

# **RECEIPTS AND PAYMENTS ACCOUNT**

Receipts and Payments Account records all the cash receipts and cash payments. It is a real account. It is prepared at the end of the year and records all the transactions whether it belongs to current, future or past years. All the capital and revenue nature items are posted into it. This accounts starts with opening balance of cash and bank and ends with the closing balance of the same.

## **ACCORDING TO WILLIAM PICKLES**

“Receipts and Payments Account is nothing more than a summary of the Cash Book over a certain period analyzed and classified under suitable headings. It is the form of account most commonly adopted by treasurers of societies, clubs, associations etc., when preparing the results of the year’s working.”

# **FEATURES OF RECEIPTS AND PAYMENTS ACCOUNT**

## **NATURE OF ACCOUNT**

It is real account. The items recorded in this account are both of capital and revenue nature. The rule followed while posting the items is:

### **‘DEBIT WHAT COMES IN, CREDIT WHAT GOES OUT’**

As a result, receipts are recorded on Debit side and payments are recorded on Credit side.

## **BASIS OF PREPARATION**

The receipts and payments account is maintained on cash basis. The transactions are recorded when there is cash paid or cash received for the same.

## **CAPITAL AND REVENUE ITEMS**

This account records both capital and revenue items. The capital receipt as well as revenue receipt is shown at debit side of the account. The capital payment as well as revenue payment is shown at the credit side of this account.

## **OPENING AND CLOSING BALANCES**

The opening and closing balance of the receipts and payments account show the cash in hand or cash at bank of the accounting period.

## **PERIOD TO WHICH ITEM BELONGS**

Receipt and Payment Account records the entire amount paid or received in cash whether it is related to current, past or future year.

## **ADJUSTMENTS**

RECEIPTS	₹	PAYMENTS	₹
To balance b/d (Opening Balance)		By Balance b/d (Closing Balance)	
Cash in Hand		Cash in Hand	

Cash at Bank To Subscriptions: For Previous year For Current year For Next year To General Donations To Entrance/ Admission fees To General Grants To Sale of old newspapers, grass To Dividends To Rent Received To Interest Received To Miscellaneous Receipts To Legacies To Endowment Fund To Sale of Fixed Assets, etc. To Balance c/d (Bank Overdraft)*		Cash at Bank By Salaries By Rent By Postage Expenses By Advertisement Expenses By Repairs By Audit Fees By Maintenance Fees By Municipal Tax By Office Expenses By Expenses on show By Miscellaneous Payments By Loan (repayment) By Books By Insurance By Balance c/d (Closing Balance) Cash in Hand Cash at Bank*	