; Faith Promise Tricycle expenses for visitations -	100.00 100.00
May	5	Merienda for tracts distribution -	25.00
May	8	Tithes & Offering - Worship Service P260.00; Gospel Hour Faith Promise	49.00 75.00
May	10	Tricycle for visitation -	100.00
May	11	Wood for cabinet - P240.00; Xerox - Sunday School material Tithes & Offering - Prayer Meeting - P76.00; Faith Promise	85.00 110.00
May	22	Love Gift for cabinet maker - Tithes & Offering - Worship Service :310.20; Gospel Hour Faith Promise -	50.00 70.25 55.00
		Additional wood for cabinet -	80.00
May	25	Tithes & Offering - Prayer Meeting P45.00; Faith Promise	65.00
May	29	Tithes & Offering - Worship Service P410.00; Gospel Hour Faith Promise	128.50 95.00
		Xerox - Sunday School Material	68.70
May	30	Send Missionaries Support Bank Charges to send support	400.00 60.00

a. Compute - Cash Balance of General Fund and Missions Fund for May, 199B. Using the form.

b. Record transactions in Cashbook.

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3. The following transactions were taken from the record of Westside Baptist Church as of June 199C. Records showed that General Fund had a cash balance of P 500.00 as of May 31, 199C and Mission Fund has P250.00 balance also.

June	1	Tithes & Offerings on Prayer Meeting = P 52.00; Faith Promise = P 87.00	
	5	Tithes & Offerings on Worship Service = P 512.00; Gospel Hour = 117.25 Faith Promise = 54.00	
		Love Gift - Invited Speaker	100.00
		Xerox of Sunday School material	38.00
	8	Tithes & Offerings on Prayer Meeting = P92.00; Faith Promise = 150.00 Blackboard materials = 306.00 Greetings cards for members = 55.00 Cartolina and glue = 35.00	
	12	Tithes & Offerings on Worship Service = P 413.00; Gospel Hour 109.00 Faith Promise = 75.00	
		Transportation expense for visitation	53.00
		Merienda for tracts distribution	25.00
	15	Tithes & Offerings on Prayer Meeting = 73.00	
		Father's Day give-aways	88.50
		Transportation expenses for visitation	35.00
	19	Tithes & Offerings on Worship Service = P 500.60; Gospel Hour 38.00 Faith Promise = 46.00	
		Xerox - Sunday School material	37.00
		Xerox - Financial forms	10.00
	22	Tithes & Offerings on Prayer Meeting = P 45.00; Faith Promise = 96.00 Tricycle for visitation = 25.00	
	26	Tithes & Offerings on Worship Service = P510.75; Gospel Hour 180.00 Faith Promise = 76.00	
		Sent Missionary support	300.00
		Bank Charges for missionary support	60.50
		Xerox - Sunday School material	25.00
	29	Tithes & Offerings on Prayer Meeting = P 88.25; Faith Promise = 101.50 Cartolina, staple wire, ball pen 25.00 Tricycle for visitation 55.00	

a. Compute - General Fund and Mission Fund cash balance as of June 30, 199C

b. Record transaction in a Cash Book.

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4. *Southside Baptist Church had the following transactions for the month of August, 199D:*

Aug. 2	Transportation for visitation	P 35.00
	Tithes & Offering on Prayer Meeting = P 115.00; Faith Promise =	200.00
7	Tithes & Offering on Worship Service = P 255.24; Gospel Hour =	145.25
	Faith Promise = P 75.00.	
	Xerox - Sunday School material	P 50.50
	Guitar string	15.00
	Transportation to fetch visitors	25.00
	Donated 2 pieces of monobloc chairs for ABC Mission	400.00
3	Monobloc chairs for church use	540.00
10	Tithes & Offerings on Prayer Meeting = P 98.00; Faith Promise = P	65.00
14	Tithes & Offerings on Worship Service P 346.00; Gospel Hour P	120.00
	Faith Promise = P 100.00	
	Volleyball for Sportsfest	P 200.00
	Greeting cards for members	60.00
	Transportation for visitation	45.00
17	Tithes & Offerings on Prayer Meeting = P 68.00; Faith Promise =	110.00
	Candies for extension class promo	10.00
	Batteries for church calculator	20.00
	Xerox Sunday School material	25.00
21	Tithes & Offering on Worship Service = P 190.15; Gospel Hour = P	112.20;
	Faith Promise = P 88.00	
	Transportation to fetch church visitors	25.00
	Xerox Sunday School material	21.00
	Offering envelops	39.00
	Xerox visitors slips	40.00
24	Tithes & Offerings on Prayer Meeting = P 63.00; Faith Promise = P	104.00;
	Faith Promise = P 94.00.	
	Singles Fellowship food allowance	P 50.00
	Send Missionaries Support	400.00
	Bank charges for Missionary Support	60.50
	Rain boots for Missionary A	200.00
	Xerox - Source of Light Material	15.00
31	Tithes & Offering on Prayer Meeting = P 105.00; Faith Promise = P	160.00
	Transportation for visitation	P 50.00

## Required:

1. *Using the form - compute General Fund & Mission Fund cash balance as of August 31, 199D assuming that General Fund had P 1,126.25 and Mission Fund had P 850.00 cash balance as of July 31, 199D.*
2. *Record transactions in a Cashbook.*

# Finances and Records

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## H. CHURCH FINANCES - Double Entry Method

ABC Baptist Church has the following transactions for the month of December, 1981; General Fund had a zero balance last month and Offerings for Mission Fund have just started this month.

