

202.8 94F1

**NETHERLANDS-BANGLADESH DEVELOPMENT CO-OPERATION PROGRAMME  
DPHE-WATER SUPPLY AND SANITATION PROJECTS**

LIBRARY  
INTERNATIONAL REFERENCE CENTRE  
FOR COMMUNITY WATER SUPPLY AND  
SANITATION (IRC)

# **FINANCIAL MANAGEMENT TRAINING**

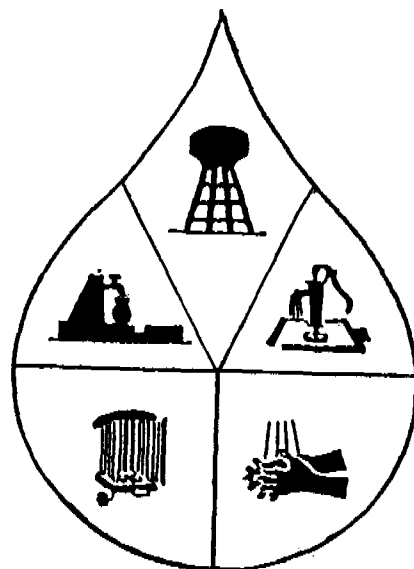
**FOR**

**ACCOUNTANT, ASSISTANT ACCOUNTANTS, ACCOUNTS ASSISTANT**

**AND BILL CLERK OF PWSS**

**OF 1ST AND 2ND BATCH TOWNS**

**UNDER 18 DTP**



21ST MARCH - 23RD MARCH, 1994

VENUE : TRAINING ROOM

OFFICE OF THE PROJECT DIRECTOR, DPHE.  
190, ARAMBAGH, DHAKA-1000.

202-8-94FI-12285

Department of Public Health Engineering

Module : <b>INTRODUCTION TO BOOKKEEPING</b>		Code : OBF 100
		Edition: 23/01/1994
Section 1 : <b>INFORMATION SHEET</b>		Page : 01 of 14
Duration	:	45 minutes
Training objectives	:	<p>After this session the trainees will be able to:</p> <ul style="list-style-type: none"> <li>- explain the need for bookkeeping</li> <li>- mention the basis of bookkeeping</li> <li>- explain the function of bookkeeping records</li> <li>- recite the bookkeeping cycle</li> <li>- state criteria for good bookkeeping</li> <li>- explain how to determine debit and credit of an account</li> </ul>
Trainee selection	:	<ul style="list-style-type: none"> <li>- PWSS Accountant, Assistant Accountant</li> <li>- Accounts Assistant, Bill Clerk</li> </ul>
Training aids	:	<ul style="list-style-type: none"> <li>- Viewfoils : OBF 100/V 1-5;</li> <li>- Exercise : OBF 100/E 1;</li> <li>- Handout : OBF 100/H 1.</li> </ul>
Special features	:	-
Keywords	:	Bookkeeping/records/accounts/registers/general ledger.

202.8.94FI  
 ISBN 12285  
 202.8.94FI

Department of Public Health Engineering

<b>Module : INTRODUCTION TO BOOKKEEPING</b>	<b>Code : OBF 100</b>
	<b>Edition: 23/01/1994</b>
<b>Section 2: SESSION NOTES</b>	<b>Page : 01 of 01</b>
<b>1. Introduction</b>  Explain: <ul style="list-style-type: none"><li>- the need for bookkeeping</li><li>- the principles of bookkeeping</li><li>- the basis for registration</li><li>- the function of records</li></ul>	Show V 1  Show V 2  Show V 3  Show V 4
<b>2. Principles of bookkeeping</b>  Explain: <ul style="list-style-type: none"><li>- outline of bookkeeping operations</li><li>- criteria for good bookkeeping</li><li>- accounts</li><li>- collection &amp; disbursement register</li><li>- general ledger and subsidiary ledgers</li><li>- guidelines for determining debit and credit in accounts</li></ul> Discussion <ul style="list-style-type: none"><li>- Ask whether there are topics not yet clear to participants</li><li>- execute the exercise to test the clearness of the given material to the participants</li></ul>	Show V 6             Give E 1
<b>3. Summary</b>	Give H 1

Department of Public Health Engineering

Module : <b>INTRODUCTION TO BOOKKEEPING</b>		Code : OBF 100
		Edition: 23/01/1994
Section 3 : <b>TRAINING AIDS</b>		Page : 01 of 01
<p><b>Need for bookkeeping</b>                      OBF 100/V 1</p> <p>Why do we need bookkeeping ?</p> <ul style="list-style-type: none"> <li>- For Recording Business Transaction</li> <li>- For Reporting to SB</li> </ul> <p>The nature of Reporting is :</p> <ul style="list-style-type: none"> <li>▪ in written form</li> <li>▪ systematic</li> <li>▪ complete</li> <li>▪ easy to understand</li> </ul>	<p><b>Principles of bookkeeping</b>              OBF 100/V 2</p> <p>BOOK-KEEPING IS:</p> <ul style="list-style-type: none"> <li>- RECORDING OF BUSINESS TRANSACTIONS ACCORDING TO THE RULE OF ACCOUNT.</li> <li>- DETERMINING DEBIT AND CREDIT IS THE MAIN PRINCIPLE OF BOOK-KEEPING.</li> <li>- POSTING OF ACCOUNT IN THE GENERAL LEDGER FROM COLLECTION DISBURSEMENT REGISTER.</li> </ul>	
<p><b>Basis for registration</b>                      OBF 100/V 3</p> <p>THE BASIS FOR REGISTRATION IN BOOKKEEPING ARE THE:</p> <p><i>SOURCE DOCUMENTS</i></p>	<p><b>Function of records</b>                      OBF 100/V 4</p> <p>functions of source documents:</p> <ol style="list-style-type: none"> <li>1. ACCOUNTABILITY OF THE EMPLOYEES</li> <li>2. BASIS FOR REGISTRATION IN BOOKKEEPING</li> </ol>	
<p><b>Criteria for good bookkeeping</b>              OBF 100/V 5</p> <p>CRITERIA FOR GOOD BOOKKEEPING:</p> <ul style="list-style-type: none"> <li>- SYSTEMATIC</li> <li>- PRACTICAL</li> <li>- FLEXIBLE</li> </ul>	<p><b>Exercise</b>                                      OBF 100/E 1</p>	

## Department of Public Health Engineering

Module : <b>INTRODUCTION TO BOOKKEEPING</b>	Code : OBF 100
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 01 of 05
<p><b>1. Introduction</b></p> <p>What is book keeping ?</p> <p>Recording of business transaction in a systematic way so that any one who has minimum knowledge in book-keeping can understand.</p> <p>Why do we need bookkeeping ?</p> <p>To execute the operation and maintenance of a PWSS, many activities need to be executed. These activities include Recording and Reporting :</p> <p>Recordings are</p> <ul style="list-style-type: none"><li>- preparing bills</li><li>- distributing bills</li><li>- collection of revenues</li><li>- payment of salaries</li><li>- etc., etc.</li></ul> <p>In order to be able to manage the PWSS operations well, the Superintendent requires information on the performance of the PWSS. The information he needs must be:</p> <ul style="list-style-type: none"><li>- in writing</li><li>- systematic</li><li>- clear and correct</li><li>- easy to understand</li></ul> <p>When the books of accounts maintained properly the reporting become very easy. Therefore bookkeeping is required. Bookkeeping is a means to record and group the financial transactions taking place in the PWSS in such a way that it provides the required information. The basis of recording are the source documents. Source documents are documents concerning the transactions taking place in the PWSS. All transactions, without any exception, need to be recorded. Recording takes place at various locations in the PWSS and each staff member fills in specific source documents. The functions of such source documents are:</p> <ul style="list-style-type: none"><li>- to account for the activities executed by the staff member concerned</li><li>- to form the basis of registration in bookkeeping.</li></ul>	

## Department of Public Health Engineering

Module : <b>INTRODUCTION TO BOOKKEEPING</b>	Code : OBF 100
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 02 of 05
<p><b>2. Principles of Bookkeeping</b></p> <p>Principles of book-keeping mean recording of business transaction according to the rule of account. Determining Dr. Cr. is the main principle of book-keeping</p> <p>In order to achieve good results, the following divisions have to be made:</p> <ul style="list-style-type: none"><li>- source documents (debit/credit and journal vouchers)</li><li>- recording the source documents to primary as well as final books of accounts (collection &amp; disbursement register and general ledger)</li><li>- preparation of trial balance</li></ul> <p>Good bookkeeping has to meet the following criteria:</p> <ul style="list-style-type: none"><li>- systematic</li><li>- practical</li><li>- flexible.</li></ul> <p><b><u>Systematic</u></b></p> <p>A system is a method by which we do something. For proper bookkeeping a good system is needed. By using the system properly, unnecessary expenditures can be avoided.</p> <p><b><u>Practical</u></b></p> <p>Practical means realistic. Practical bookkeeping is bookkeeping which is related to the organization and not irrelevant. If the system is practical it can be implemented easily.</p> <p><b><u>Flexible</u></b></p> <p>Flexible means easy to be adjusted in the case of changes, such as additions or reductions. Flexible bookkeeping is bookkeeping that can be used under all circumstances and conditions.</p> <p>Example: The PWSS Superintendent decides, that the water bills should not be paid any longer at the cashier's counter, but should be paid directly to the Bank. In a good bookkeeping system not much has to be changed in the accounts. Only in the Collection &amp; Disbursement Register an extra column for "Bank" will be sufficient.</p>	

## Department of Public Health Engineering

Module : INTRODUCTION TO BOOKKEEPING	Code : OBF 100
	Edition : 23/01/1994
Section 4 : H A N D O U T	Page : 03 of 05
<p>What is meant by: Accounts, Collection &amp; Disbursement Register, General ledger ?</p> <p><u>Accounts</u></p> <p>Accounts are recording and classifying transactions in such a way, that it can be realized by any person at any time and they reflect the true position of the business enterprise. There are very many different types of financial transactions taking place in the PWSS, for instance:</p> <ul style="list-style-type: none"><li>* purchase of ballpoints, rulers, paper, staplers, etc.</li><li>* payment of salary to pumpdriver, tubewell mechanic, bill clerk, etc. (purchase of ballpoints, rulers, staplers, etc. is stationery account) (salary to staff under head salary and allowances).</li></ul> <p>Recording of each transaction separately is not very practical and will be very difficult to control. To overcome this problem, the financial transactions are recorded in groups. For instance the purchases of pens, paper, rulers, etc. are grouped into "purchase of stationary". Groups of financial transactions are called accounts.</p> <p><u>Collection &amp; Disbursement Register</u></p> <p>Collection and Disbursement Register is a Register where all collection and disbursements are recorded according to the principles of book keeping.</p> <p>Financial transactions are recorded on a daily basis or according to date and serial number of Debit/Credit Voucher in the Collection &amp; Disbursement Register.</p> <p><u>General ledger</u></p> <p>The accounts recorded in the Collection and Disbursement Register are transferred daily or at the end of the month to the General ledger. General ledger is the most important book. All the accounts are posted in the General Ledger according to the head of the account i.e. all salary under head salary and allowances, pen, paper, pin etc. under head printing and stationary. So itemwise expenditure and income is available in the General ledger.</p>	

