

LOCAL TRAINING INITIATIVE

BOOKS OF ACCOUNT AND RECORD KEEPING

Best Practice Guidelines

The LTI must comply with public procurement guidelines when purchasing goods and services. Specific information in relation to these guidelines can be sourced at <http://per.gov.ie/public-procurement-2/>

1 Purchases Procedures

Delivery Dockets or Goods Inward Notes

- Supplied by Supplier
- Check for quantity and quality (against order)
- Sign and retain one copy

Suppliers Invoices or Statements

- Supplied by Supplier
- Match invoice to delivery docket
- Check quantity and quality
- Check price
- Check calculations and additions
- Sign as being correct
- Difference query
- Reconcile invoices or account with statement
- Differences query
- Only pay approved

2 Payment approved by an authorised signatory Cheque Payments Procedures

Cheque Book

- Supplied by bank
- Stored in a secure place
- Three authorised signatories – two of three to sign
- Never sign a blank cheque or pre-sign
- Cheques always payable to third parties
- Cheques must be stamped 'a/c payee only'
- Cheques never made payable to cash
- Cheque for petty cash made out to petty cash
- Cancelled cheques retained and recorded
- Cheque to be cancelled after issue – write to bank

- Cheque only issued where an invoice has been received, checked and approved by a nominated Second Provider Committee Member
- Wages calculations(s) have been completed and signed by an authorised signatory
- One bank account for all transactions

Suppliers Invoice(s)

- Payment never made without supporting documentation
- Invoice checked for evidence of receipt of goods or service, quantity, quality, price and calculation(s)
- Always approved by an authorised signatory
- On making payment mark invoice paid and cross reference with cheque number, date of payment and cheque stub with invoice number
- Following payment documentation filed in month and cheque number sequence (most recent to the front)

Wages Calculations

- Payment never made in advance.
- Payment made by Cheque (or EFT) only
- Payment signed by two authorised signatories
- Signature of Learner and Coordinator when paid
- Remit P.A.Y.E. or P.R.S.I. promptly on a monthly basis
- Submit P35s promptly at year end
- Gross to Net

Maintenance of Cheque Payments Book

- Each page to be numbered
- Write up on a daily or weekly basis
- Total on a monthly basis and accumulate year to date at the end of each month (down and across)
- Payment analysed over main expenditure headings
- All entries in cheque number sequence

- Where cheque is cancelled write in date 'cancelled' under payee column, cheque number and 'nil' in cheque amount column. Retain cheque on file with **reason** for cancellation
- Where cheque is cancelled after issue reverse entry in cheque payments book and write to bank with instructions
- Retain copy of all correspondence with Bank on cancellation of cheques after issue
- Ensure direct debits and bank charges (e.g. interest, fees, and stamp duty) are entered on the dates which are processed by the bank

CHEQUE PAYMENTS BOOK

Date	Payee	Cheque No	Total Net Pay	Coordinators Wage Gross	Assistant Coordinators Wage Gross	PAYE	PRSI	Employer PRSI	Materials	Training & Development	Coordinators T&S	Petty Cash	Bank Interest & Charges
Mar-01	Petty Cash	426	15.50										
Mar-03	Coordinator	427	179.15	179.15									
Mar-03	Asst. Coordinator	428	79.10		79.10								
Mar-03		429											
Mar-03		430											
Mar-07		432											
Mar-10		433											
Mar-10		434											
Mar-10		435											
Mar-10		436											
Mar-10		438											
Mar-16		439											
Mar-16		440											
Mar-16		441											
Mar-16		442											
Mar-24		443											
Mar-24		444											
Mar-24		445											
Mar-24		446											
Mar-16		448											
Mar-16	Tool Hire	449	200						200				
Mar-20	Collector General	450	296.00										
Mar-03	Bank Fee	BS 12	12.30										12.30
Mar-10	Bank Interest	BS 12	5.20										5.20
	Total Mar 11												17.50
	Cum Jan-Feb 11												15.20
	Cum Jan-Mar 11												32.70

3 Cash Procedures or Receipts Book

Lodgement Book

- Supplied by bank
- Stored in a secure place
- Lodge **all** cash or cheque receipts
- Lodge regularly – where significant amount of cash, at least once a day
- Analyse lodgement on back of lodgement stub

Remittance Advice(s)

- Cross Reference with date and amount of lodgement or EFT
- File in remitter and date order

Sales Invoice(s) or Receipt(s)

- Sales invoices or receipt(s) pre-numbered and maintained in numerical sequence
- Invoices or Receipt, issued for **all income**

