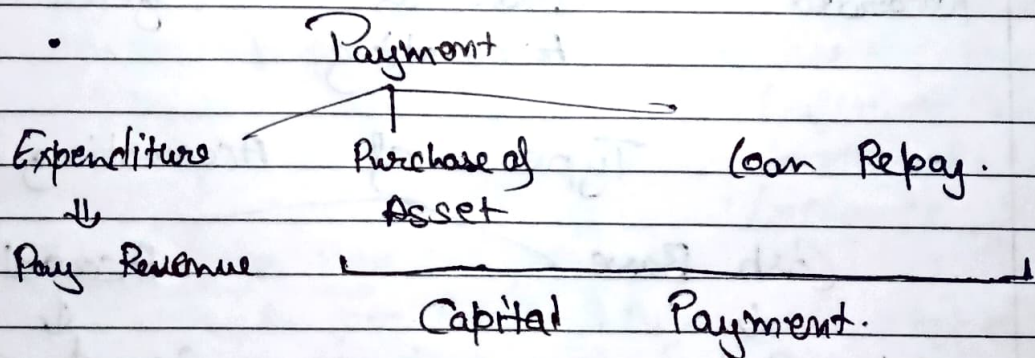
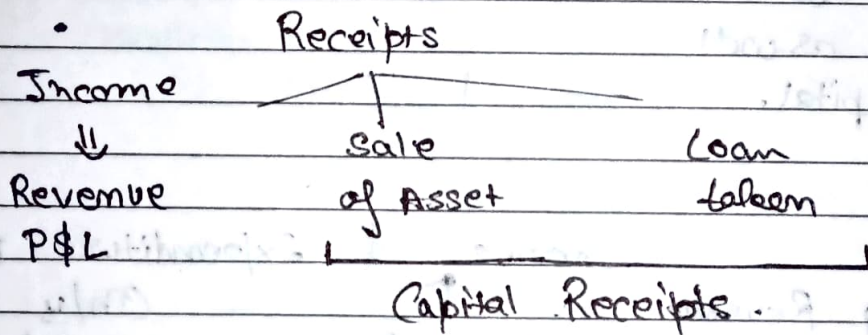
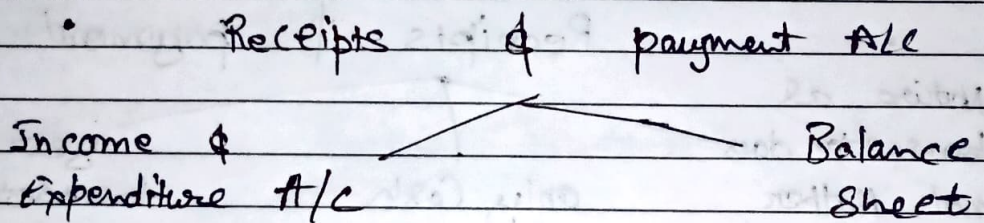
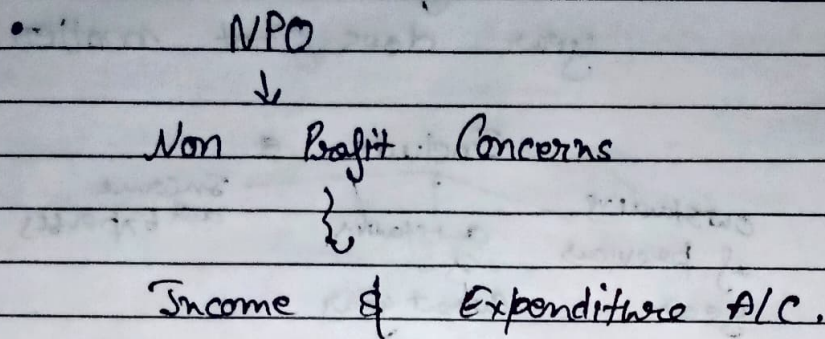
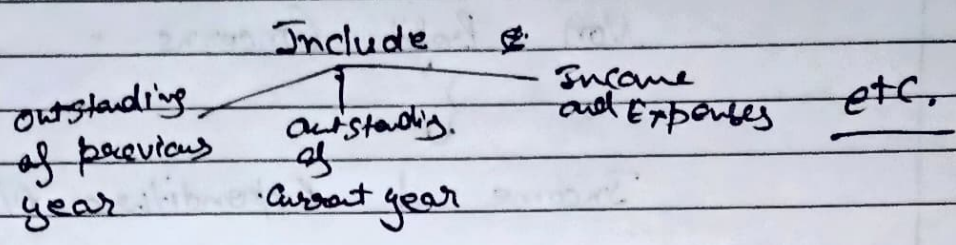


Chapter - Not for profit - Organisation.