- Dec. 1      Worship Service offering designated for General Fund P 5,680.00  
Mission Fund - P 1,200.00 for Gospel Hour Offering - P 4,320.00 was designated for  
General Fund and P 500.00 for Mission Fund.  
Gasoline for service jeepney - P 200.00  
Transportation Allowance of Miss A an extension class teacher - P 30.00  
Payment of rental for Annex Building - P1,000.00  
Transportation Allowance of Mission Workers - P 80.00
- Dec. 4      Prayer Meeting Offering P 6,000.00. General Fund and P 2,000.00 for Mission Fund.  
Gasoline for service jeepney - P 150.00  
Repair of service jeepney - P 550.00  
Meal Allowance for Mission Workers - P 50.00
- Dec. 8      Worship Service offering designated for General Fund - P 4,010.00  
Mission Fund - P 850.00 for Gospel Hour offering P 4,000.00 was designated for  
General Fund and P 750.00 for Mission Fund.  
Gasoline for service jeepney - P 250.00  
Transportation Allowance of Miss A - P 40.00  
Transportation Allowance of Mission Workers - P 90.00
- Dec. 11     Prayer Meeting Offering P 6,500.00 for General Fund; P 1,150.00 for Mission Fund.  
Gasoline for service jeepney - P 100.00  
Bought sport's equipment for church picnic use - P 200.00  
Meal allowance for Mission Workers - P 50.00
- Dec. 15     Sunday Service offering for Worship Service - P 5,500.00 - General Fund;  
P 1,000.00 - Mission Fund; Gospel Hour - P 4,500.00; and Mission Fund - P210.00.  
Gasoline for service jeepney - P 200.00  
Salary of Staff Workers - P 1,850.00  
Transportation allowance of Miss A - P 30.00  
Transportation allowance of Mission Workers - P 80.00
- Dec. 18     Prayer Meeting offering General Fund - P 4,400.00; Mission fund P 1,600.00  
Gasoline for service jeepney - P 150.00  
Transportation allowance of Miss A - P 50.00  
Transportation allowance of Mission Workers - P 50.00

# Finances and Records

---

- Dec. 22 Sunday Service offering for Worship Service - P 5,500.00 - General Fund, P 630.00 - Mission Fund; Gospel Hour - P3,500.00 - General Fund, and P640.00 - Mission Fund.  
Gospel Hour - P3,500.00 General Fund and P 640.00 for Mission Fund.  
Gasoline for service jeepney - P 200.00  
Transportation allowance of Miss A - P 30.00  
Miscellaneous Expense - P 100.00  
Transportation allowance of Mission workers - P 100.00
- Dec. 25 Prayer Meeting offering Mission Fund - P 2,500.00, General Fund P 8,000.00  
Gasoline for service jeepney - P 200.00  
Meal allowance for Mission workers - P 50.00
- Dec. 29 Sunday Service offering: Worship Service - P 5,500.00 General Fund, P 850.00 Mission Fund  
Gospel Hour - General Fund P 3,500.00 and for Mission Fund - P 650.00  
Gasoline for Service jeepney - P 250.00  
Paid salaries of staff workers - P 1,850.00  
Paid Mission's support - P 1,000.00  
Transportation Allowance Mission workers - P 80.00
- Dec. 31 Bought church supplies for cash - P 500.00  
Fund transferred from General Fund to Mission Fund - P 5,000.00  
Established Petty Cash Fund:  
General Fund - P 1,500.00  
Mission Fund - 500.00

**It is the policy of the church to deposit the net proceed of money collected the day after the counting.**

## **REQUIRED:**

1. Journalize and Post the above transactions in their respective Fund Book, assuming the church is maintaining only two kinds of funds - General Fund and Mission Fund.
2. Prepare a Statement or Summary of Changes for each Fund Balance for the month ended December 31, 1981.
3. Prepare a Statement of Cash Receipt and Disbursement for the month ended Dec. 31, 1981.
4. Prepare a Balance Sheet for each Fund.
5. Prepare an Income Statement for each fund.

ABC Baptist Church

REQUIRED # 1

Journal Entries

DATE	EXPLANATION	F	DEBIT	CREDIT
1981 DEC 1	Cash on Hand General Fund Offerings To record offering designated for G F	1 2	10 000.--	10 000.--
	Transportation & Traveling Cash on Hand To record payment of gasoline for service jeep.	4 1	200.--	200.00
	Transportation & Traveling Cash on Hand To record transportation of Miss A.	4 1	30.--	30.--
	Rental Expense Cash on Hand To record payment of rental for Annex Building	5 1	1 000.--	1 000.--
	2 Cash in Bank Cash on Hand To record deposit of Dec. 1 offering.	3 1	8 770.--	8 770.--
	4 Cash on Hand General Fund Offerings To record offering designated for Gen. Fund	1 2	6 000.--	6 000.--
	Transportation & Traveling Cash on Hand Gasoline payment.	4 1	150.--	150.--
C	4 Repairs & Maintenance Cash on Hand To record repairs expense for service jeep.	6 1	550.--	550.--
	5 Cash in Bank Cash on Hand To record deposit of December 4 offering.	3 1	5 300.--	5 300.--

DATE	EXPLANATION	F	DEBIT	CREDIT
1981 DEC 8	Cash on Hand General Fund Offerings General Fund Offerings #	1 2	8 010.--	8 010.--
	Transportation & Traveling Cash on Hand #	4 1	250.--	250.--
	Transportation & Traveling Cash on Hand #	4 1	40.--	40.--
	9 Cash in Bank Cash on Hand #	3 1	7 720.--	7 720.--
	11 Cash on Hand General Fund Offerings #	1 2	6 500.--	6 500.--
	Transportation & Traveling Cash on Hand #	4 1	100.--	100.--
	11 Cash on Hand General Fund Offerings #	1 2	6 500.--	6 500.--
	Transportation & Traveling Cash on Hand #	4 1	100.--	100.--
	11 Sport's Equipment Cash on Hand To records payment for sport's equipment.	11 1	200.--	200.--
	12 Cash in Bank Cash on Hand	3 1	6 200.--	6 200.00
	15 Cash on Hand General Fund Offerings #	1 2	10 000.--	10 000.--
	Transportation & Traveling Cash on Hand	4 1	200.--	200.--