## Department of Public Health Engineering

Module : <b>INTRODUCTION TO BOOKKEEPING</b>	Code : OBF 100
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 04 of 05
<p><b>Guidelines for debiting and crediting accounts</b></p> <p>The basic activity of bookkeeping is debiting and crediting accounts in accordance with the transactions which have taken place. There are three different types of accounts in bookkeeping:</p> <ul style="list-style-type: none"><li>- Personal accounts : Person related</li><li>- Real accounts : materials/assets related</li><li>- Nominal accounts : exist as a concept, but not physically, for instance House rent, telephone bills, etc.</li></ul> <p>How to determine Debit/Credit ?</p> <p>Personal accounts : Who receives : Debit Who pays : Credit</p> <p>Real accounts : What comes in : Debit What goes out : Credit</p> <p>Nominal accounts : Expenses/Loss : Debit Income/Profit : Credit</p> <p>Example : 1 Received Loan from Karim for Tk.1,00,000 Personal A/C 2 Purchase a Motor Cycle for Tk. 75,000 Real A/C 3 Paid salary for Tk. 60,000 Nominal A/C</p> <p><b>3. Summary</b></p> <ul style="list-style-type: none"><li>- Bookkeeping is necessary in the PWSS, because the Superintendent requires information on the financial performance in a written form which is systematic, clear and easy to understand.</li><li>- The activities in bookkeeping include:<ul style="list-style-type: none"><li>* recording of accounts in the Collection &amp; Disbursement Register on a daily basis;</li><li>* transfer of the accounts from the Collection &amp; Disbursement Register to the General ledger, and cross check on a monthly basis;</li><li>* preparation of reports and information.</li></ul></li><li>- Good bookkeeping is systematic, practical and flexible.</li></ul>	



## Department of Public Health Engineering

<b>Module : INTRODUCTION TO BOOKKEEPING</b>	<b>Code : OBF 100</b>
	<b>Edition : 23/01/1994</b>
<b>Section 4 : H A N D O U T</b>	<b>Page : 05 of 05</b>
<p><b>EXERCISE</b></p> <p>1. On September 20, 1993 your PWSS purchased a Honda motorbike with 100 c.c. engine for Tk.75,000/-. You received the motorbike on that day and payment was also made.</p> <p>How do you register this purchase in the bookkeeping system ?</p> <p>2. On September 25 the newly purchased motorbike hit a rickshaw and experienced some damage. The motorbike was brought to a workshop for repair. The cost of repair paid by the PWSS was Tk.400/-.</p> <p>How do you register this damage in the bookkeeping system ?</p> <p>3. On September 25 the PWSS received an amount of Tk.150/- from Mr. Monowar Chowdhury as an instalment on his debt.</p> <p>How do you register this payment in the book-keeping system ?</p> <p>Journal and also in the collection and Disbursement register.</p> <p>(Form of Journal voucher and collection and disbursement register would be supplied).</p>	

Department of Public Health Engineering

Module : <b>INTRODUCTION TO BOOKKEEPING</b>	Code : OBF 100												
	Edition : 23/01/1994												
Annex: <b>VIEWFOILS</b>	Page : 01 of 06												
 <table><thead><tr><th>TITLE :</th><th>CODE:</th></tr></thead><tbody><tr><td>1. Need for bookkeeping</td><td>OBF 100/V 1</td></tr><tr><td>2. Principles of bookkeeping</td><td>OBF 100/V 2</td></tr><tr><td>3. Basis for registration</td><td>OBF 100/V 3</td></tr><tr><td>4. Functions of source documents</td><td>OBF 100/V 4</td></tr><tr><td>5. Criteria for good bookkeeping</td><td>OBF 100/V 5</td></tr></tbody></table>		TITLE :	CODE:	1. Need for bookkeeping	OBF 100/V 1	2. Principles of bookkeeping	OBF 100/V 2	3. Basis for registration	OBF 100/V 3	4. Functions of source documents	OBF 100/V 4	5. Criteria for good bookkeeping	OBF 100/V 5
TITLE :	CODE:												
1. Need for bookkeeping	OBF 100/V 1												
2. Principles of bookkeeping	OBF 100/V 2												
3. Basis for registration	OBF 100/V 3												
4. Functions of source documents	OBF 100/V 4												
5. Criteria for good bookkeeping	OBF 100/V 5												

Why do we need bookkeeping ?

- For Recording Business Transaction
- For Reporting to SB

The nature of Reporting is :

- \* in written form
- \* systematic
- \* complete
- \* easy to understand

**BOOK-KEEPING IS:**

- RECORDING OF BUSINESS TRANSACTIONS ACCORDING TO THE RULE OF ACCOUNT.
- DETERMINING DEBIT AND CREDIT IS THE MAIN PRINCIPLE OF BOOK-KEEPING.
- POSTING OF ACCOUNT IN THE GENERAL LEDGER FROM COLLECTION DISBURSEMENT REGISTER.

**THE BASIS FOR REGISTRATION  
IN BOOKKEEPING ARE THE:**

***SOURCE DOCUMENTS***

functions of source documents:

**1. ACCOUNTABILITY OF THE  
EMPLOYEES**

**2. BASIS FOR REGISTRATION IN  
BOOKKEEPING**

CRITERIA FOR GOOD BOOKKEEPING:

- SYSTEMATIC
- PRACTICAL
- FLEXIBLE

## Department of Public Health Engineering

<b>Module : PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	<b>Code : OBF 120</b>
	<b>Edition: 23/01/1994</b>
<b>Section 1 : INFORMATION SHEET</b>	<b>Page : 01 of 14</b>
<b>Duration</b> :	<b>45 minutes</b>
<b>Training objectives</b> :	<b>After this session the trainees will be able to:</b> - defects of existing PWSS Financial Management System; - rationale for new PWSS Financial Management System; - objectives of new PWSS Financial Management System; - Superintendent's position in Financial Management Organisation; - PWSS Superintendent's Financial duties and responsibilities; - over all picture of new PWSS Financial Management System.
<b>Trainee selection</b> :	- PWSS Accountant, Assistant Accountant - Accounts Assistant, Bill Clerk
<b>Training aids</b> :	- Viewfoils : OBF 120/V 1-4; - Handout : OBF 120/H 1.
<b>Special features</b> :	-
<b>Keywords</b> :	- Financial Management Rationale



Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
Section 2: <b>SESSION NOTES</b>	Edition: 23/01/1994
<p><b>1. Introduction</b></p> <ul style="list-style-type: none"> <li>- Introduce yourself to the trainees and ask for trainee's introduction</li> <li>- Ask whether any one has any training experience.</li> <li>- Inform about the subject heading of the training.</li> </ul> <p style="text-align: center;"><b>INTRODUCTION TO PWSS FINANCIAL MANAGEMENT SYSTEM</b></p> <ul style="list-style-type: none"> <li>- Ask the question to selected trainee What do they understand by the subject heading</li> </ul> <p><b>2. Existing System</b></p> <ul style="list-style-type: none"> <li>- Explain the defects of existing PWSS financial Management System.</li> <li>- To overcome this what is needed.</li> </ul> <p><b>3. New System Rationale</b></p> <ul style="list-style-type: none"> <li>- Inform them the rationale for PWSS Financial Management needs</li> </ul> <p><b>4. Objectives</b></p> <ul style="list-style-type: none"> <li>- Discuss about the objectives of new PWSS Financial Management System.</li> </ul> <p><b>5. Superintendent</b></p> <ul style="list-style-type: none"> <li>- Narrate the position of Superintendent in the Financial Management Organisation.</li> </ul>	<p>Lecture</p> <p>Lecture</p> <p>Show V 1</p> <p>Show V 2</p> <p>Show V 3</p> <p>Show V 4</p>

## Department of Public Health Engineering

<b>Module : PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	<b>Code : OBF 120</b>
	<b>Edition: 23/01/1994</b>
<b>Section 2: SESSION NOTES</b>	<b>Page : 02 of 02</b>
<p><b>6. Duties and Responsibilities of Superintendent</b></p> <ul style="list-style-type: none"><li>- Explain the Superintendent's duties and responsibilities and how failure to perform his duties effects PWSS.</li></ul> <p><b>7. Training Needs</b></p> <ul style="list-style-type: none"><li>- Explain that in this situation training for Superintendent is very important and provide overall picture of new PWSS Financial Management System.</li></ul> <p><b>8. Summary</b></p> <ul style="list-style-type: none"><li>- A correct and pragmatic financial system is very important to effectively run and organisation.</li></ul> <p>To operate effectively and efficient financial system has to be developed.</p>	<p>Give H 1</p>

## Department of Public Health Engineering

<b>Module : PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>		<b>Code : OBF 120</b>
<b>Section 3 : TRAINING AIDS</b>		<b>Edition: 23/01/1994</b>
<b>Page : 01 of 01</b>		
<b>Defects of existing PWSS Financial Management System</b> <b>OBF 120/V 1</b> ADHOC FINANCIAL MANAGEMENT IMPROPER BOOK KEEPING SINGLE ENTRY SYSTEM INSTEAD OF DOUBLE ENTRY SYSTEM OF BOOK KEEPING NO SEPARATE BUDGET FOR PWSS NO INTERNAL CONTROL FINANCIAL POWER NOT DELEGATED NO INVENTORY AND FIXED ASSETS MANAGEMENT BREAK EVEN ANALYSIS CONCEPT MISSING REGULAR REPORTING NOT EXISTING	<b>Rationale for new PWSS Financial Management System</b> <b>OBF 120/V 2</b> RECOGNIZE PWSS AS A FINANCIALLY SELF-SUPPORTING UNIT OF POURASHAVA OPERATE PWSS ON NO LOSS BASIS ORGANIZE TRAINING TO MAKE PWSS CAPABLE OF HANDLING NEW FINANCIAL REQUIREMENTS IMPLEMENT NEW PWSS FINANCIAL AND ACCOUNTING SYSTEM	
<b>Objectives of new PWSS Financial Management System</b> <b>OBF 120/V 3</b> TO IMPLEMENT THE FINANCIAL MANAGEMENT SYSTEM TO BUILD FINANCIALLY VIABLE WATER SUPPLY SYSTEM TO INTRODUCE SELF-SUSTAINABLE FINANCIAL MANAGEMENT INTRODUCE DOUBLE - ENTRY ACCOUNTING PROVIDE OFF-JOB TRAINING TO PWSS SUPERINTENDENT PROVIDE OFF-JOB AND ON THE JOB TRAINING TO PWSS ACCOUNTANT	<b>PWSS Superintendent's Financial duties and responsibilities</b> <b>OBF 120/V 4</b> MUST UPGRADE HIS SKILL FOR HANDLING FINANCIAL MANAGEMENT SKILL RESPONSIBLE FOR IMPLEMENTING FINANCIAL MANAGEMENT SYSTEM CONTROL PWSS FINANCIAL MANAGEMENT SYSTEM AND MANAGE THE SYSTEM EFFICIENTLY KEEP SUPERVISORY BOARD SATISFIED BY SUBMITTING ACCURATE AND TIMELY PWSS FINANCIAL REPORTS	
	<b>PWSS Financial Management System</b> <b>OBF 120/H 1</b>	

## Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 01 of 05
<p><b>1. Introduction</b></p> <p>- Improvement and expansion of the Water Supply system and provision of limited sanitation was taken up as target of Dutch Assisted DPHE Water Supply and Sanitation projects. The overriding objective of the project is to build a dependable and safe water supply system in the project towns. The need for financially viable water supply system and sustainable financial management practices for the Pourashava were identified as crucial area. Thus as a part of Institutional Development Programme of the projects, the Programme Office (PO), with the object to build the planned to design and implement an uniform financial management system. This financial and accounting system Manual has incorporated the financial and accounting system to be implemented in PWSS.</p> <p><b>2. Objectives</b></p> <p>- Keeping in view the above stated aims and targets this financial and accounting system manual has been prepared primarily to meet the following objectives :</p> <ol style="list-style-type: none"><li>1. to implement the financial and accounting system in the PWSS;</li><li>2. to build a financially viable water supply system within the Pourashava;</li><li>3. to introduce a self sustainable financial management in PWSS;</li><li>4. to introduce double entry accounting system in PWSS; and</li><li>5. to provide off-job and on-the-job training to the PWSS accounts staff.</li></ol> <p><b>3. Existing Financial Management System</b></p> <p>- The majority of Pourashava have no separate PWSS Financial Management. It is carried out on an adhoc basis. Book-keeping are improper and double entry system is not followed. No separate budget exists for PWSS. Internal Control and delegation of financial powers are not effected. Inventory and fixed assets management, break-even concept and regular reporting do not exist.</p> <p><b>4. Rationale of New PWSS Financial Management System</b></p> <p>- The PWSS needs strong financial management. PWSS must be recognized as a financial-ly self supporting unit of Pourashava. It must operate on "No loss Basis". The PWSS must replace the old system by implementing a new financial management system.</p>	

## Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 02 of 05
<p><b>5. Framework of PWSS Financial and Accounting System</b></p> <ul style="list-style-type: none"><li>- Framework of PWSS Financial and Accounting system includes all functions relating to planning, performance recording and controlling the day-to-day financial and accounting functions of PWSS. The categories of functions will be :<ol style="list-style-type: none"><li>a. financial planning.</li><li>b. actual financial performance recording.</li><li>c. controlling.</li></ol></li></ul>	
<p><b>6. PWSS Superintendent's position in the Financial Management Organisation</b></p> <ul style="list-style-type: none"><li>- PWSS Superintendent will be placed directly under the Supervisory Board for handling the day to day financial work of PWSS in cooperation with the PWSS Accountant and with assistance of subordinate staff under accountant.</li></ul>	
<p><b>7. PWSS Superintendent's Duties and Responsibilities</b></p> <ul style="list-style-type: none"><li>- PWSS Superintendent will be responsible for following duties :<ul style="list-style-type: none"><li>- He must upgrade his skill for handling Financial Management affairs of PWSS.</li><li>- He will be responsible for implementing PWSS Financial Management System.</li><li>- He must control and coordinate the PWSS Financial and accounting system and manage it efficiently.</li><li>- He must report to the management with accurate and timely financial report. His failure will effect PWSS adversely.</li></ul></li></ul>	
<p><b>8. Features of Financial and Accounting System</b></p> <ul style="list-style-type: none"><li>- Financial and Accounting System will involve seven (7) main steps through which the financial and accounting transactions would pass through.<ul style="list-style-type: none"><li>- Expected Income and Expenditure Planning.</li><li>- All accounting transactions of any category would originate from the transacted information or data which as a rule would be documented in <u>Source Documents</u>.</li><li>- All source documents would be recorded in the <u>Books of prime or original entry</u> and in <u>Subsidiary Ledgers/Registers</u>.</li><li>- The double entry aspect of each transaction would be adopted by the way of journalisation with the help of Journal Vouchers or by Direct posting.</li></ul></li></ul>	

## Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 03 of 05
<p>- All debit and credit aspects of each transaction would be posted to respective heads of accounts in the <u>Book of Final Entry</u>, which means, in the <u>General Ledger</u>.</p> <p>- Balance of each account appearing in the General Ledger would be extracted and the first report named <u>Trial Balance</u> would be prepared for completing all other closing reports. Reports shall be extracted from subsidiary books of updating management with extra information.</p> <p>- <i>Controlling all financial and accounting transactions under proper procedures for avoiding irregularities.</i></p> <p><b>9. Flow Diagram of Overall Financial and Accounting System</b></p> <p>- In the light of framework and features discussed above three main functional categories of PWSS financial and accounting system are as follows</p> <p>a. <u>Planning functions include</u></p> <ul style="list-style-type: none"><li>. Budgetary control.</li><li>. Break-even analysis to fix water charge.</li></ul> <p>b. <u>Performance recording functions include</u></p> <ul style="list-style-type: none"><li>. Customer accounting.</li><li>. Collection accounting.</li><li>. Disbursement accounting.</li><li>. Fixed asset accounting.</li><li>. General Ledger accounting (summarizing)</li><li>. Annual closing.</li></ul> <p>c. <u>Control functions include</u></p> <ul style="list-style-type: none"><li>. Control through reports, for the Management Information System (MIS).</li><li>. Control through delegation of financial powers.</li><li>. Control through internal check, coordination and audit.</li></ul>	

Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 04 of 05

**10. Trained Accounts staff under Financial Management**

- PWSS need strong financial management to have financially self supporting water supply unit in Pourashava. It will operate on "no loss basis". Trained PWSS Accountant /Assistant accountant would be placed directly under the PWSS Superintendent for handling day to day financial works of PWSS independently. Accounts staff employment policy would be as follows :

Number of consumers

Accounts staff number

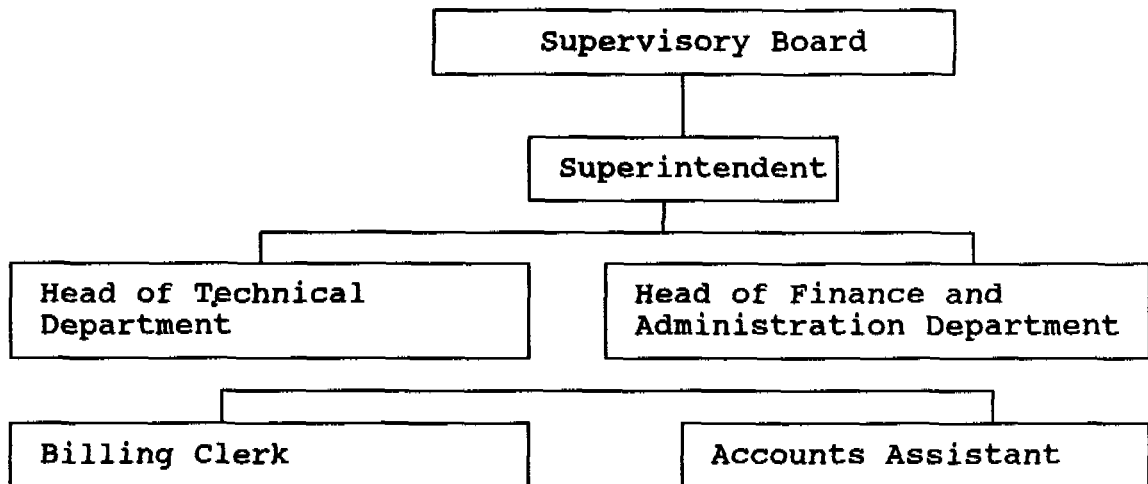
Consumers up to 800

One Asstt. Accountant, one bill clerk, one peon

For every additional of 500 consumers

One additional bill clerk or Accounts Assistant will be appointed.

**PWSS SUPERINTENDENT'S POSITION IN PWSS ORGANOGRAMME IS GIVEN BELOW**



## Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
Section 4 : <b>H A N D O U T</b>	Edition : 23/01/1994
Page : 05 of 05	
<p><b>11. Implementation of PWSS Financial and Accounting System</b></p> <p>The PWSS Financial and Accounting system will be implemented through Dutch Assistance . The introduction will take place in two phases. These phases are defined by first priority and second priority areas.</p> <p><u>The First Priority will cover</u></p> <ul style="list-style-type: none"><li>- Budgetary control for the purpose of planned incomes and expenditures.</li><li>- Customers accounting to ascertain actual income arises through billing.</li><li>- Collection accounting to realize fund for meeting PWSS expenses.</li><li>- Disbursement accounting for all expenses met by cheque and cash.</li></ul> <p><u>The Second Priority will cover</u></p> <ul style="list-style-type: none"><li>- Break-even analysis for fixation of water charges</li><li>- Inventory accounting</li><li>- Fixed asset accounting</li><li>- All control functions of PWSS</li></ul>	



Department of Public Health Engineering

Module : <b>PWSS FINANCIAL MANAGEMENT SYSTEM (EXISTING)</b>	Code : OBF 120
	Edition : 23/01/1994
Annex: <b>VIEWFOILS</b>	Page : 01 of 05
<p><b>TITLE :</b> <span style="float: right;"><b>CODE:</b></span></p> <ol style="list-style-type: none"><li>1. Defects of existing PWSS financial management system <span style="float: right;">OBF 120/V 1</span></li><li>2. Rationale for new PWSS financial system <span style="float: right;">OBF 120/V 2</span></li><li>3. Objectives of new PWSS financial management system <span style="float: right;">OBF 120/V 3</span></li><li>4. PWSS Superintendent's financial duties and responsibilities <span style="float: right;">OBF 120/V 4</span></li></ol>	

ADHOC FINANCIAL MANAGEMENT

IMPROPER BOOK KEEPING

SINGLE ENTRY SYSTEM INSTEAD OF  
DOUBLE ENTRY SYSTEM OF BOOK  
KEEPING

NO SEPARATE BUDGET FOR PWSS

NO INTERNAL CONTROL

FINANCIAL POWER NOT DELEGATED

NO INVENTORY AND FIXED ASSETS  
MANAGEMENT

BREAK EVEN ANALYSIS CONCEPT  
MISSING

REGULAR REPORTING NOT EXISTING

RECOGNIZE PWSS AS A FINANCIALLY  
SELF-SUPPORTING UNIT OF  
POURASHAVA

OPERATE PWSS ON NO LOSS BASIS

ORGANIZE TRAINING TO MAKE PWSS  
CAPABLE OF HANDLING NEW  
FINANCIAL REQUIREMENTS

IMPLEMENT NEW PWSS FINANCIAL  
AND ACCOUNTING SYSTEM

**TO IMPLEMENT THE FINANCIAL  
MANAGEMENT SYSTEM**

**TO BUILD FINANCIALLY VIABLE  
WATER SUPPLY SYSTEM**

**TO INTRODUCE SELF-SUSTAINABLE  
FINANCIAL MANAGEMENT**

**INTRODUCE DOUBLE - ENTRY  
ACCOUNTING**

**PROVIDE OFF-JOB TRAINING TO PWSS  
SUPERINTENDENT**

**PROVIDE OFF-JOB AND ON THE JOB  
TRAINING TO PWSS ACCOUNTANT**

**MUST UPGRADE HIS SKILL FOR  
HANDLING FINANCIAL MANAGEMENT  
SKILL**

**RESPONSIBLE FOR IMPLEMENTING  
FINANCIAL MANAGEMENT SYSTEM**

**CONTROL PWSS FINANCIAL  
MANAGEMENT SYSTEM AND MANAGE  
THE SYSTEM EFFICIENTLY**

**KEEP SUPERVISORY BOARD SATISFIED  
BY SUBMITTING ACCURATE AND  
TIMELY PWSS FINANCIAL REPORTS**

## Department of Public Health Engineering

<b>Module : BUDGETING USING NO LOSS ACCOUNTING SYSTEM</b>	<b>Code : OBF 500</b>
	<b>Edition: 23/01/1994</b>
<b>Section 1 : INFORMATION SHEET</b>	<b>Page : 01 of 01/17</b>
<b>Duration</b> :	<b>135 minutes</b>
<b>Training objectives</b> :	<b>After this session the trainees will be able to:</b> - explain what is a budget; - mention the objectives of budgeting; - state various types of budget.
<b>Trainee selection</b> :	- PWSS Accountant, Assistant Accountant - Accounts Assistant, Bill Clerk
<b>Training aids</b> :	- Viewfoils : OBF 500/V 1-6; - Handout : OBF 500/H 1.
<b>Special features</b> :	
<b>Keywords</b> :	<b>Budget, Budget form, Sales Budget, Income Budget, Expenditure Budget, Break-even analysis, Budget variance report</b>