Receipts & Payment A/c
↓
year does not matter.

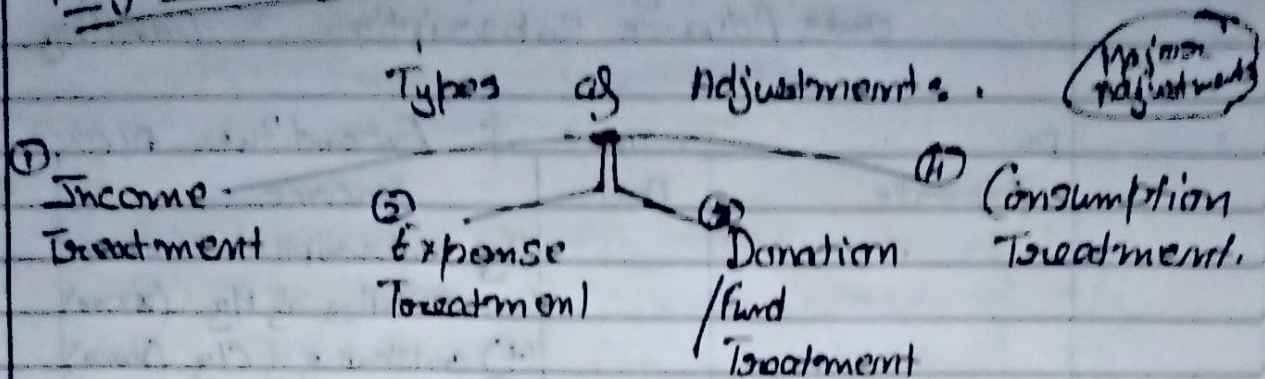


Receipts & Payment A/c
Nature of transaction does not matter
↓
Include Both Revenue as well as Capital.
only Cash transaction
year of transactions does not matter

Income & Expenditure A/c
Only Revenue transaction are Recorded
Accrual Base of Accounting
Only current year.

Type of Accounting
Cash Base
↓
Only Cash transaction
Accrual Base
↓
Cash & Credit transactions

Adjustments.



Adjustment - ①

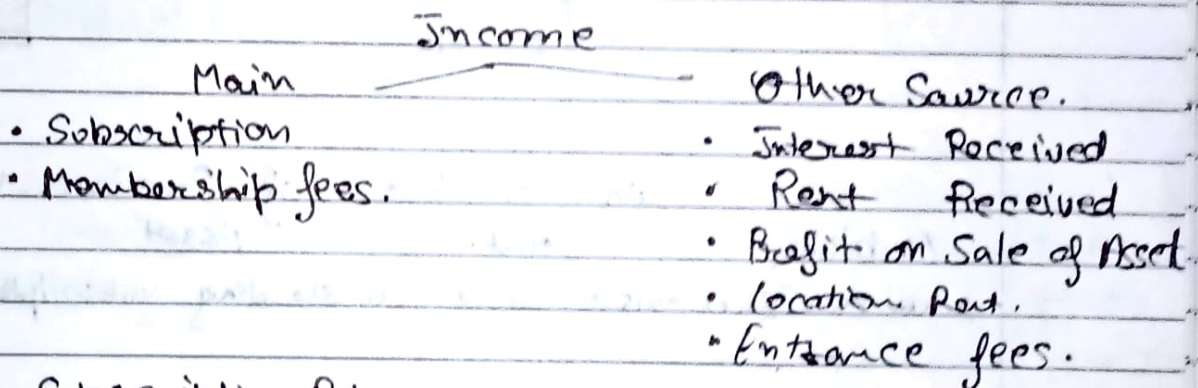
Income Treatment.

- Income Sources. Major.

↓
Members.