Maintenance of Cash Receipts Book

- Each page to be numbered
- Write up on a daily basis
- Record receipts from remittances advice(s)(see entry on bank statement)
- Sales and other income from copy sales invoices or receipts
- Analyse under appropriate headings
- Individual items in total column add up to lodgement amount in lodgement column
- Total on a monthly basis and accumulate year to date on a monthly basis (down and across)

CASH RECEIPTS BOOK

Date	Details	Ref	Total	Lodgement	Coordinator Wages	Learner Wages	Materials	Develop ment	Sales of Goods	Sundries
Mar-02	FÁS	E1234	2235.00	EFT	792.00	1443.00				
Mar-03	FÁS	E1287	825.00	EFT			825.00			
Mar-03	FÁS	E1345	450.00	EFT				450.00		
Mar-03	Mr J Jones	21	25.60	25.60					25.60	
Mar-09	FÁS	E1387	150.00	EFT				150.00		
Mar-10	Mr P Smith	22	41.25	41.25					41.25	
Total March 2011			3726.85		792.00	1443.00	825.00	600.00	66.85	
+Cum Jan-Feb 2011			5810.15		1584.00	2836.00	940.15	325.00	75.00	
=Cum Jan-Mar 2011			9537.00		2376.00	4279.00	1765.15	925.00	141.85	

4. Petty Cash Book (Where Applicable)

Petty Cash Dockets

- Pre-numbered
- Stored in a secure place
- Receipts for purchase approved by Coordinator
- Receipt for purchase attached to docket
- Operated by one person only
- Petty cash docket signed by recipient of money and by disburser
- All petty cash dockets approved by Coordinator
- Petty cash box stored in a secure place
- Petty cash dockets and attached receipts filed in month or numerical order
- Petty cash dockets and receipts reviewed monthly by Second Provider
- IOU's are not allowed in the Petty Cash

Maintenance of Petty Cash Book

- Each page to be numbered
- Write up on a weekly basis
- From petty cash dockets only
- Analyse under appropriate headings
- Total on a monthly basis (down and across)

PETTY CASH BOOK

Receipts	Details	Cheque No	Amount	Date	Payee	Voucher No	Total	Printing & Stationery	Postage	Cleaning	Sundries
Mar-01	Balance B/F	-	4.50	Mar-01	Super Stores	12	4.58				4.58
Mar-01	Cheque Payments	426	15.50	Mar-08	An Post	13	3.20		3.20		
				Mar-09	Eason's	14	4.62	4.62			
				Mar-19	Feel Well Chemist	15	5.20				5.20
					Total March 2011		17.60	4.62	3.20	4.58	5.20
					Balance Carried Forward		2.40				
			<u>20.00</u>				<u>20.00</u>				
Apr-01	Balance Brought Forward		2.40								

5. Wage Records

Deduction Cards or wage records

- Prepared – Weekly for Coordinator & Assistant Coordinator
- Write into cheque payment book Gross to Net.
- Pay slips must be issued to all employees
- Establish PAYE. or P.R.S.I. and others, accumulate where necessary and pay promptly on a monthly basis
- Tax Free Allowance Cert
- P30 monthly return
- P35 annual return
- P45 termination
- P60 annual summary

6. Bank Statements

- One bank account per FÁS project
- Received monthly from bank
- File on a binder in numerical order
- Check for Deposits and Deductions, other charges or interest which appears on statement and not written up in books
- Write up as required and cross reference – amount on statement with page number of book and entry in book with statement number

Bank Reconciliation

Bank reconciliation must be done on a monthly basis. The following steps should be followed:

- Tick off each lodgement on the statement against the corresponding entry in the cash receipts book
- Tick off each cheque or charge appearing on the statement against the corresponding entry in the cheque payment book
- Adjust for any differences or omissions
- Take the closing (reconciled) book balance of last month, and add total lodgements for current month and deduct total payment

for current month, this will give the closing book balance for current month

- Take the balance per the current bank statement
- Add lodgements not credited on bank statement (or deduct if balance is debit on the bank statement)
- Deduct cheques which are not debited on bank statement (or add if balance is debit on the bank statement)
- The resulting figure should equal the closing book balance

The following page shows the Bank Reconciliation form to be used which is available on the TSS.

Bank Reconciliation

LTI MONTHLY BANK RECONCILIATION FORM

LTI:

Month: _____

[illegible]

RECONCILIATION OF ADVANCE / FLOAT ISSUED

A	B	C	D	E	F = (D - E)
Closing Bank Account Book Balance	Expenditure for this claim period	Expenditure not yet received for previous period(s)	Total Funds	Advance / Float (Owed to FAS)	Balance
0	0		0		0

Please note: If Balance in column F does not equal zero a detailed explanation is required

Signed:

Date:

Chairperson/Secretary/Treasurer LTI

