



## A guide on how to use the Automated Cash Book

### Step 1 – Setting your financial year

The first step is to set the dates for your financial year, which is at the top of the “SORP” (Statement of Receipts and Payments) tab.

<i>Financial year</i>		
	<i>Beginning</i>	<i>Ending</i>
<i>Day</i>	<b>1</b>	<b>31</b>
<i>Month</i>	<i>April</i>	<i>March</i>
<i>Year</i>	<b>2018</b>	<b>2019</b>

#### There are two dates to set:

- Beginning – This is the first day of your financial year
- Ending – This is the last day of your financial year

In this tool the month is set from a drop-down menu and the day and year are entered manually.

### Step 2 – Enter your opening cash balance

In the “SORP” tab you need to enter your cash balance at the start of the financial year (the money in your bank account). This cell can be found at the bottom right of the tab. It is the white cell in the “Total” column.

Plus opening bank accounts

\$ 5,000
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### Step 3 – Entering and classifying your transactions

The tool is designed to take the transactions from your bank statement and classify them into one of the minimum categories required under the Tier 4 reporting standard to produce your completed Statement of Receipts and Payments.

Charities are required to group transactions like this because using the similar categories makes it easier for the public to understand and compare the performance reports of different registered charities.

More information and guidance can be found on our website about the minimum categories for [Tier 3](#) and [Tier 4](#), and which transactions go into each of them.

The first thing you will need to start adding your transactions is your charity's bank statements. You can use your paper statements to key in your transactions, or you can download your bank statements. Most online banking systems have an option to download your bank statements as a Microsoft Excel file. You can then copy the transactions from these files into one of the tabs in the tool.

For more information on how to download your bank statements, contact your bank.

To start entering your transactions you will need to be using one of the "Bank Statement..." tabs. The tool has one tab for each month of the financial year. Start with the tab that represents the first month of your financial year, for example, if your financial year is 1 April to 31 March, this would be your transactions for the month of April.

In each of the "Bank Statement..." tabs you will see the following fields.

	<i>Amount</i>	<i>Other Party</i>	<i>Description</i>	<i>Reference</i>	<i>Particulars</i>	<i>Analysis</i>
15/04/2015	500	*****	Donation	*****	*****	*****
20/04/2015	15000	MSD	Grant Received for Wages	*****	*****	*****

The data in the white cells will need to be manually entered, or copied from your downloaded bank statement file. For the tool to work you need to have a value entered in the amount column. The other fields are not necessary, but completing them will make it easier to select a category by providing details about who the transaction was with, and what it was for. This is particularly true if you want to enter all the transactions before you start classifying them.

While a little more effort, by including all of the details in this step you will not need to refer back to your bank statements after you have entered the transactions.

When entering your amounts you need to ensure all of your cash receipts are positive numbers, and all of your cash payments are negative numbers (preceded by a – symbol).

Next to the white columns where you enter your bank transactions, you will see some columns in grey.

<i>Receipt/Paymen</i>	<i>Category</i>	<i>Bank Balance</i>
Receipt	Donations, Fundraising and other similar receipts	\$ 20,500
Payment	Volunteer and employee related payments	\$ 19,500

You do not need to enter any data into these cells, it is automatic. The first column tells you whether the spreadsheet thinks the transaction is a receipt or a payment. If you are seeing the wrong type of transaction in this column, check that you have included a – symbol in front of the payment in the "Amount" column.

The "Category" column is a drop-down menu. Clicking on the arrow in this cell will let you choose a minimum category to classify the receipt or payment into. Once you have chosen a category, the transaction will automatically be included in your Statement of Receipts and Payments on the "SORP" tab.

The last column — "Bank Balance" — is a running total which tells you what your bank balance is after the transaction. You can use this to check your entries as you go, or to troubleshoot when the ending bank balance calculated doesn't match your bank statement.

## Step 4 – Getting your Statement of Receipts and Payments

Once you have entered and classified all of your cash receipts and payments you can move to the “SORP” (Statement of Receipts and Payments) tab. You will see that the Statement of Receipts and Payments has already been completed for you, based on the selections you made in each of the “Bank Statement...” tabs. The Statement of Receipts and Payments is shown by month, and as a total for the financial year.

Note: In the screenshot below only the “Total” column and “March” columns are shown. In the tool there is a separate column for each month.

	March	Total
<b>Operating Receipts</b>		
Donations, Fundraising and other similar receipts	\$ -	\$ 16,900
Fees, subscriptions and other receipts from members	\$ -	\$ 1,000
Receipts from providing goods or services	\$ -	\$ 450
Interest, dividends and other investment income receipts	\$ 5	\$ 10
Other operating payments	\$ -	\$ -
<b>Less Operating Payments</b>		
Payments related to public fundraising	\$ -	-\$ 800
Volunteer and employee related payments	-\$ 1,015	-\$ 12,330
Payments related to providing goods or services	\$ -	-\$ 2,400
Grants and donations made	-\$ 1,000	-\$ 1,500
Other operating receipts	\$ -	\$ -
<b>Operating Surplus/(Deficit)</b>	<b>-\$ 2,010</b>	<b>\$ 1,330</b>
<b>Add Capital Receipts</b>		
Receipts from the sale of resources	\$ -	\$ 50
Receipts from borrowing	\$ -	\$ 1,000
<b>Less Capital Payments</b>		
Purchase of resources	\$ -	-\$ 950
Repayment of borrowings	\$ -	-\$ 1,000
<b>Increase/(Decrease) in cash</b>	<b>-\$ 2,010</b>	<b>\$ 430</b>
<b>Plus opening bank accounts</b>	<b>\$ 7,440</b>	<b>\$ 5,000</b>
<b>Total closing bank accounts</b>	<b>\$ 5,430</b>	<b>\$ 5,430</b>
<b>Represented by:</b>		
Bank account	\$ 5,430	\$ 5,430
	OK	OK

Last, but not least, in the greyed-out bottom row, you need to manually enter your bank balance at the end of each month and at the end of the financial year. Doing this serves as a final check. If you have correctly included and classified all of your transactions then the “Total closing bank accounts” row should match the numbers you have entered here. If this is the case, you will get an “OK” message below the statement. If the numbers don’t match, you will get an “ERROR” message.

Once all columns have an “OK” message, you have completed your Statement of Receipts and Payments, ready to enter into your Performance Report for the year.

If you have any questions about the Statement of Receipts and Payments or preparing other parts of your performance report get in touch with us at [info@charities.govt.nz](mailto:info@charities.govt.nz)