↳ Membership fees / Subscription

↳ Accrual Basis.



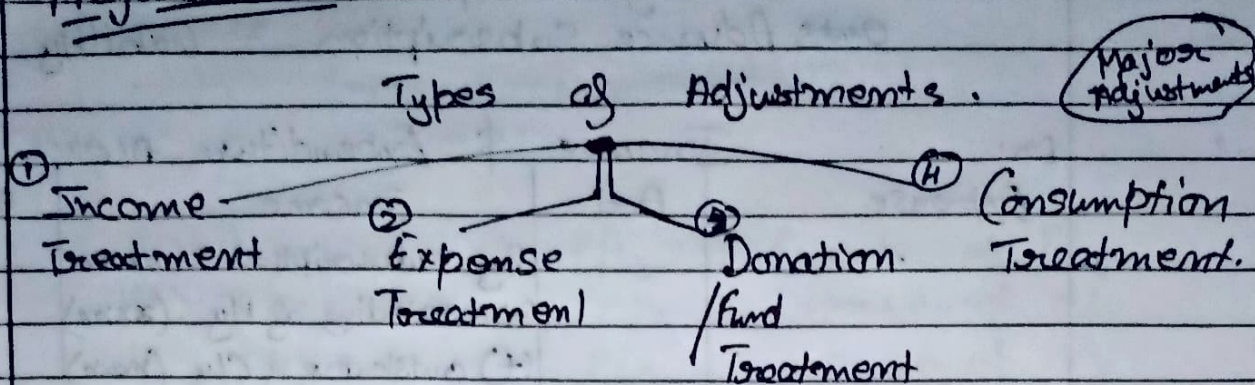
- Subscription Rule

As per Receipt & Payment Rule = Amt. of Subs. Received

- (-) outstanding of Previous year
- (+) outstanding of Current year
- (+) Advance of Previous year
- (-) Advance of Current year

Amount in Income & Exp.

Adjustments.



Adjustment - ①

Income Treatment.

- Income Sources. Major.

↓
Members.

↳ Membership fees / Subscription

↔ Accrual Basis.

Income

Main

- Subscription
- Membership fees.

Other Source.

- Interest Received
- Rent Received
- Profit on Sale of Asset
- Location Rent.
- Entrance fees.

• Subscription Rule

As per Receipt & Payment A/c = Amt. of Subs. Received

- (-) outstanding of Previous year
- (+) outstanding of Current year
- (+) Advance of Previous year
- (-) Advance of Current year

Pasting:

Outstanding Subscription = Asset
~~Out~~ Advance Subscription = Liability

Dr.	Income \$	Expenditure A/c	Cr.
Expense	Amnt.	Income	Amnt.
		By Subscription xxxxx	
		(-) outstanding of P/y (xxxxx)	
		(+) outstanding of C/y (xxxxx)	
		(+) Advance of P/y (xxxxx)	
		(-) Advance of C/y (xxxxx)	xxxxx

Balance sheet of Current year.

Liability	Amnt.	Assets	Amnt.
Advance Subscription	xxxxx	outstanding Subscription	xxxxx

Balance sheet of Previous year

Liability	Amnt.	Asset	Amnt.
Advance Subscription	xxxxx	outstanding Subscription	xxxxx

Adjustment (2)

Expense Treatment.

Rule:

- (-) outstanding of P/y = Expense of P/y.
 (+) outstanding of C/y = Expense of C/y.
 (+) Prepaid of P/y = Expense of C/y.
 (-) Prepaid of C/y = Expense of Next/year.

Posting:

outstanding Expense = Liability
 Prepaid Expense = Assets.