Department of Public Health Engineering

<b>Module :</b> BUDGETING USING NO LOSS ACCOUNTING SYSTEM	Code : OBF 500
<b>Section 2:</b> SESSION NOTES	Edition: 23/01/1994
<p><b>5. Expenditure budget</b></p> <ul style="list-style-type: none"><li>- Explain that expenditure budget of PWSS include both development expenditure and non-development expenditure and explain the contents of expenditure budgets.</li><li>- Distribute budget format to all trainees and ask them to go through the same. The format has headlines vertically and horizontally. Vertical headings explain heads of expenses.</li><li>- Explain the procedure for preparing budget.</li></ul> <p><b>6. Exercise on Budget Preparation</b></p>	Page : 02 of 02



# Department of Public Health Engineering

<b>Module : BUDGETING USING NO LOSS ACCOUNTING SYSTEM</b>		<b>Code : OBF 500</b>																															
<b>Section 3 : TRAINING AIDS</b>		<b>Edition: 23/01/1994</b>																															
<b>Budget contents</b> <b>OBF 500/V 1</b>	<b>Budget time schedule</b> <b>OBF 500/V 2</b>																																
<p style="text-align: center;">BUDGET CONTENTS</p> <p>ANNUAL FINANCIAL PLAN</p> <p>DEVELOPMENT BUDGET</p> <p>NON-DEVELOPMENT OR REVENUE BUDGET</p> <p>INCOME</p> <p>EXPENDITURE</p> <p style="text-align: center;">OBJECTIVES</p> <p>TO PLAN AND CONTROL</p> <p>INCOME AND EXPENDITURE</p> <p>CAPITAL EXPENDITURES</p>	<p>PREPARATION OF CAPITAL AND REVENUE BUDGET (May Beginning)</p> <p>DISCUSSION ON BUDGET, IN BUDGET COMMITTEE/S.B BY 10TH JUNE</p> <p>FINAL BUDGET SUBMISSION TO CHAIRMAN BY 15TH JUNE</p> <p>BUDGET APPROVAL BY POURASHAVA PARISHAD BY 30TH JUNE</p> <p>QUARTERLY REVIEW BY CHAIRMAN SEPTEMBER, DECEMBER AND MARCH</p> <p>REVISED BUDGET SHOULD BE PREPARED</p> <p>BUDGET VARIANCE REPORT SHOULD BE PREPARED</p>																																
<b>Ascertain water charge</b> <b>OBF 500/V 3</b> <b>Ascertain income</b>	<b>Income budget preparation</b> <b>OBF 500/V 4</b> <b>procedure</b>																																
<p style="text-align: center;">ASCERTAIN WATER CHARGE</p> <p>INCOME BY DIA</p> <p>INCOME BY RESIDENTIAL/ NON-RESIDENTIAL</p> <p>INDUSTRIAL, COMMERCIAL</p> <p style="text-align: center;">ASCERTAIN</p> <p>WATER SALES (FORM - 1)</p> <p>DETERMINE MONTHLY INCOME</p> <p>MULTIPLY BY 12 MONTH AND DETERMINE ANNUAL INCOME</p>	<p style="text-align: center;">INCOME BUDGET PREPARATION PROCEDURE</p> <p>COMPLETE BOTH THE INCOME FORMS WITH BUDGET/ACTUAL AMOUNT (From Water Sales Budget)</p> <p>NEW CONNECTION RELATED ADDITIONAL INCOME</p> <p>WATER TAX ON HOLDING TAX</p> <p>SALES OF FORMS</p> <p>PROPOSED GRANTS/AIDS/LOAN AS ARE IN THE NEXT YEARS' PIPELINE</p>																																
<b>Expenditure budget</b> <b>OBF 500/V 5</b>	<b>Break-even analysis</b> <b>OBF 500/V 6</b>																																
<p style="text-align: center;">EXPENDITURE BUDGET</p> <p>STAFF RELATED EXPENSES: SALARIES, BONUS ETC.</p> <p>WATER RELATED EXPENSES : FUEL, OIL, LUBRICANT, REPAIR</p> <p>OFFICE RELATED EXPENSES : PRINTING, STATIONARY, POSTAGE, TELEPHONE ETC.</p> <p>DEVELOPMENT EXPENSES : BUILDING, PIPELINE, TUBEWELL FURNITURES ETC.</p> <p>PROVISION AND RESERVE : DEPRECIATION, BAD DEBT, ETC.</p> <p>TOTAL REVENUE EXPENSES :</p> <p>TOTAL CAPITAL EXPENSES :</p>	<p style="text-align: center;">BREAK-EVEN ANALYSIS (GENERAL)</p> <p>QUESTION</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>UNIT PRODUCED</td> <td>30,000 UNIT</td> </tr> <tr> <td>FIXED OVER HEAD</td> <td>TK 50,000</td> </tr> <tr> <td>VARIABLE COST PER UNIT</td> <td>TK 1.25 UNIT</td> </tr> <tr> <td>SELLING PRICE PER UNIT</td> <td>TK 2.00</td> </tr> </table> <p>CALCULATE THE BREAK-EVEN POINT (BEP)</p> <p>SOLUTION</p> <p>BEFORE DETERMINING BEP WE SHOULD KNOW CONTRIBUTION AND PROFIT</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>SALES</td> <td>30,000 × 2.00</td> <td>60,000</td> </tr> <tr> <td>LESS: VARIABLE COST</td> <td>30,000 × 1.25</td> <td>37,500</td> </tr> <tr> <td>CONTRIBUTION</td> <td></td> <td>22,500</td> </tr> <tr> <td>LESS: FIXED COST</td> <td></td> <td>50,000</td> </tr> <tr> <td>PROFIT</td> <td></td> <td>27,500</td> </tr> </table> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>BEP</td> <td>FIXED COST / SALES</td> <td>50,000 / 2.00</td> <td>25,000</td> </tr> <tr> <td></td> <td>CONTRIBUTION</td> <td></td> <td>1.25</td> </tr> </table> 		UNIT PRODUCED	30,000 UNIT	FIXED OVER HEAD	TK 50,000	VARIABLE COST PER UNIT	TK 1.25 UNIT	SELLING PRICE PER UNIT	TK 2.00	SALES	30,000 × 2.00	60,000	LESS: VARIABLE COST	30,000 × 1.25	37,500	CONTRIBUTION		22,500	LESS: FIXED COST		50,000	PROFIT		27,500	BEP	FIXED COST / SALES	50,000 / 2.00	25,000		CONTRIBUTION		1.25
UNIT PRODUCED	30,000 UNIT																																
FIXED OVER HEAD	TK 50,000																																
VARIABLE COST PER UNIT	TK 1.25 UNIT																																
SELLING PRICE PER UNIT	TK 2.00																																
SALES	30,000 × 2.00	60,000																															
LESS: VARIABLE COST	30,000 × 1.25	37,500																															
CONTRIBUTION		22,500																															
LESS: FIXED COST		50,000																															
PROFIT		27,500																															
BEP	FIXED COST / SALES	50,000 / 2.00	25,000																														
	CONTRIBUTION		1.25																														

## Department of Public Health Engineering

<b>Module : BUDGETING USING NO LOSS ACCOUNTING SYSTEM</b>	<b>Code : OBF 500</b>
<b>Section 4 : H A N D O U T</b>	<b>Edition : 03/02/1994</b> <b>Page : 01 of 03</b>
<p><b>1. Definition</b></p> <p>In simple budget can said a financial plan of an organization.</p> <p>Budgeting is an inseparable part of an organization. It ensures smooth performance of any programme. Budgetary system will take care of financial planning function of PWSS. PWSS budgetary system will regulate incomes and expenditures, assets and liabilities in a planned manner.</p> <p><b>2. Objectives</b></p> <p>PWSS budgetary system has the objectives to plan and control:</p> <ul style="list-style-type: none"><li>- the income and expenditure;</li><li>- the capital expenditures particularly concerning to development activities;</li><li>- the financing to ensure adequate working capital.</li></ul> <p><b>3. Procedure and process of budgetary system</b></p> <p>Procedure and process of PWSS budgetary system would involve the following :</p> <ul style="list-style-type: none"><li>- in the month of May (beginning), PWSS budget shall be prepared;</li><li>- proposed budget shall be discussed in the Supervisory Board of PWSS prior to approval;</li><li>- budget must be approved by the Pourashava before 30th June each year;</li><li>- both revenue and development budget of PWSS will be prepared in specified form;</li><li>- budget must be reviewed with the actual by the Superintendent and PWSS Supervisory Board on quarterly basis and causes of Variance should be investigated to take appropriate measures.</li><li>- on regular basis, revised or supplementary budget should be prepared to reflect actual income and expenditure of PWSS.</li></ul>	

## Department of Public Health Engineering

Module : <b>BUDGETING USING NO LOSS ACCOUNTING SYSTEM</b>	Code : OBF 500
Section 4 : <b>H A N D O U T</b>	Edition : 03/02/1994 Page : 02 of 03
<p><b>4. Budget forms</b></p> <p>The budget forms for PWSS include both incomes and expenditures. Budget forms are prepared in such a manner that it can accommodate future changes of any middle size PWSS. Budget will be prepared by the PWSS Accountant in consultation with PWSS Superintendent. There are three budget forms :</p> <ol style="list-style-type: none"><li>a. Water Sales Budget.</li><li>b. Income Budget.</li><li>c. Expenditure Budget.</li></ol> <p>a. <u>Water Sales Budget</u></p> <p>It provides detailed water sales budget by dia and meter. Although at present there is no meter system in the Pourashava, yet budget by meter is provided to accommodate the future needs. The bill register will have dia wise actual demand/income analysis for each month. This will help to find out budgeted dia wise connections in future.</p> <p>b. <u>Income budget</u></p> <p>It will be used to estimate item wise income of PWSS for the budget period. All types of possible incomes of WSS, based on the present trend of receipt will be included in this form.</p> <p>c. <u>Expenditure budget</u></p> <ol style="list-style-type: none"><li>i. staff related expenses</li><li>ii. operation and maintenance related expenses</li><li>iii. office related expenses</li><li>iv. development or asset acquisition related expenses</li><li>v. provisions and reserves</li><li>vi. grand total</li></ol>	