Finances and Records

DATE		EXPLANATION	F	DEBIT	CREDIT
1981 DEC	16	Cash in Bank Cash on Hand	3 1	7 920.--	7 920.--
	18	Cash on Hand General Fund Offerings #	1 2	4 400.--	4 400.--
		Transportation & Traveling Cash on Hand #	4 1	150.--	150.--
		Transportation & Traveling Cash on Hand #	4 1	50.--	50.--
	19	Cash in Bank Cash on Hand #	3 1	4 200.--	4 200.--
	22	Cash on Hand General Fund Offerings #	1 2	9 000.--	9 000.00
		Transportation & Traveling Cash on Hand #	4 1	200.--	200.--
		Transportation & Traveling Cash on Hand #	4 1	30.--	30.--
		Miscellaneous Expenses Cash on Hand #	10 1	100.--	100.--
	23	Cash in Bank Cash on Hand #	3 1	8 670.--	8 670.--
	25	Cash on Hand General Fund Offerings #	1 2	8 000.--	8 000.--
		Transportation & Traveling Cash on Hand #	4 1	200.--	200.--
	26	Cash in Bank Cash on Hand #	3 1	7 800.--	7 800.--

DATE		EXPLANATION	F	DEBIT	CREDIT
1981 DEC	29	Cash on Hand General Fund Offerings #	1 2	9 000.--	9 000.-
		Transportation & Traveling Cash on Hand #	4 1	250.--	250.-
		Salaries & Wages Cash on Hand #	7 1	1 850.--	1 850.-
	30	Cash in Bank Cash on Hand #	31	6 900.--	6 900.-
	31	Supplies on Hand Cash in Bank To record purchase of supplies	8 3	500.--	500.-
		General Fund Balance Cash in Bank To record final transfer to Mission Fund	12 3	5 000.--	500.-
		Petty Cash Hand Cash in Bank To establish Petty Cash Fund	9 3	1 500.--	1 500.-

Finances and Records

# MISSION FUND BOOK

ABC Baptist Church

Journal Entries

Page #1

DATE		EXPLANATION	F	DEBIT		CREDIT	
1981 DEC	1	Cash on Hand Mission Fund Offerings To record offering designated for Mission Fund	1 2	1	700.-	1	700.--
		Transportation & Traveling Cash on Hand To record transportation allowance of mission workers.	4 1		80.--		80.--
	2	Cash in Bank Cash on Hand To record deposit of Dec 1 offering.	3 1	1	620.- -	1	620.--
	4	Cash on Hand Mission Fund Offerings To record offering designated for Mission Fund.	1 2	2	100.-	2	100.--
		Meal Allowance Cash on Hand To record meal allowance of mission workers.	5 1		50.--		50.--
	5	Cash in Bank Cash on Hand To record deposit of Dec. 4 offering.	3 1	2	050.- -	2	050.--
	8	Cash on Hand Mission Fund Offering #	1 2	1	600.- -	1	600.--
1981 DEC	8	Transportation & Traveling Cash on Hand To record transportation allowance of Mission Worker	4 1		90.--		90.00
	9	Cash in Bank Cash on Hand #	3 1	1	510.-	1	510.--
	11	Cash on Hand Mission Fund Offerings #	1 2	1	550.-	1	550.--

Page #2

DATE		EXPLANATION	F	DEBIT		CREDIT	
1981 DEC	11	Meal Allowance Cash on Hand #	5 1	1	100.-	1	100.--
	15	Cash on Hand Mission Fund Offerings #	1 2	1	210.-	1	210.--
		Transportation & Traveling Cash on Hand #	4 1		80.-		80.--
	16	Cash in Bank Cash on Hand #	3 1	1	130.-	1	130.--
	18	Cash on Hand Mission Fund Offerings #	1 2	1	600.-	1	600.--
		Transportation & Traveling Cash on Hand #			50.-		50.--
	19	Cash in Bank Cash on Hand #	3 1	1	550.-	1	550.--
	22	Cash on Hand Mission Fund Offerings #	1 2	1	270.-	1	270.--
	23	Cash in Bank Cash on Hand #	3 1	1	770.-	1	770.--
	25	Cash on Hand Mission Fund Offerings #	1 2	2	500.-	2	500.--
	26	Cash in Bank Cash on Hand	3 1	2	450.-	2	450.--
	29	Cash on Hand Mission Fund Offerings	1 2	1	500.-	1	500.--
		Missions Support Cash on Hand Payment of Mission's support	6 1	1	000.-	1	000.--





# Finances and Records

Rental Expense		No. 5	
Dec. 1	1,000.00	Balance	1,000.00
<u>P</u>	<u>1,000.00</u>	<u>P</u>	<u>1,000.00</u>
Dec. 31 Bal.	1,000.00		

Repairs & Maintenance		No. 6	
Dec. 4	550.00	Balance	550.00
<u>P</u>	<u>550.00</u>	<u>P</u>	<u>550.00</u>
Dec. 31 Bal.	550.00		

Salaries & Wages		No. 7	
Dec. 15	1,850.00		
29	1,850.00		
		Balance	3,700.00
<u>P</u>	<u>3,700.00</u>	<u>P</u>	<u>3,700.00</u>
Dec. 31 Bal.	3,700.00		

Supplies on Hand		No. 8	
Dec. 31	500.00	Balance	500.00
<u>P</u>	<u>500.00</u>	<u>P</u>	<u>500.00</u>
Dec. 31 Bal.	500.00		

Petty Cash Fund		No. 9	
Dec. 2	1,500.00		
		Balance	1,500.00
<u>P</u>	<u>1,500.00</u>	<u>P</u>	<u>500.00</u>
Dec. 31 Bal.	1,500.00		

Miscellaneous Expense		No. 10	
Dec. 22	100.00	Balance	100.00
<u>P</u>	<u>100.00</u>	<u>P</u>	<u>100.00</u>
Dec. 31 Bal.	100.00		

Sport's Equipment		No. 11	
Dec. 11	200.00		
		Balance	200.00
<u>P</u>	<u>200.00</u>	<u>P</u>	<u>200.00</u>
Dec. 31 Bal.	200.00		

General Fund Balance		No. 12	
Dec. 31	5,000.00	Balance	5,000.00
<u>P</u>	<u>5,000.00</u>	<u>P</u>	<u>5,000.00</u>
Dec. 31 Bal.	5,000.00		

