NPO

CH 8 Non Profit Organisation (NPO)

orgn
Social welfare

Cash Book | P&L A/c | B/S

Cash Book

Dr.	Cr
Receipts	Payments
→	→
→	→
→	→
→	→

R & P A/c

Cash basis

X Credit
X O/S
Revenue ✓
Capital ✓

P&L A/c

Dr.	Cr
expense	Income
bal..	bal..

I & E A/c

Accrual

O/S ✓
only Revenue ✓
Capital (X)

B/S

liab	Asset

Capital Receipt	Capital expenditure
Dr in R&P A/c liability (↑) Asset (↓) Specific donation, entrance fees, life Membership fees, Sale of Asset, Legacy	Cr. in R&P A/c Asset (↑) Purchase of asset
Revenue Receipt Dr. in R&P A/c Cr. in I&E A/c (income)	**Revenue expenditure** Cr. in R&P A/c (expense) Dr in I&E A/c

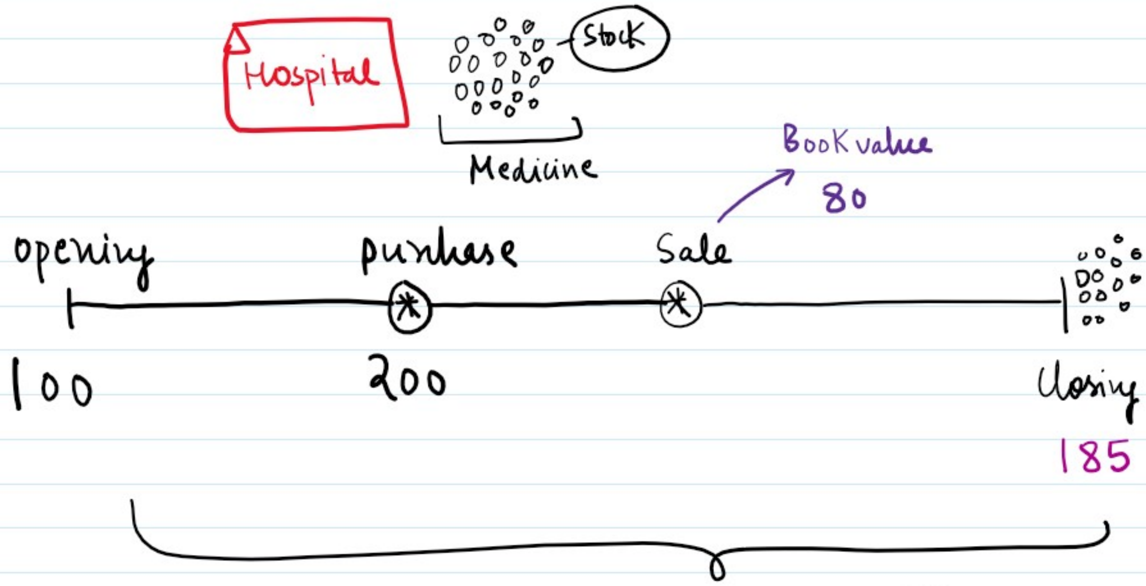
Dr. in R&P A/c
Cr. in I&E A/c (income)

Subscriptions, General donation, Sale of old news paper etc

Cr. in R&P A/c
(expense) Dr in I&E A/c

Honorarium, consumed part of stock, etc etc

* Consumed Part of Stock (of Medicine)



Consumed Stock = 35

R

Payment to Creditor (R&P A/c (r)	XXX
(+) Opening (Advance to Supplier)	XXX
(+) Closing Creditors	XXX
(+) Opening stock	XXX
(+) Purchase (Credit + Cash)	XXX
(−) Opening Balance (creditor)	(XX)
(−) Closing (Advance to Supplier)	(XX)
(−) Sale of Stock (Book Value)	(XX)

(−)	Sale of Stock (Book Value)	(xx)
(−)	Closing Stock	(xx)
	Consumed Part	xxx

Dr Creditor A/c Cr

To Opening advance	XX	By Opening Creditor	XX
To Payment to Creditor	XX	By Credit Purchase	(bal..)
To closing Creditor	XX	By closing advance	XX

Dr Stock A/c Cr

To Opening Stock	XX	By Sale	(B.V)
To Cash purchase	XX	By Consumed Part	bal..
To Credit purchase	XX	By closing Stock	XXX

* EXPENSE *

R&P A/C Cr

	Payments	25,000
Op B/S asset ←	(+) Prepaid expense (opening)	5,000
Cl B/S liab ←	(+) O/S expense (closing)	3,000
Cl B/S asset ←	(−) Prepaid expense (closing)	(1,000)
op B/S liab. ←	(−) O/S expense (opening)	(2,000)
I&E A/C Dr	EXPENSE	30,000

* INCOME *

(eg Subscription)

Dr

* INCOME *
(eg Subscription)

R&P A/c Dr	Total Receipts	50,000
op B/S liability ← (+)	Income in advance (opening)	3,000
cl B/S asset ← (+)	Accrued Income (closing)	7,000
cl B/S liability ← (−)	Income in advance (closing)	(5,000)
op B/S asset ← (−)	Accrued Income (opening)	(6,000)
I&E A/c Cr.	INCOME	49 000

Subscription Income = No. of members × Fees per member

PROCESS (FINALLY)

Dr — R&P A/c — Cr

To Bal b/d (op B/S asset)	xx	By Revenue paymnt	xx
To Revenue Receipt	xx	By Capital exp'n	xx
To Capital Receipt	xx		
		By bal c/d (cl B/S asset)	xx

Dr. — I&E A/c — Cr

To Expense **	xxx	By Income **	xxx
To Non Cash expense	xxx		

To Non Cash expense	xxx	By Income	xxx
To Surplus	(bal..)	By deficit	(bal..)

Balance Sheet (closing)

Liabilities		Assets	
Capital fund op bal XX (+) Surplus xx (+) Capitalise xx	XXX	All the Assets	XXX
Specific fund op bal XX (+) Sp. donation XX (−) Sp expense (xx)	XXX		
Other liabilities	XX		
	XXX		XXX

WN

Op B/S

Opening liabilities	XX	Opening assets	XXX
Capital (bal..)	(bal..)		
	XXX		XXX