## Department of Public Health Engineering

Module : <b>BUDGETING USING NO LOSS ACCOUNTING SYSTEM</b>	Code : OBF 500
	Edition : 03/02/1994
Section 4 : <b>H A N D O U T</b>	Page : 03 of 03
<p><b>5. Break-even analysis</b></p> <p>The object to recognize PWSS as a financially self-supporting unit and to operate it on "no loss basis" the method for fixing water charge rate should be based on the equation where PWSS's total income equates with its total expenses and provisions.</p> <p>In general PWSS expenses are of variable and fixed nature. In addition to the expenses, PWSS will have certain risk and expansion elements in the form of old debt, water loss, expansion, price escalation etc. Which should be considered to arrive at a no loss situation. Water charge rate calculation must, therefore, take into account all factors, where its total income arising out of water charge must equate with all variable expenses, fixed expenses and provisions. This equating point of total income to total expenses and provisions is known as <u>Break-even point</u>. PWSS's future water rate calculation must be based on this 'Break-even Analysis'.</p>	

Department of Public Health Engineering

<b>Module :</b> <b>BUDGETING USING NO LOSS ACCOUNTING SYSTEM</b>	<b>Code :</b> OBF 500														
<b>Annex:</b> <b>VIEWFOILS</b>	<b>Edition :</b> 23/01/1994														
<b>Page :</b> 01 of 07															
<table> <thead> <tr> <th data-bbox="288 641 389 671">TITLE :</th> <th data-bbox="1262 641 1358 671">CODE:</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 811 571 841">1. Budget contents</td> <td data-bbox="1206 811 1390 841">OBF 500/V 1</td> </tr> <tr> <td data-bbox="288 882 639 911">2. Budget time schedule</td> <td data-bbox="1206 882 1390 911">OBF 500/V 2</td> </tr> <tr> <td data-bbox="288 952 663 1016">3. Ascertain water charge Ascertain income</td> <td data-bbox="1206 952 1390 982">OBF 500/V 3</td> </tr> <tr> <td data-bbox="288 1056 852 1086">4. Income budget preparation procedure</td> <td data-bbox="1206 1056 1390 1086">OBF 500/V 4</td> </tr> <tr> <td data-bbox="288 1127 608 1156">5. Expenditure budget</td> <td data-bbox="1206 1127 1390 1156">OBF 500/V 5</td> </tr> <tr> <td data-bbox="288 1197 612 1226">6. Break-even analysis</td> <td data-bbox="1206 1197 1390 1226">OBF 500/V 6</td> </tr> </tbody> </table>		TITLE :	CODE:	1. Budget contents	OBF 500/V 1	2. Budget time schedule	OBF 500/V 2	3. Ascertain water charge Ascertain income	OBF 500/V 3	4. Income budget preparation procedure	OBF 500/V 4	5. Expenditure budget	OBF 500/V 5	6. Break-even analysis	OBF 500/V 6
TITLE :	CODE:														
1. Budget contents	OBF 500/V 1														
2. Budget time schedule	OBF 500/V 2														
3. Ascertain water charge Ascertain income	OBF 500/V 3														
4. Income budget preparation procedure	OBF 500/V 4														
5. Expenditure budget	OBF 500/V 5														
6. Break-even analysis	OBF 500/V 6														

**BUDGET CONTENTS**

**ANNUAL FINANCIAL PLAN**

**DEVELOPMENT BUDGET**

**NON-DEVELOPMENT OR REVENUE  
BUDGET**

**INCOME**

**EXPENDITURE**

**OBJECTIVES**

**TO PLAN AND CONTROL**

**INCOME AND EXPENDITURE**

**CAPITAL EXPENDITURES**

**PREPARATION OF CAPITAL AND  
REVENUE BUDGET (May Beginning)**

**DISCUSSION ON BUDGET, IN BUDGET  
COMMITTEE/S.B BY 10TH JUNE**

**FINAL BUDGET SUBMISSION TO  
CHAIRMAN BY 15TH JUNE**

**BUDGET APPROVAL BY POURASHAVA  
PARISHAD BY 30TH JUNE**

**QUARTERLY REVIEW BY CHAIRMAN  
SEPTEMBER, DECEMBER AND MARCH**

**REVISED BUDGET SHOULD BE  
PREPARED**

**BUDGET VARIANCE REPORT SHOULD  
BE PREPARED**

**ASCERTAIN WATER CHARGE**

**INCOME BY DIA**

**INCOME BY RESIDENTIAL/  
NON-RESIDENTIAL**

**INDUSTRIAL, COMMERCIAL**

**ASCERTAIN**

**WATER SALES (FORM - 1)**

**DETERMINE MONTHLY INCOME**

**MULTIPLY BY 12 MONTH AND  
DETERMINE ANNUAL INCOME**



**INCOME BUDGET PREPARATION  
PROCEDURE**

**COMPLETE BOTH THE INCOME FORMS  
WITH BUDGET/ACTUAL  
AMOUNT (From Water Sales Budget)**

**NEW CONNECTION RELATED  
ADDITIONAL INCOME**

**WATER TAX ON HOLDING TAX**

**SALES OF FORMS**

**PROPOSED GRANTS/AIDS/LOAN AS  
ARE IN THE NEXT YEARS' PIPELINE**

## EXPENDITURE BUDGET

STAFF RELATED EXPENSES:  
SALARIES, BONUS ETC.

WATER RELATED EXPENSES :  
FUEL, OIL, LUBRICANT, REPAIR

OFFICE RELATED EXPENSES :  
PRINTING, STATIONARY,  
POSTAGE, TELEPHONE ETC.

DEVELOPMENT EXPENSES :  
BUILDING, PIPELINE, TUBEWELL  
FURNITURES ETC.

PROVISION AND RESERVE :  
DEPRECIATION, BAD DEBT, ETC.

TOTAL REVENUE EXPENSES :

TOTAL CAPITAL EXPENSES :

**BREAK EVEN ANALYSIS (GENERAL)**

**QUESTION:**

UNIT PRODUCED : 20,000 UNIT  
 FIXED OVER HEAD : TK.50,000  
 VARIABLE COST PER UNIT : TK. 6  
 SELLING PRICE PER UNIT : TK.10

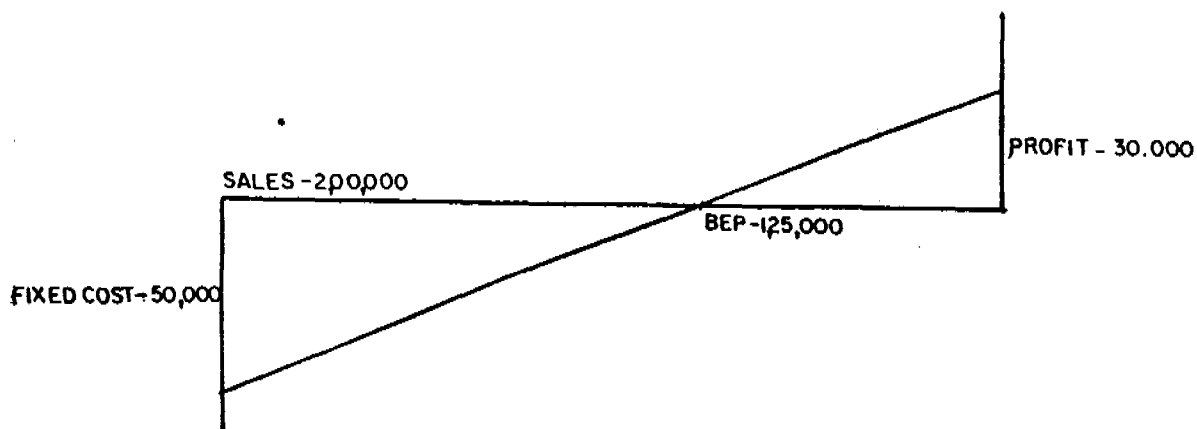
**CALCULATE THE BREAK EVEN POINT (BEP)**

**SOLUTION:**

BEFORE DETERMINING BEP WE SHOULD KNOW CONTRIBUTION AND PROFIT.

SALES	: 20,000 * 10	2,00,000
LESS	: VARIABLE COST 20,000 * 6	1,20,000
		-----
CONTRIBUTION:		80,000
LESS	: FIXED COST	50,000
		-----
PROFIT		30,000

$$\text{BEP} : \frac{\text{FIXED COST} * \text{SALES}}{\text{CONTRIBUTION}} = \frac{50,000 * 2,00,000}{80,000} = \text{Tk. } 1,25,000$$



Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION ADMINISTRATION</b>		Code : OBF 510
		Edition: 23/01/1994
Section 1 : <b>I N F O R M A T I O N S H E T</b>		Page : 01 of 01/16
Duration	:	45 minutes
Training objectives	:	<p>After this session the trainees will be able to:</p> <ul style="list-style-type: none"> <li>- supervising the billing;</li> <li>- bill collection;</li> <li>- objectives of billing;</li> <li>- functions of billing;</li> <li>- procedure of billing;</li> <li>- bank collection statement;</li> <li>- bill register;</li> <li>- customer ledger.</li> <li>- receipt</li> <li>- credit voucher</li> <li>- collection register</li> </ul>
Trainee selection	:	<ul style="list-style-type: none"> <li>- PWSS Accountant, Assistant Accountant</li> <li>- Accounts Assistant, Bill Clerk</li> </ul>
Training aids	:	<ul style="list-style-type: none"> <li>- Viewfoils : OBF 510/V 1-7;</li> <li>- Handout : OBF 510/H 1.</li> </ul>
Special features	:	Bills/Billing/Bill collection/Bank Collection
Keywords		

## Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION/ADMINISTRATION</b>	Code : OBF 510
Section 2: <b>SESSION NOTES</b>	Edition: 23/01/1994
<p><b>1. Introduction</b></p> <ul style="list-style-type: none"> <li>- Introduce yourself to the trainees for introduction.</li> <li>- Inform about the subject heading of the training.</li> </ul> <p><b>2. Objectives</b></p> <ul style="list-style-type: none"> <li>- Explain what is bill.</li> <li>- Explain how it is issued</li> </ul> <p><b>3. Functions</b></p> <ul style="list-style-type: none"> <li>- Explain the functions of bill.</li> </ul> <p><b>4. Forms and register of billing</b></p> <ul style="list-style-type: none"> <li>- Explain the related forms and register of billing.</li> </ul> <p><b>5. Procedure of billing and collection</b></p> <ul style="list-style-type: none"> <li>- Explain the procedure of billing.</li> <li>- Explain the procedure of bill collection.</li> </ul> <p><b>6. Function of collecting Bank</b></p> <ul style="list-style-type: none"> <li>- Explain the function of collecting bank.</li> </ul> <p><b>7. Use of bill register</b></p> <ul style="list-style-type: none"> <li>- Explain the use of bill register.</li> <li>- Explain what is available from bill register.</li> </ul> <p><b>8. Customer Ledger</b></p> <ul style="list-style-type: none"> <li>- Explain the detailed function of customer ledger</li> </ul> <p><b>9. Exercise, Bill, Bill Register, Customer Ledger</b></p>	<p>Lecture</p> <p>Show V 1</p> <p>Show V 2</p> <p>Show V 3</p> <p>Show V 4</p> <p>Show V 5</p> <p>Show V 6</p> <p>Show V 7</p>

Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION/ADMINISTRATION</b>		Code : <b>OBF 510</b>
		Edition: <b>23/01/1994</b>
Section 3 : <b>TRAINING AIDS</b>		Page : <b>01 of 02</b>
<p><b>Objectives</b> <span style="float: right;"><b>OBF 510/V 1</b></span></p> <p>BILL IS A DOCUMENTARY EVIDENCE GIVEN TO THE CUSTOMER TO PAY CERTAIN SUM OF MONEY.</p> <p>BILL MUST BE ISSUED REGULARLY</p> <p>BILLING SYSTEM SHOULD BE SIMPLIFIED</p> <p>ARREAR BILL SHOULD BE MENTIONED IN THE CURRENT BILL</p>	<p><b>Functions</b> <span style="float: right;"><b>OBF 510/V 2</b></span></p> <p>TO INFORM THE CONSUMER ABOUT HIS PAYMENT</p> <p>TO MAINTAIN INDIVIDUAL CONSUMER ACCOUNT</p> <p>TO PREPARE OUTSTANDING POSITION OF EACH CONSUMER ON A PARTICULAR DATE</p>	
<p><b>Related forms and register</b> <span style="float: right;"><b>OBF 510/V 3</b></span></p> <p>CONSUMER BILL (FORMS)</p> <p>BILL REGISTER (REGISTER)</p> <p>CUSTOMER LEDGER (REGISTER)</p>	<p><b>Procedure of billing</b> <span style="float: right;"><b>OBF 510/V 4</b></span></p> <p>INDIVIDUAL BILL TO BE ISSUED</p> <p>BILL WILL BE ISSUED IN TRIPPLICATE</p> <p>ALL PARTICULAR OF CUSTOMER MUST BE AVAILABLE IN BILL</p> <p>BILL FOR EACH MONTH SHOULD BE PREPARED</p> <p>DUE DATE FOR PAYMENT SHOULD BE FIXED IN THE BILL</p> <p>ALL BILLS SHOULD BE SIGNED BY THE SUPERINTENDENT</p> <p>BILL SHOULD BE COLLECTED THROUGH BANK</p>	
<p><b>Functions of collecting Bank</b> <span style="float: right;"><b>OBF 510/V 5</b></span></p> <p>SELECTED BANK/BANKS SHOULD COLLECT MONEY FROM CONSUMER AGAINST BILL</p> <p>BANK MUST SUBMIT WEEKLY BANK STATEMENT</p> <p>MONEY FROM COLLECTING BANK SHOULD BE TRANSFERRED TO STD ACCOUNT AS PER INSTRUCTION OF PWSS</p>	<p><b>Functions of bill register</b> <span style="float: right;"><b>OBF 510/V 6</b></span></p> <p>THE BILL REGISTER IS A LEGAL DEMAND REGISTER TO ASCERTAIN THE MONTHLY INCOME</p> <p>MONTHLY TOTAL INCOME IS KNOWN FROM BILL REGISTER</p> <p>TOTAL OF BILL REGISTER SHOULD BE POSTED TO THE DEBIT SIDE OF THE CUSTOMER RECEIVABLE ACCOUNT THROUGH JOURNAL VOUCHER</p> <p>AND CREDIT TO RESPECTIVE INCOME ACCOUNT THROUGH JOURNAL VOUCHER</p>	

# Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION/ADMINISTRATION</b>		Code : <b>OBF 510</b>
		Edition: <b>23/01/1994</b>
<b>Section 3 : TRAINING AIDS</b>		Page : <b>02 of 02</b>
<b>Functions of Customer Ledger</b>	<b>OBF 510/V 7</b>	
<p>EACH CUSTOMER ACCOUNT MUST BE OPENED IN THE CUSTOMER LEDGER</p> <p>ON THE BASIS OF MONTHLY BILL REGISTER DEBIT COLUMN OF CUSTOMER LEDGER WILL BE RECORDED</p> <p>CREDIT ENTRIES SHOULD BE GIVEN ON THE BASIS OF THE WEEKLY BANK STATEMENT</p> <p>AFTER MAKING EVERY POSTING CUSTOMER ACCOUNT SHOULD BE BALANCED</p> <p>DEFAULT CUSTOMER SCHEDULE, AGEING SCHEDULE AND BAD DEBT PROVISION SHOULD BE MADE ON THE BASIS OF CUSTOMER LEDGER</p>		
		<b>Billing, Bill Collection/Administration</b>
		<b>OBF 510/ H 1</b>

## Department of Public Health Engineering

<b>Module : BILLING, BILL COLLECTION/ADMINISTRATION</b>	<b>Code : OBF 510</b>
	<b>Edition : 23/01/1994</b>
<b>Section 4 : H A N D O U T</b>	<b>Page : 01 of 04</b>
<p><b>1. What is bill ?</b></p> <ul style="list-style-type: none"><li>- A bill is a documentary evidence given to the customer to pay certain sum of money.</li></ul> <p><b>2. Objectives</b></p> <ul style="list-style-type: none"><li>- Following are the objectives of the Customer Accounting :<ul style="list-style-type: none"><li>- individual bill must be issued promptly covering all dues receivable from the customer.</li><li>- simplified system should be established to ensure that the bills are regularly issued and collections are done through banks.</li><li>- PWSS billing system should be such that month end incomes are ascertained by class of customers and consumers by dia.</li><li>- Month-end default consumers list will be prepared to ascertain ageing of each customer's balance and bad debts, if any, are there.</li></ul></li></ul> <p><b>3. Functions</b></p> <ul style="list-style-type: none"><li>- Customer Accounting aims to perform the functions of customer billing, to maintain individual consumers account and to prepare outstanding position of each consumer as on a particular date.</li></ul> <p><b>4. Related Form/Register</b></p> <ul style="list-style-type: none"><li>- There are in all three (3) customer Accounts related register and ledger. These are named below :<ul style="list-style-type: none"><li>- Consumers Bill (Forms)</li><li>- Bill Register (Register)</li><li>- Customer Ledger (Register)</li></ul></li></ul> <p>All above stated forms and registers should be maintained by billing clerk of PWSS.</p>	

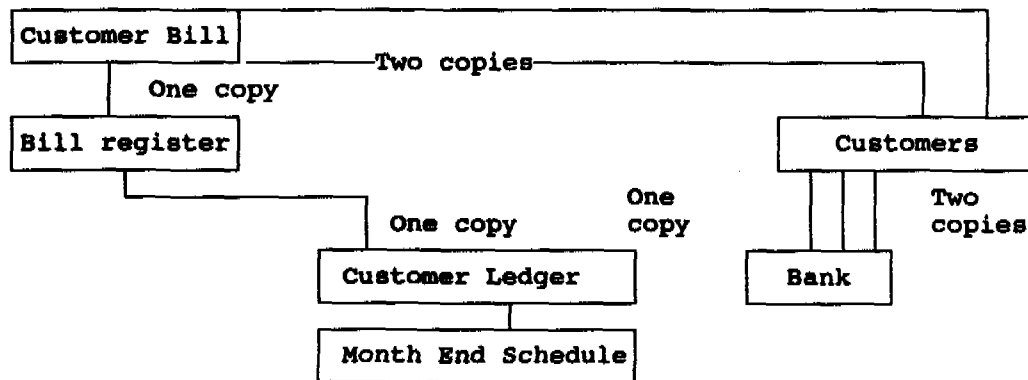


## Department of Public Health Engineering

Module : BILLING, BILL COLLECTION/ADMINISTRATION	Code : OBF 510
	Edition : 23/01/1994
Section 4 : H A N D O U T	Page : 02 of 04

### 5. Function Flow

- Internal flow of bill for processing customers accounting is as follows



### 6. Processing procedures / Procedure of Billings

#### Billing

- Bill will be issued in triplicate. First and second copies to be issued to customer for depositing payments to Bank. After acknowledging the payment, bank will return original copy to the customer and duplicate copy to PWSS will write bill register.
- All particulars of the customer must be available from the bill.
- A cut-off date for billing should be established covering bill time from 21st of previous month to 20th of current month.
- Bill for each month must be prepared, completed and despatched within 21st to 30th of each current month to ensure that bills are reaching to all customers within their pay period.
- Due date of bill payment should be fixed up to 15th of next month. Any payment made after 15th of next month for a current month's bill should incur surcharge @ 5 percent of the water charge.
- All bills must be prepared and checked by the Assistant Accountant and signed by Superintendent of PWSS.
- All bills must be collected through duly appointed bankers. No cash collection of bill to be allowed.

## Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION/ADMINISTRATION</b>	Code : OBF 510
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 03 of 04
<p><b>7. Weekly Bank Collection Statement</b></p> <ul style="list-style-type: none"><li>- Selected bank/banks must collect money from consumers against bill and must realize surcharge from the customer after expiry of due date.</li><li>- All bank collections must be recorded by the bank in one specified non-cheque collection bank account.</li><li>- A weekly statement of the bank collection account should be submitted by the bank to PWSS on the first day of the week after collection</li><li>- If there is more than one collection bank account, the balance of all these accounts will automatically be transferred to the central bank account at the month end.</li></ul> <p><b>8. Bill Register</b></p> <ul style="list-style-type: none"><li>- This is a legal demand register to ascertain the monthly billing.</li><li>- On the basis of bills issued, one <u>bill register</u> for PWSS should be maintained to ascertain monthly total income under each income head.</li><li>- Income recorded in this bill register will provide month end income by head.</li><li>- Amount under bill register will be analyzed and water charge income will be posted in the register by dia.</li><li>- Total income under different heads should be directly posted to the debit side of customer's receivable account and credited to respective income account in the General Ledger.</li><li>- Individual customer's total bill amount will be debited to respective customer account in the customer ledger giving respective folio number of the bill register.</li></ul>	

## Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION/ADMINISTRATION</b>	Code : OBF 510
Section 4 : <b>H A N D O U T</b>	Edition : 23/01/1994
Page : 04 of 04	
<p><b>9. Customer Ledger</b></p> <ul style="list-style-type: none"><li>- On the basis of connection order and other references, each customer account must be opened in the customer ledger. Customer ledger will contain all particulars of the customer.</li><li>- On the basis of monthly bills, particular columns and debit particulars of customer ledger to be recorded.</li><li>- After recording the bill information a counter checking done referring to bill register.</li><li>- After having the weekly bank collection statement, credit entries to customer ledger should be given. <u>Counter check</u> may be confirming that all collections are duly accounted for by the PWSS.</li><li>- At the end of each <u>month</u> total debit and credit should be balanced and balance amount to be recorded indicating <u>the year to date</u> receivable of the customer concerned.</li><li>- In case of default a notice to consumer must be served as reminder. The management should know the balance position of each customer's account.</li><li>- Default customer schedule, Ageing schedule and Bad debt schedule should be prepared by assistant accountant with the help of the balances appearing in the customer ledger at the end of each year.</li></ul>	

**Department of Public Health Engineering**

<b>Module :</b> BILLING, BILL COLLECTION/ADMINISTRATION	<b>Code :</b> OBF 510
	<b>Edition :</b> 23/01/1994
<b>Annex:</b> VIEWFOILS	<b>Page :</b> 01 of 08
 <b>TITLE :</b>	
 <b>CODE:</b>	
1. Objectives	OBF 510/V 1
2. Functions	OBF 510/V 2
3. Related forms and register	OBF 510/V 3
4. Procedure of billing	OBF 510/V 4
5. Functions of collection bank	OBF 510/V 5
6. Functions of bill register	OBF 510/V 6
7. Functions of customer ledger	OBF 510/V 7

BILL IS A DOCUMENTARY EVIDENCE  
GIVEN TO THE CUSTOMER TO PAY  
CERTAIN SUM OF MONEY.