# Finances and Records

## After entering the closing entries (General Fund Book)

Cash on Hand		No. 11
Same before	closing	
<hr/>		<hr/>
<hr/>		<hr/>

General Fund Offerings		No. 2
Dec. 31 Closing Entry # 2 70,910.00	Dec. 31 70,910.00	
<hr/>		<hr/>
<hr/>		<hr/>

Cash in Bank		No. 3
Receipts & Disbursement Same as before	closing	
<hr/>		<hr/>
Dec. 31 Balance P 56,480.00 See statement of Cash	<hr/>	

Rental Expense		No. 5
Dec. 1 1,000.00	Dec. 31 Closing Entry 1,000.00	
<hr/>		<hr/>
<hr/>		<hr/>

Salaries & Wages		No. 7
Dec. 15 & 29	Dec. 31 Closing Entry	
Total 3,700.00	3,700.00	
<hr/>		<hr/>
<hr/>		<hr/>

Petty Cash Fund		No. 9
Same before	closing	
<hr/>		<hr/>
Dec. 31 Balance P 1,500.00 See Statement of Cash Receipts and Disbursements	<hr/>	

General Fund Balance		No. 12
Dec 31 5,000.00	Dec. 31	
Closing Entry # 1 7,230.00	Closing Entry # 2 910.00	
Balance 58,680.00	<hr/>	
P 70,910.00	70,910.00	
<hr/>		<hr/>
		Dec. 31 Balance 58,680.00 See Statement of Changes in Fund Balance

Transportation & Traveling		No. 4
Dec. 1 - 29 (Copy) Total 1,880.00	Dec. 31 Closing Entry 1,880.00	
<hr/>		<hr/>
<hr/>		<hr/>

Repairs & Maintenance		No. 6
Dec. 4 550.00	Dec. 31 Closing Entry 550.00	
<hr/>		<hr/>
<hr/>		<hr/>

Supplies on Hand		No. 8
Same before	closing	
<hr/>		<hr/>
Dec. 31 Bal. 500.00	<hr/>	

Miscellaneous Expense		No. 10
Dec. 22	Dec. 31. Closing Entry	
100.00	100.00	
<hr/>		<hr/>
<hr/>		<hr/>



# Finances and Records

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Meal Allowance		No. 5	Mission's Support		No. 6	
Dec. 4	50.00		Dec. 29	1,000.00	Balance	1,000.00
11	50.00					
22	50.00	Balance		<u>1,000.00</u>		<u>1,000.00</u>
	150.00					
			Dec. 31 Bal.	1,000.00		
	<u>150.00</u>					
Dec. 31 Bal.	150.00	<u>150.00</u>				

Petty Cash Fund		No. 7				
			Dec. 31	5,000.00		
				<u>5,000.00</u>		
			Dec. 31			
			Balance	5,000.00		
Dec. 31	500.00	Balance	Balance	5,000.00	Dec. 31	5,000.00
	<u>500.00</u>			<u>5,000.00</u>		<u>5,000.00</u>
Dec. 31 Bal.	500.00				Dec. 31	
					Balance	5,000.00

# Finances and Records

## After Entering The Closing Entries (MISSION FUND BOOK)

Cash on Hand                      No. 1		Mission Fund Balance                      No. 8	
Same before	closing	Dec. 31 (Closing Entry) 1,630.00	Dec. 31    5,000.00 Closing Entry # 2    14,630.00
		Balance    18,000.00	<u>19,630.00</u>
		<u>19,630.00</u>	Dec. 31 Balance    P 18,000.00 See statement of Changes in Fund Balance

Mission Fund Offerings                      No. 2		Cash in Bank                      No. 3	
Dec. 31 Closing Entry # 14,630.00	Dec. 1-29 (copy only) 14,630.00	Same before	closing
<u>14,630.00</u>	<u>14,630.00</u>	Dec. 31	
		Balance    17,500.00	
		See statement of Cash Receipt & Disbursements	

Transportation & Traveling                      No. 4		Meal Allowance                      No. 5	
Dec. 1-29 (copy)	Dec. 31 (Closing Entry)	Dec. 4 - 22 (copy)	Dec. 31 (Closing Entry)
Total    450.00	<u>450.00</u>	Total    150.00	<u>150.00</u>

Mission's Support                      No. 6		Petty Cash                      No. 7	
Dec. 29    1,000.00	Dec. 31 Closing Entry 1,000.00	Same before	closing
<u>1,000.00</u>	<u>1,000.00</u>	Dec. 31	
		Balance    500.00	
		See Statement of Cash Receipt and Disbursements	

# Finances and Records

## CLOSING ENTRIES

### GENERAL FUND BOOK

Date	31	Explanation	F	Debit	Credit	
December	31	General Fund Balance	12	7 2 3 0 --		
		Transportation & Traveling	4		1 8 8 0 --	
		Salaries & Wages	7		3 7 0 0 --	
		Rental Expense	5		1 0 0 0 --	
		Repairs & Maintenance	6		5 5 0 --	
		Miscellaneous Expenses			1 0 0 --	
		To close expense account to General Fund Balance				
		General Fund Offerings			7 0 9 1 0 --	
		General Fund Balance				7 0 9 1 0 --
		To close General Fund Offerings account to General Fund Balance				

### MISSION FUND BOOK

Date	31	Explanation	F	Debit	Credit	
December	31	Mission Fund Balance	8	1 6 3 0 --		
		Mission Support	6		1 0 0 0 --	
		Transportation & Traveling	4		4 8 0 --	
		Meal Allowance	5		1 5 0 --	
		To close expense account to Mission Fund Balance				
		Mission Fund Offerings			1 4 6 3 0 --	
		Mission Fund Balance				1 4 6 3 0 --
		To close Mission Fund Offering account to General Fund Balance				

# Finances and Records

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**Required # 2**

**(General Fund Book)**  
**ABC Baptist Church**  
**Summary of Changes in General Fund Balance**  
**For the month ended December 31, 1981**

