

Month

BANK RECORD

WORKED EXAMPLE
with Instructions

Balance in Bank at start of Month		£				
			1505	64		
<p>This "start of Month" figure is 0 if this is your first month of trading. Otherwise it is the previous month's "Balance at end of Month".</p>						
BANKINGS (& Direct Credits)			Non-Sales		Sales	
Date	Details	Ref	£	p	£	p
4	Sales	136			220	48
8	From Personal a/c	D/C	1000	00		
11	Sales	137			382	50
19	Sales	138			955	25
26	Sales	139			986	60
31	Sales (Invs 028/031)	140			150	00
31	Card Sales	D/C			126	50
Totals			1000	00	2821	33
Total Bankings (ie Total Non-Sales + Sales)					3821	33

Card transactions you process by terminal can be entered as one monthly total when the Bank Statement arrives (as shown in the last entry above).

Any loan, grant, disposal of an asset, tax refund or personal money you put into the business (or transfer into the account) should be entered in the "Non-Sales" column - always specify the source of these funds.

The "Ref" (Reference) column could be the last 3 figures of the Bank pay-in slip or the number of the sales invoice(s) being paid. Here we have used "D/C" to mean a Direct Credit.

"Other Finance Charges" is for lease and HP payments (but add a note as to what the payment is for).

For those suppliers you pay by Direct Debit, you could record that here but it is probably better to record those transactions on the following PAYMENTS pages as that permits an analysis of the expenditure and it is easier to add to similar expenditure made by cheque etc.

You may not always have a suitable "Ref" (Reference). Don't worry! But each entry should appear on the Bank Statement.

The "Balance at end of Month" (below) may differ to the balance on your Bank Statement due to bankings and payments that have not yet been processed by the bank (eg in this example, the bank pay-ins 139 & 140 and the cheque no. 367).

MONTH'S BANK BALANCE	
Balance at start of Month + Total Bankings - Total Debits	5066 97
Less Total Payments (from overpage)	4441 52
Leaves: Balance at end of Month (carry forward to next month)	625 45

BANK STATEMENT CHECK	Balance as per Bank Statement	(11 15)
	Add any bankings not yet on Bank Statement	1136 60
	Less any payments not yet on Bank Statement	500 00
	Leaves: Balance	625 45

The Balance below should equal the Balance above.

PETTY CASH

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Money in Petty Cash at start of Month		£	p
		37	34
<p>This "start of Month" figure is 0 if this is your first month of trading. Otherwise it is the previous month's "Money in Petty Cash at end of Month".</p>			
MONEY INTRODUCED DURING MONTH			
Date	Source of Money	Ref	
4	From Bank a/c - by cheque	361	50 00
12	From Bank a/c - by card	D/D	50 00
Total			100 00

The types of payment listed below are similar to those used in your annual Tax Return.

PAYMENTS BY PETTY CASH		General Note Only expenditure that is "wholly and exclusively" for your business is normally tax deductible.	
Stock or Raw Materials			
Staff Wages	A. Helper (Pt time)	40	00
Employee Costs	"Employee Costs" is where you record staff wages (or Directors' salaries) paid in cash. Ideally, use one line for each person.		
Premises Costs	Business Rent/Rates Cleaning Electric/Gas/Heat/Water		
Repairs	Repairs/Maintenance		
General Admin. Expenses	Postage/Parcels Stationery/Printing Sundries Telephone/Fax/Mobile	12 48 6 75 2 56	
Motor Expenses	Fuel Other Expenses	34 00 29 99	
Travel & Subsistence			
Ads & Promotion			
Legal & Professional	"Legal & Professional" is for fees such as solicitor's or accountant's.		
Other Expenses	"Other Expenses". Avoid unnecessary use of this category and explain any payment you record here.		
Drawings	"Drawings" is where you record your "wages" from petty cash as a sole trader or partner.		
Total Payments by Petty Cash		125	78

If you have a discrepancy between the calculation below and the cash as counted, note it here and carry the actual figure forward to the next month.

MONTH'S PETTY CASH BALANCE	
Petty Cash at start of Month + Money Introduced	137 34
Less Total Payments by Petty Cash (from above)	125 78
Less any surplus Cash paid into Bank	
Leaves: Money in Petty Cash at end of Month	11 56