BILL MUST BE ISSUED REGULARLY

BILLING SYSTEM SHOULD BE  
SIMPLIFIED

ARREAR BILL SHOULD BE MENTIONED  
IN THE CURRENT BILL

TO INFORM THE CONSUMER ABOUT  
HIS PAYMENT

TO MAINTAIN INDIVIDUAL CONSUMER  
ACCOUNT

TO PREPARE OUTSTANDING POSITION  
OF EACH CONSUMER ON A  
PARTICULAR DATE

CONSUMER BILL (FORMS)

BILL REGISTER (REGISTER)

CUSTOMER LEDGER (REGISTER)

INDIVIDUAL BILL TO BE ISSUED

BILL WILL BE ISSUED IN TRIPLICATE

ALL PARTICULAR OF CUSTOMER MUST  
BE AVAILABLE IN BILL

BILL FOR EACH MONTH SHOULD BE  
PREPARED

DUE DATE FOR PAYMENT SHOULD BE  
FIXED IN THE BILL

ALL BILLS SHOULD BE SIGNED BY THE  
SUPERINTENDENT

BILL SHOULD BE COLLECTED  
THROUGH BANK



SELECTED BANK/BANKS SHOULD  
COLLECT MONEY FROM  
CONSUMER AGAINST BILL

BANK MUST SUBMIT WEEKLY BANK  
STATEMENT

MONEY FROM COLLECTING BANK  
SHOULD BE TRANSFERRED TO STD  
ACCOUNT AS PER  
INSTRUCTION OF PWSS

THE BILL REGISTER IS A LEGAL  
DEMAND REGISTER TO ASCERTAIN  
THE MONTHLY INCOME

MONTHLY TOTAL INCOME IS KNOWN  
FROM BILL REGISTER

TOTAL OF BILL REGISTER  
SHOULD BE POSTED TO THE DEBIT  
SIDE OF THE CUSTOMER RECEIVABLE  
ACCOUNT THROUGH JOURNAL  
VOUCHER

AND CREDIT TO RESPECTIVE INCOME  
ACCOUNT THROUGH JOURNAL  
VOUCHER

EACH CUSTOMER ACCOUNT MUST BE  
OPENED IN THE CUSTOMER LEDGER

ON THE BASIS OF MONTHLY BILL  
REGISTER DEBIT COLUMN OF  
CUSTOMER LEDGER WILL BE  
RECORDED

CREDIT ENTRIES SHOULD BE GIVEN  
ON THE BASIS OF THE WEEKLY BANK  
STATEMENT

AFTER MAKING EVERY POSTING  
CUSTOMER ACCOUNT SHOULD BE  
BALANCED

DEFAULT CUSTOMER SCHEDULE,  
AGEING SCHEDULE AND BAD DEBT  
PROVISION SHOULD BE MADE ON THE  
BASIS OF CUSTOMER LEDGER

## Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER COLLECTION REGISTER</b>		Code : OBF 201
		Edition: 23/01/1994
Section 1 : <b>I N F O R M A T I O N S H E T</b>		Page : 01 of 01/12
Duration	:	45 minutes
Training objectives	:	After this session the trainees will be able to: - collection accounting; - customer accounting.
Trainee selection	:	- PWSS Accountant, Assistant Accountant, - Accounts Assistant and Bill Clerk - Exercise
Training aids	:	- Viewfoils : OBF 201/V 1; - Handout : OBF 201/H 1; - Blank format
Special features	:	
Keywords	:	Bank advice/ Bank statement/Receipt.

Department of Public Health Engineering

<b>Module :</b> BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER, COLLECTION REGISTER	<b>Code :</b> OBF 201
	<b>Edition:</b> 23/01/1994
<b>Section 2:</b> SESSION NOTES	<b>Page :</b> 01 of 01
<p><b>1. Exchange Greeting</b></p> <p><b>2. Explain the term Collection Accounting and Customer Accounting</b></p> <p><b>3. Explain the Objectives of Collection Accounting</b></p> <p><b>4. Explain the Functions of Collection Accounting</b></p> <p><b>5. Source Documents of Collection Accounting</b></p> <p><b>6. Explain the Process of Collection</b></p> <p><b>7. Explain How the Entries will be Recorded in the Collection Register</b></p>	<p>Lecture</p> <p>Lecture</p> <p>Show V 1</p> <p>Show V 2</p> <p>Show V 3</p> <p>Show V 4</p> <p>Show V 5</p>

Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER, COLLECTION REGISTER</b>		Code : OBF 201
		Edition: 23/01/1994
Section 3 : <b>TRAINING AIDS</b>		Page : 01 of 01
<p><b>Objectives</b> <span style="float: right;">OBF 201/V 1</span></p> <p>TO MAKE TIMELY BILLING OF MONTHLY DEMAND</p> <p>TO MAKE TIMELY COLLECTION FROM CUSTOMER</p> <p>TO BANK ALL COLLECTION / COLLECTION THROUGH BANK EXCEPT MISCELLANEOUS RECEIPTS</p>	<p><b>Functions</b> <span style="float: right;">OBF 201/V 2</span></p> <ul style="list-style-type: none"> <li>- RECEIVING WEEKLY BANK COLLECTION STATEMENT WITH DUPLICATE COPY OF THE BILLS</li> <li>- COMPARING BILL AMOUNT WITH THE AMOUNT WITHIN IN THE STATEMENT</li> <li>- WRITING THE CASH AND BANK COLLECTION REGISTER</li> </ul>	
<p><b>Source documents of collection accounting</b> <span style="float: right;">OBF 201/V 3</span></p> <ul style="list-style-type: none"> <li>- BANK ADVICE / WEEKLY BANK COLLECTION STATEMENT</li> <li>- DUPLICATE PAID BILL COPY</li> <li>- OFFICIAL RECEIPTS</li> </ul>	<p><b>Process of collection</b> <span style="float: right;">OBF 201/V 4</span></p> <ul style="list-style-type: none"> <li>- BILL WILL BE ISSUED REGULARLY AND TIMELY</li> <li>- BILL WILL BE DISTRIBUTED IN TIME TO CUSTOMER</li> <li>- CUSTOMER WILL PAY THEIR WATER BILL IN BANK</li> <li>- COLLECTING BANK WILL PROVIDE WEEKLY BANK STATEMENT TO PWSS</li> <li>- MISCELLANEOUS COLLECTION IN CASH ISSUING OFFICIAL RECEIPTS</li> </ul>	
<p><b>Recording procedure of collection register</b> <span style="float: right;">OBF 201/V 5</span></p> <p><u>CASH COLLECTION</u></p> <p>ALL CASH RECEIVED WOULD BE RECORDED UNDER CASH COLUMN OF THE COLLECTION REGISTER</p> <p>A CONTRA ENTRY WILL BE MADE IN THE COLLECTION REGISTER WHEN THE SAME WILL BE DEPOSIT IN TO THE BANK</p> <p>NO EXPENDITURE COULD BE MADE FROM THE AMOUNT COLLECTED IN CASH</p> <p><u>BANK COLLECTION</u></p> <p>ON THE BASIS OF THE WEEKLY BANK STATEMENT SUPPLIED BY THE BANK THE COLLECTION REGISTER WILL BE RECORDED</p> <p>ALL THE AMOUNT (CASH/BANK) COLLECTED WILL BE POSTED IN THE GENERAL LEDGER ACCORDING TO THE HEAD OF ACCOUNT</p> <p>AMOUNT TRANSFERRED TO STD WILL BE CREDITED IN THE COLLECTION ACCOUNT (IN GENERAL LEDGER)</p>		

## Department of Public Health Engineering

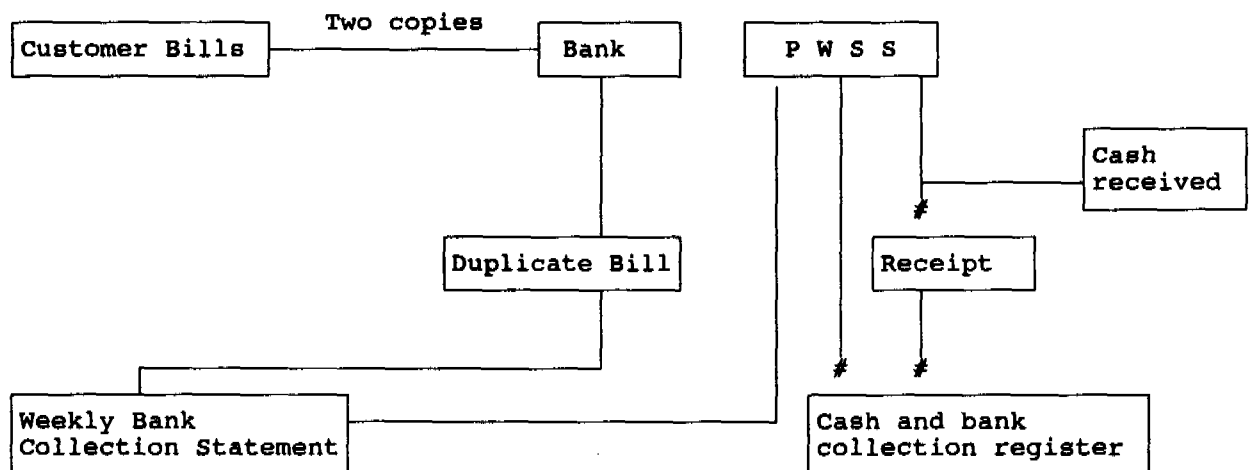
Module : <b>BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER, COLLECTION REGISTER</b>	Code : OBF 201
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 01 of 03
<p><u>Collection Accounting</u></p> <p><b>1. Objectives</b></p> <ul style="list-style-type: none"><li>- The objective of collection accounting are :<ul style="list-style-type: none"><li>- timely billing of monthly demand.</li><li>- timely collection from customer.</li><li>- collection of monthly bill through bank.</li></ul></li></ul> <p><b>2. Functions</b></p> <ul style="list-style-type: none"><li>- Collection accounting performs the following functions :<ul style="list-style-type: none"><li>- receiving weekly bank collection statement with duplicate copy of the bills.</li><li>- comparing bill amount with the amount written in the Bank statement.</li><li>- recording cash and bank collection in the collection register.</li></ul></li></ul> <p><b>3. Collection Related Source Document, Statement and Register</b></p> <ul style="list-style-type: none"><li>- Following documents and register will be used for collection accounting :<ul style="list-style-type: none"><li>- Bank advice along with weekly bank collection statement.</li><li>- Official receipt.</li><li>- Cash and bank Collection Register.</li></ul></li></ul>	

## Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER, COLLECTION REGISTER</b>	Code : OBF 201
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 02 of 03

### 4. Function Flow

- Internal flow of bank collection statement for processing collection account will be as follows :



3 copies bills will be issued. 1st and 2nd copies will be given to customer 1 copy (last copy) will remain in the office by which entry in the bill register and posting in the debit side of customer ledger will be made. For making payment customer will deposit the amount and 2 copies of bill in bank. Bank will hand over one copy of bill giving seal of cash received and signed by the official. At the end of the week bank will submit a bank statement and one copy of paid bill to PWSS. PWSS will up date the collection register and credit side of customer ledger by the help of Bank Statement and paid copy of bill.