General Fund Balance, Nov. 30, 1981			
Add: Increase for the month ended December 31, 1981:			
Income from Offering		70,910.00	
Less: Expense Paid			
Salaries & Wages	3,700.00		
Transportation & Traveling	1,880.00		
Rental Expense	1,000.00		
Repairs & Maintenance	550.00		
Miscellaneous Expenses	100.00	7,230.00	63,680.00
Total			63,680.00
Less: Transferred to Mission Fund			5,000.00
General Fund Balance - December 31, 1981			<u>58,680.00</u>

**(Mission Fund Book)**  
**ABC Baptist Church**  
**Summary of Changes in General Fund Balance**  
**For the month ended December 31, 1981**

Mission Fund Balance, Nov. 30, 1981			
Add: Increase for the month ended December 31, 1981:			
Income (Receipt) from Offering		14,630.00	
Less: Expenses paid			
Mission's support	1,000.00		
Transportation & Traveling	480.00		
Meal Allowance	150.00	1,630.00	13,000.00
Transfer from General Fund			5,000.00
Mission Fund Balance - December 31, 1981			<u>18,000.00</u>



# Finances and Records

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**Required # 3**

**(General Fund Book)**  
**ABC Baptist Church**  
**Statement of Cash Receipts & Disbursement**  
**December 31, 1981**

Cash Balance, November 30, 1981		
Add: Receipts (From Offering)		<u>70,910.00</u>
Total		70,910.00
Less: Disbursements		
Transferred to Mission Fund	5,000.00	
Salaries & Wages	3,700.00	
Transportation & Traveling	1,880.00	
Petty Cash (Establishment)	1,500.00	
Rental Expense	1,000.00	
Repairs & Maintenance	550.00	
Supplies on Hand	500.00	
Sport's Equipment	200.00	
Miscellaneous Expense	<u>100.00</u>	14,430.00
Cash in Bank Balance - December 31, 1981		<u>56,480.00</u>
Add: Petty Cash Fund		<u>1,500.00</u>
Cash Balance - December 31, 1981		<u><u>57,980.00</u></u>

**(Mission Fund Book)**  
**ABC Baptist Church**  
**Statement of Cash Receipts & Disbursement**  
**December 31, 1981**

Cash Balance - November 30, 1981		
Add: Receipts (From Offering)	14,630.00	
Transfer from General Fund	<u>5,000.00</u>	19,630.00
Total		19,630.00
Less: Disbursements		
Mission's Support	1,000.00	
Petty Cash (Establishment)	500.00	
Transportation & Traveling	480.00	
Meal Allowance	<u>150.00</u>	19,630.00
Cash in Bank Balance - December 31, 1981		17,500.00
Add: Petty Cash Fund		500.00
Cash Balance - December 31, 1981		<u><u>18,000.00</u></u>

# Finances and Records

     *A B C*      **BAPTIST CHURCH**  
**FINANCIAL REPORT**  
     *General*      **FUND**  
**AS OF**      *December, 1981*     

**SUMMARY**

BAL. BROUGHT FORWARD	<b>P - 0 -</b>
ADD: Receipts	<b>P 70,910.00</b>
<b>TOTAL</b>	<b>P 70,910.00</b>
LESS: Disbursements	<b>P 14,430.00</b>
<b>BAL. CARRIED FORWARD</b>	<b>P <u>56,480.00</u></b>

**RECORDS OF RECEIPTS:**

<b>OFFERINGS:</b>	
1ST WEEK	<b>P 16,000.00</b>
2ND WEEK	<b>P 14,510.00</b>
3RD WEEK	<b>P 14,400.00</b>
4TH WEEK	<b>P 17,000.00</b>
5TH WEEK	<b>P 9,000.00</b>
DUE FROM	
BANK INTERESTS	
REFUNDS	
OTHERS	

**CASH FLOW SUMMARY:**

DATE		EXPLANATION	ACCOUNT TITLE	RECEIPTS (OFF)	DISBURSEMENTS
<i>December</i>	<i>1</i>	<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>	<b>P 10,000.00</b>	<b>P 200.00</b>
		<i>Trans. Allow - Miss A</i>	<i>Transportation &amp; Traveling</i>		30.00
		<i>Annex Building</i>	<i>Rental Expense</i>		1,000.00
		<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>		150.00
	<i>4</i>	<i>Service Jeepney</i>	<i>Repairs &amp; Maintenance</i>	6,000.00	550.00
	<i>8</i>	<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>	8,010.00	250.00
		<i>Trans. Allow - Miss A</i>	<i>Transportation &amp; Traveling</i>		40.00
	<i>11</i>	<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>	6,500.00	100.00
		<i>Picnic Use</i>	<i>Sports Equipment</i>		200.00
	<i>15</i>	<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>	10,000.00	200.00
		<i>Staff Salaries</i>	<i>Salaries &amp; Wages</i>		1,850.00
		<i>Trans. Allow - Miss A</i>	<i>Transportation &amp; Traveling</i>		30.00
	<i>18</i>	<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>	4,400.00	150.00
		<i>Trans. Allow- Miss A</i>	<i>Transportation &amp; Traveling</i>		50.00
	<i>22</i>	<i>Gasoline - Jeepney</i>	<i>Transportation &amp; Traveling</i>	9,000.00	200.00
		<i>Trans. Allow - Miss A</i>	<i>Transportation &amp; Traveling</i>		30.00
		<i>Miscellaneous</i>	<i>Miscellaneous Expenses</i>		100.00
<b>BALANCE CARRIED FORWARD</b>					<b>P 5,130.00</b>



# Finances and Records

       *A B C*        **BAPTIST CHURCH**  
**FINANCIAL REPORT**  
       *Mission*        **FUND**  
**AS OF**        *December, 1981*       

**SUMMARY**

BAL. BROUGHT FORWARD	P - 0 -
ADD: Receipts	P 19,630.00
TOTAL	P 19,630.00
LESS: Disbursements	P 2,130.00
BAL. CARRIED FORWARD	P <u>17,500.00</u>

**RECORDS OF RECEIPTS:**

<b>OFFERINGS:</b>	
1ST WEEK- Dec. 1 & 4	P 3,800.00
2ND WEEK - Dec. 8 & 11	P 2,750.00
3RD WEEK - Dec. 22 & 25	P 2,810.00
4TH WEEK - Dec. 29	P 1,500.00
5TH WEEK	
DUE FROM - General Fund	P 5,000.00
BANK INTERESTS	
REFUNDS	
OTHERS	
<b>GRAND TOTAL</b>	<b>P <u>19,630.00</u></b>