Income \$		Expenditure A/c	
Expense	Amt.	Income	Amt.
To Salary xxxxx			
C/y → (+) outstanding Salary xxx			
P/y → (-) outstanding Salary (xx)			
P/y → (+) Prepaid Salary xxx			
C/y → (-) Prepaid Salary (xx)	xxxxxx		

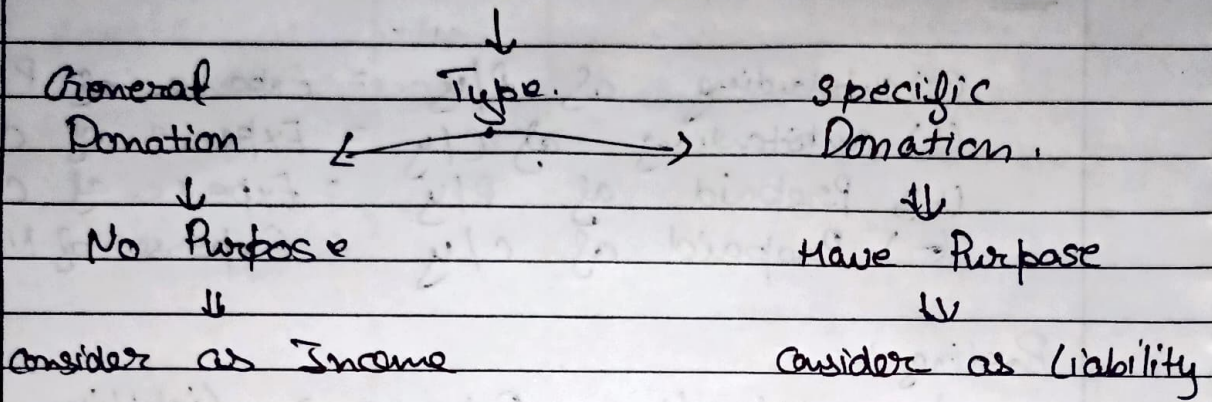
Balance sheet of current year.			
Liability	Amt.	Asset	Amt.
outstanding salary	xxxxx	Prepaid Salary	xxxxxx

Balance sheet of Previous year.			
Liability	Amt.	Asset	Amt.
outstanding Salary	xxxxxx	Prepaid Salary	xxxxxx

Adjustment - (3)

Donation / Fund Treatment.

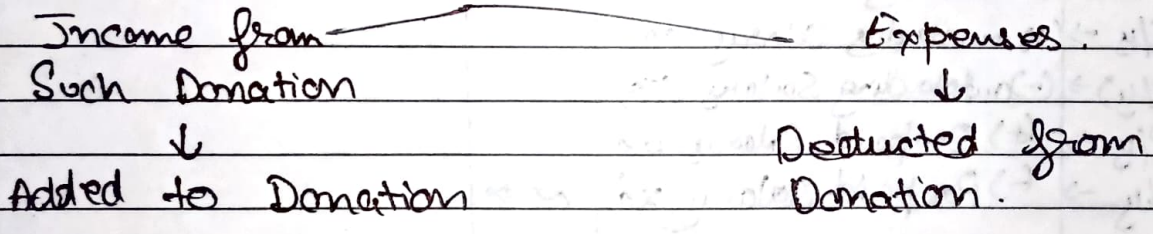
↳ outsider and one-time.



Specific Donation

↓
Liability

↓
"Rule"



Donation	xxxxx	
(+) Income from Donation	xxxxx	
(-) Expenses	(xxxxx)	
	xxxxx	→ Liability.

Balance sheet.

Liability		Ant.	Asset		Ant.
Prize Fund	xxxx		Prize Fund Investment	xxxxx	
(+) Income	xx		3.		
(-) Expense	(xx)				

Adjustment - (H)

Consumption Treatment.

$$\text{Consumption} = \text{Opening stock} + \text{Purchase} - \text{closing stock}$$

	Purchase			
Cash		Credit	to	Creditors

$$\text{Purchase} = \text{Payment} - \text{Opening Creditors} + \text{closing Creditors}$$

↳ Advance to Creditors.

$$\text{Consumption} = \text{Opening Stock} + \left[\text{Payment} - \text{Opening Creditors} + \text{Closing Creditors} + \text{Opening Advance} - \text{Closing Advance} \right] - \text{closing stock}$$

→ Consumption Treatment.

Particular	Amount.
Payment	xxxx
(+) Opening Stock	xx
(-) closing stock	(xx)
(-) opening creditors	(xx)
(+) closing Creditors	xx
(+) opening Advance	xx
(-) Closing Advance	(xx)

Consumption

Posting :

Stocks = Assets

Creditor = Liability

Advance to creditor = Asset

Note: Consumption is Expense
and treated in Expense side of
Income & Expenditure A/c.