**CASH FLOW SUMMARY:**

DATE	EXPLANATION	ACCOUNT TITLE	RECEIPTS (OFF)	DISBURSEMENTS
<i>December 1</i>	<i>Mission Workers</i>	<i>Transportation &amp; Traveling</i>	<i>P 1,700.00</i>	<i>P 80.00</i>
	<i>4 Mission Workers</i>	<i>Meal Allowance</i>	<i>2,100.00</i>	<i>50.00</i>
	<i>8 Mission Workers</i>	<i>Transportation &amp; Traveling</i>	<i>1,600.00</i>	<i>90.00</i>
	<i>11 Mission Workers</i>	<i>Meal Allowance</i>	<i>1,150.00</i>	<i>50.00</i>
	<i>15 Mission Workers</i>	<i>Transportation &amp; Traveling</i>	<i>1,210.00</i>	<i>80.00</i>
	<i>18 Mission Workers</i>	<i>Transportation &amp; Traveling</i>	<i>1,600.00</i>	<i>50.00</i>
	<i>22 Mission Workers</i>	<i>Transportation &amp; Traveling</i>	<i>1,270.00</i>	<i>100.00</i>
	<i>25 Mission Workers</i>	<i>Meal Allowance</i>	<i>2,500.00</i>	<i>50.00</i>
	<i>29 Missionary</i>	<i>Mission Support</i>	<i>1,500.00</i>	<i>1,000.00</i>
	<i>Mission Workers</i>	<i>Transportation &amp; Traveling</i>		<i>80.00</i>
	<i>31 Establishment of Petty Cash</i>	<i>Petty Cash Fund</i>		<i>500.00</i>
	<i>Fund Transfer from Gen. Fund</i>		<i>5,000.00</i>	
	<b>BALANCE CARRIED FORWARD</b>			<i>P 2,130.00</i>



# Finances and Records

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## I. INCOME STATEMENT and BALANCE SHEET

### 1. Income Statement

An itemized statement summarizing the changes in proprietorship resulting from the business operations between two dates is called the income statement. Other names for it are "Profit and Loss Statement," "Statement of Income and Expenses," and "Statement of Operations."

For the purpose of providing the owner with information regarding the progress of the business at regular intervals, the life of an enterprise is divided into accounting periods, each of which may cover a month, a quarter, a semester, or a year. Usually, the year is selected as the accounting period because it also coincides with the period of reporting business affairs as required by the government either for tax purposes, for Central Bank purposes, or for any supervisory control of the State. As the title suggests, the last figure in the statement is usually an income or a loss. The income statement always "covers a period". The income statement always "covers a period".

**(General Fund Book)**  
**ABC Baptist Church**  
**Income Statement**  
**For the month ended December 31, 1982**

Income:		
Offering		70,910.00
Less: Expenses		
Salaries & Wages	3,700.00	
Transportation & Traveling	1,880.00	
Rental Expenses	1,000.00	
Repairs & Maintenance	550.00	
Miscellaneous Expenses	<u>100.00</u>	<u>7,230.00</u>
Net Income		P <u>63,680.00</u>

**(Mission Fund Book)**  
**ABC Baptist Church, Inc.**  
**Income Statement**  
**For the month ended December 31, 1981**

Income:		
Offering		14,630.00
Less: Expenses		
Missions Support	1,000.00	
Transportation & Traveling	480.00	
Meal Allowance	<u>150.00</u>	<u>1,630.00</u>
Net Income		<u>P13,000.00</u>

# Finances and Records

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## 2. Balance Sheet:

An itemized statement of the assets, liabilities, and proprietorship of business is called a Balance Sheet. It is a statement reflecting the financial condition (ability to meet its obligations as they fall due) of the business at the date of its preparation. It shows the composition of the property of the business, its debts to outsiders, and the equity of the owner or owners or members. It answers the questions:

- a. How much property does the business "own"?
- b. How much does the business "owe" to outsiders?
- c. How much is the owners "worth"?

Required # 4

**(General Fund Book)**  
**ABC Baptist Church**  
**Balance Sheet**  
**December 31, 1981**

**A S S E T S**

Petty Cash Fund	1,500.00
Cash in Bank	56,480.00
Supplies on Hand	500.00
Sport's Equipment	200.00
<b>Total Assets</b>	<u><u>58,680.00</u></u>

**LIABILITIES, RESERVE AND BALANCES**

Liabilities	
General Fund Balance	<u>58,680.00</u>
Total Liabilities, Reserve & Balances	<u><u>58,680.00</u></u>

**(Mission Fund Book)**  
**ABC Baptist Church**  
**Balance Sheet**  
**December 31, 1981**

**A S S E T S**

Petty Cash Fund	500.00
Cash in Bank	<u>17,500.00</u>
<b>Total Assets</b>	<u><u>18,000.00</u></u>

**LIABILITIES, RESERVE AND BALANCES**

Liabilities	
Mission Fund Balance	<u>18,000.00</u>
Total Liabilities, Reserve & Balances	<u><u>18,000.00</u></u>

# Finances and Records

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## J. INTERNAL CONTROL

### 1. *Definition of Internal Control*

Internal control comprises the plan of organization and all of the coordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies.

### 2. *The Purposes of Internal Control*

- a. To safeguard the assets of a business.
- b. To check the accuracy and reliability of its accounting data.
- c. To promote operational efficiency and encourage adherence to prescribed managerial policies.

### 3. *The Need for Internal Control*

- a. Because Satan is walking about seeking whom he may devour. (1 Peter 5:8)
- b. Because Satan will take advantage of every opportunity to cause a Christian to fall.  
2 Cor. 2:11, "Last Satan should take advantage of us: for we are not ignorant of his devices."
- c. Because people, though Christian, still have the flesh to contend with and often succumb to temptations.
- d. Because people who embezzle or steal do not intend to do so at the beginning. The testimony of some of the largest embezzlers is that the intention in the beginning was only to borrow and pay back later.
- e. Because we owe it to those with whom we are involved to do everything we can to keep temptation from them.

### 4. *Embezzlement*

#### a. What is Embezzlement?

To embezzle is to steal money and/ or other property entrusted to one's care; to take by fraud for one's use. The terms "peculate" and "defalcate" are synonymous to embezzle.

Defalcation, embezzlement, and peculation are synonymous and refers to the act of stealing or misusing funds entrusted to one's care; or to the amount stolen or misused.

#### b. Examples of Embezzlers

- (1) Judas - he was unsaved but TRUSTED.
- (2) Treasurer of the Southern Baptist Convention Home Missions. He embezzled \$ 909,461.  
Later his superior stated, "We misjudged his character and made the error of giving to him too much authority.
- (3) The example of the lady who embezzled thousands of dollars from the credit union where she was treasurer. She justified her stealing on the basis that "she stole to do charitable deeds."

#### c. The Results of Embezzlements

- (1) You lose the Lord's money over which He has given you the responsibility of safe-keeping.
- (2) You contribute to the fall of the person involved by allowing the temptation to be before him.
- (3) The testimony of the person involved suffers as well as does Christ's name.
- (4) The family of the embezzler is hurt.

#### d. Some Suggestions for Prevention

- (1) Have an envelope system.
- (2) PASTOR SHOULD DIVORCE HIMSELF FROM FUND HANDLING.
- (3) The general records (financial) should be in the hands of the treasurer.
- (4) Financial secretary (not the treasurer) should handle posting of offering envelopes (after they have been emptied by the counting committee)



# Finances and Records

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- (5) If the church finds it impossible to have people to occupy the above two duties separately, then it would be permissible to combine these two functions.
- (6) Cash receipts should be counted and handled by a COUNTING COMMITTEE. There should be a MINIMUM of 2 people with the money AT ALL TIMES. This is for the protection of the money as well as the people handling it.
- (7) ALL PAYOUTS should be made by check. Each check should have the signature of two persons, the treasurer and a member of the finance committee (usually made up of deacons within the board of deacons). The counter-signing deacon SHOULD NEVER SIGN blank checks but should ONLY COUNTER - SIGN CHECKS AFTER THEY HAVE BEEN MADE OUT AND SIGNED BY THE TREASURER.
- (8) An exception to # 7 above would be the authorization by the finance committee of a petty cash fund of P 50.00 or P 100.00 out of which the treasurer could pay small bills which would not justify a check. The treasurer should have a receipt for all cash paid out of this fund. These can be picked up by the finance committee whenever the petty cash fund is replenished.
- (9) It would be beneficial if within the finance committee there were an auditing committee to make periodic audits of the financial records of the church.

**CHURCH TREASURERS SHOULD NOT VIEW AUDITS AS PERSONAL  
SUSPICION OF THEM BY OTHERS BUT AS A WELCOMED VERIFICATION  
OF  
THEIR GOOD TESTIMONY IN HANDLING FUNDS.  
TREASURERS OF GOOD CHARACTER WELCOME AUDITS.**

- (10) Bank statements should go to the finance committee and not to the treasurer. The finance committee should reconcile the bank statement.

## *5. PROPER INTERNAL CONTROL OF CASH ON HAND AND IN BANK AND CASH TRANSACTIONS*

Proper internal control dictates that cash receipts be deposited intact - that is, as they are received that all cash which should be received was received, that only authorized disbursements are made; that all disbursements be made by check; that both receipts and disbursements are properly accounted for in the records; and that account distributions are proper. Adequate internal control also demands the separation of personnel duties for receiving cash, recording receipts, depositing, reconciling, authorizing disbursements, and disbursing.

### *a. Cash Receipts -- How They Should be Handled*

- (1) When the Cashier's Committee counts the money (the offering), a RECEIPTS SUMMARY REPORT should be made out in TRIPLICATE. These should be distributed as follows:
  - (a) One copy to the Treasurer
  - (b) One copy to the Finance Committee
  - (c) One copy should be kept by the Cashier's Committee
- (2) The Receipts Summary Report should be signed by each member of the Cashier's Committee who was present when the money was counted. THIS IS OF UTMOST IMPORTANCE. This is for the mutual protection of the members of the committee.
- (3) At night a deposit should be made of the money collected in the morning and evening services. This deposit SHOULD ALWAYS EQUAL the Receipts Summary Reports for the morning and evening collection.

# Finances and Records

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- (4) A copy of the deposit slip should be given to the Treasurer.
- (5) The empty envelope from the members of the church should be given to the finance secretary.
- b. Cash Disbursements - How They Should be Handled
  - (1) All payments except those from the petty cash fund should be made by checks. When payments or disbursements are made by check, the review and signature of responsible officials is necessary before payout or disbursements can be affected.
  - (2) Persons authorized to sign check should be designated to prevent unauthorized signature and to fix responsibility.
  - (3) Checks should be countersigned so that fraud cannot be committed by one signatory without collusion.
  - (4) Blank checks should not be signed in advance. This practice invites fraudulent use of the checks.
  - (5) Persons signing checks should not be responsible for the recording of transactions or the custody of cash.
  - (6) Checks should be accompanied by vouchers and other supporting documents when presented for signature so that the signer may satisfy himself that the payment is in order.
  - (7) Persons who sign checks or vouchers should ascertain that the payment is in order before affixing their signatures. Vouchers should contain evidence of such examination to discourage perfunctory check-signing.
  - (8) Vouchers should be approved for payment by an official other than the person initiating payment so that fraudulent payments cannot be made without collusion.
  - (9) Vouchers and other supporting documents should be marked "paid" or otherwise canceled at the time of payment to prevent the re-submission of the same voucher for payment.

## 6. *IMPORTANCE OF THE AUDIT OF CASH*

The audit of cash and cash transactions is of importance for several reasons, among which are the following:

- a. The majority of transactions involve the cash account or terminate it. Although a transaction may have no immediate effect upon cash, all assets purchased and sold and all expenses incurred and liquidated will finally affect cash.
- b. Cash is a favorite source of fraudulent transactions.
- c. Credits to receivables commonly are posted from the cash receipts records; therefore, if cash debits from customer collections are incorrect one or more customers' accounts probably are incorrect.
- d. Charges to payables commonly are posted from disbursements records.  
(the same explanation in No. 2)
- e. Errors in the cash accounts may indicate that errors are made elsewhere.



# Exam for Finances and Records

**Student's Name:** \_\_\_\_\_ **Teacher's Name:** \_\_\_\_\_ **Date:** / /

The following are the transactions of Faith Baptist Church for the month of November, 1986. The church has just started its operations and is maintaining only one (1) kind of Fund the General Fund.

1. Offering Worship Service P 500.00, Gospel Hour P 200.00.

Expenses taken from this offering:

Transportation of Miss B in going to Extension class - P 20.00  
Bought Bond papers and envelopes - P35.00.  
Bought Volleyball ball for picnic and church use - P 60.00

Remainder was deposited in the bank.

2. Wednesday night Offering - P 355.00

Expenses paid out of this offering:

Candies for Children in extension - P 15.00  
Purchase 2nd hand Typewriter - P 150.00  
Stool for Sunday School - P 40.00

Remainder was deposited in the bank.

3. Offering Worship Service - P 545.00; Gospel Hour - P 260.00

Expenses paid are:

Workers Salary - P 100.00  
Paid monthly rental - P 200.00  
Purchase Books for library use - P 50.00

Remainder was deposited in the bank.

4. Wednesday offering received - P267.00

Payment made for:

Meralco for monthly electric bill - P 96.00  
Stamps to mail church letters - P 11.00  
Floor wax and Broom for church use - P 23.00

Remainder was deposited in the bank.

# Exam For Finances And Records

**REQUIRED:** Compute Cash Balance of General Fund using form given.

Chart of Account:

Assets:

- Cash on Hand
- Cash in Bank
- Advances to Staff Workers
- Due from Mission Fund
- Due from Building Fund
- Due from Others
- Land
- Church Building
- Transportation Equipment
- Church Equipment
- Games & Sports Equipment
- Furniture & Fixtures
- Libraries
- Prepaid Expenses
- Other Assets

Liabilities:

- Accounts Payable
- Loans Payable
- Due to Mission Fund
- Due to Building Fund
- Due to Other
- Due to Liabilities

Reserve and Balances:

- General Fund Balance
- Mission Fund Balance
- Building Fund Balance

Incomes:

- General Fund Offerings
- General Fund Donations
- General Fund - Other Income
- Mission Fund Offerings
- Mission Fund Donations
- Mission Fund - Other Income
- Building Fund Offerings
- Building Fund Donations
- Building Fund - Other Income

Expenses:

- Transportation & Traveling
- Foods & Other Promotions
- Mailing
- Supplies
- Rental
- Labor, Salaries & Wages
- Light & Water
- Repairs & Maintenance
- Training & Seminar Fee
- Meal Allowance
- Professional Fees
- Love Gifts
- Taxes & Licenses
- Miscellaneous

# Finances And Records

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### **REQUIREMENTS FOR THIS BLOCK:**

1. **Read all the material** for this block.
2. **Solve all Sample Problems.**
3. **T-H-I-N-K** as you read this material.     **It will help you with your finances.**

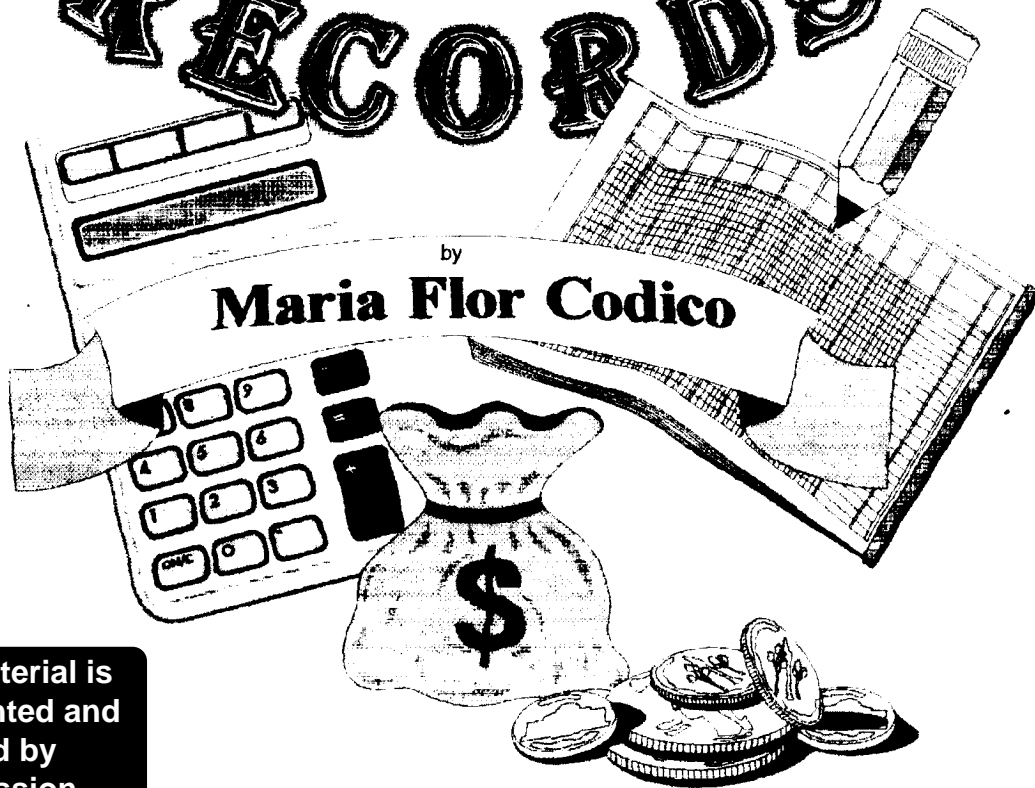
# FINANCIALS

and

# RECORDS

by

**Maria Flor Codico**



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