Cash received should be supported by official receipts and all cash collection should be recorded in the collection register.

### 5. Collection Accounting Instructions :

All bill will be collected through bank. Bank will prepare "Weekly Bank Collection Statement" and submit this to PWSS together with duplicate paid copy of the bills collected from customers. This statement and bills will be used as Bank advice. For miscellaneous collection PWSS accountant will collect cash and issue "official receipts" in duplicate. Original copy of the receipt will be handed over to the payee and duplicate will be retained by PWSS.

All cash received under official receipt will be deposited in to bank account in tact. Collected cash will not be used for office expenses.



Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER, COLLECTION REGISTER</b>	Code : OBF 201
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 03 of 03

All cash received through "official receipt" would be recorded under "cash" columns of the cash and bank collection register providing corresponding credits to respective Heads of Accounts. After depositing entire cash collected by PWSS in to bank via bank pay slip a contra entry will be made by debiting "bank" and crediting cash column in cash and bank collection register.

On the basis of weekly bank collection statement supplied by the bank, cash and bank collection register will be recorded. For all collection bank column of the register will be debited and individual credit will be given to account receivable.

The total of different accounts appearing in the register will be posted to respective accounts in the General Ledger through direct posting. At the end of each month bank reconciliation statement should be prepared. Daily cash and bank balance report should also be prepared.

Department of Public Health Engineering

Module : <b>BILLING, BILL COLLECTION, RECEIPT, CREDIT VOUCHER, COLLECTION REGISTER</b>	Code : OBF 201
	Edition : 23/01/1994
Annex: <b>VIEWFOILS</b>	Page : 01 of 06
 <b>TITLE :</b> <span style="float: right;"><b>CODE:</b></span>	
1. Objectives of Collection Accounting	OBF 201/V 1
2. Functions of Collection Accounting	OBF 201/V 2
3. Source Documents of Collection Accounting	OBF 201/V 3
4. Process of Collection	OBF 201/V 4
5. Recording Procedure of Collection Register	OBF 201/V 5

**TO MAKE TIMELY BILLING OF  
MONTHLY DEMAND**

**TO MAKE TIMELY COLLECTION FROM  
CUSTOMER**

**TO BANK ALL COLLECTION /  
COLLECTION THROUGH BANK  
EXCEPT MISCELLANEOUS RECEIPTS**

- RECEIVING WEEKLY BANK  
COLLECTION STATEMENT WITH  
DUPLICATE COPY OF THE BILLS
  
- COMPARING BILL AMOUNT WITH  
THE AMOUNT WITHIN IN THE  
STATEMENT
  
- WRITING THE CASH AND BANK  
COLLECTION REGISTER

- BANK ADVICE / WEEKLY BANK  
COLLECTION STATEMENT

- DUPLICATE PAID BILL COPY

- OFFICIAL RECEIPTS

- BILL WILL BE ISSUED REGULARLY AND TIMELY
  
- BILL WILL BE DISTRIBUTED IN TIME TO CUSTOMER
  
- CUSTOMER WILL PAY THEIR WATER BILL IN BANK
  
- COLLECTING BANK WILL PROVIDE WEEKLY BANK STATEMENT TO PWSS
  
- MISCELLANEOUS COLLECTION IN CASH ISSUING OFFICIAL RECEIPTS

CASH COLLECTION

- ALL CASH RECEIVED WOULD BE RECORDED UNDER CASH COLUMN OF THE COLLECTION REGISTER
- A CONTRA ENTRY WILL BE MADE IN THE COLLECTION REGISTER WHEN THE SAME WILL BE DEPOSIT IN TO THE BANK
- NO EXPENDITURE COULD BE MADE FROM THE AMOUNT COLLECTED IN CASH

BANK COLLECTION

- ON THE BASIS OF THE WEEKLY BANK STATEMENT SUPPLIED BY THE BANK THE COLLECTION REGISTER WILL BE RECORDED
- ALL THE AMOUNT (CASH/BANK) COLLECTED WILL BE POSTED IN THE GENERAL LEDGER ACCORDING TO THE HEAD OF ACCOUNT
- AMOUNT TRANSFERRED TO STD WILL BE CREDITED IN THE COLLECTION ACCOUNT (IN GENERAL LEDGER)

## Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>		<b>Code : OBF 541</b>
		<b>Edition: 23/01/1994</b>
<b>Section 1 : INFORMATION SHEET</b>		<b>Page : 01 of 11</b>
<b>Duration</b>	<b>:</b>	<b>90 minutes</b>
<b>Training objectives</b>	<b>:</b>	<b>After this session the trainees will be able to:</b> <ul style="list-style-type: none"> <li>- bank payment voucher;</li> <li>- petty cash voucher;</li> <li>- bank disbursement register;</li> <li>- petty cash register</li> </ul>
<b>Trainee selection</b>	<b>:</b>	<ul style="list-style-type: none"> <li>- PWSS Accountant, Assistant Accountant</li> <li>- Accounts Assistant, Bill Clerk.</li> </ul>
<b>Training aids</b>	<b>:</b>	<ul style="list-style-type: none"> <li>- Viewfoils : OBF 541/V 1-3</li> <li>- Handout : OBF 541/H 1-4</li> <li>- Blank format</li> <li>- Exercise</li> </ul>
<b>Special features</b>	<b>:</b>	
<b>Keywords</b>	<b>:</b>	<b>Disbursement/Debit Voucher/Credit Voucher/Petty Cash</b>



## Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>	<b>Code : OBF 541</b>
	<b>Edition: 23/01/1994</b>
<b>Section 2: SESSION NOTES</b>	<b>Page : 01 of 01</b>
<p><b>1. Introduction</b></p> <ul style="list-style-type: none"> <li>- Introduce yourself to the trainees and ask for trainees introduction.</li> </ul>	<p>Lecture</p>
<p><b>2. Explain the objectives of Disbursement</b></p>	<p>Lecture</p>
<p><b>3. Introduce the Subject Matter of the Session that is:</b></p> <ul style="list-style-type: none"> <li>- Bank payment voucher (debit)</li> <li>- Credit voucher</li> <li>- Petty cash voucher</li> <li>- Bank disbursement register</li> <li>- Petty cash register</li> </ul>	<p>Lecture</p>
<p><b>4. Explain the Procedure of Disbursement</b></p>	<p>Show V 1</p>
<p><b>5. Explain the payment made by cheque</b></p>	<p>Show V 2</p>
<p><b>6. Explain the Payment made by Cash</b></p>	<p>Show V 3</p>
<p><b>7. Exercise</b></p> <ul style="list-style-type: none"> <li>- How to prepare bank payment voucher;</li> <li>- How to prepare credit voucher;</li> <li>- How to prepare petty cash voucher</li> <li>- How to write bank disbursement register</li> <li>- How to write petty cash register</li> </ul>	<p>Question</p> <p>Blank format</p>

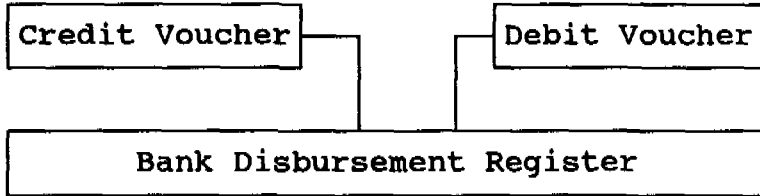
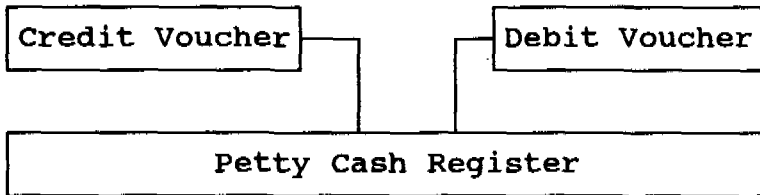
# Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>		<b>Code : OBF 541</b>
		<b>Edition: 23/01/1994</b>
<b>Section 3 : TRAINING AIDS</b>		<b>Page : 01 of 01</b>
<b>Procedure of disbursement OBF 541/V 1</b> PAYMENT SHOULD BE MADE THROUGH BANK (STD A/C)  PAYMENT WILL BE MADE THROUGH ACCOUNT PAYEE CHEQUE  NO PAYMENT WILL BE MADE FROM BANK COLLECTION ACCOUNT  EXPENSES BELOW Tk.100/- MAY BE MADE FROM PETTY CASH  PETTY CASH IMPREST ACCOUNT WILL BE Tk.1000/- ONLY  PAYMENT SHOULD BE MADE BY ISSUING DEBIT VOUCHER (BANK, PETTY CASH)  ANY TRANSFER MUST BE MADE BY CREDIT VOUCHER  ALL VOUCHER MUST BE SUPPORTED BY PROPER SUPPORTING	<b>Payment made by Cheque OBF 541/V 2</b> PAYMENT SHOULD BE MADE FROM BANK STD A/C  FUND SHOULD BE TRANSFERRED FROM BANK COLLECTION A/C  A CREDIT VOUCHER SHOULD BE ISSUED FOR EVERY TRANSFER  A DEBIT VOUCHER SHOULD BE PREPARED FOR EVERY PAYMENT  PAYMENT MUST BE APPROVED BY APPROVING AUTHORITY  THERE MUST BE A HEAD OF ACCOUNT FOR EVERY PAYMENT  VOUCHER SHOULD BE SIGNED BY THE CHEQUE SIGNATORIES  AMOUNT PAID SHOULD BE RECORDED IN THE DISBURSEMENT REGISTER	
<b>Payment made by cash OBF 541/V 3</b>  AMOUNT UP TO TK.100/- OR LESS THAN 100/- SHOULD BE PAID FROM PETTY CASH  PETTY CASH IMPREST ACCOUNT WILL BE Tk.1000/-  A PETTY CASH VOUCHER SHOULD BE PREPARED FOR EVERY PAYMENT  PETTY EXPENSES WILL BE RECORDED IN PETTY CASH REGISTER  MONTHLY PETTY EXPENSES SHOULD BE CALCULATED AND REQUIREMENTS FOR NEW FUND ASCERTAINED  PETTY EXPENSES SHOULD BE POSTED IN THE GENERAL LEDGER		

## Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>	Code : OBF 541
<b>Section 4 : H A N D O U T S</b>	Edition : 23/01/1994
<b>Disbursement Accounting</b>	
<b>1. Objectives</b>	
<p>The disbursement accounting has the following objectives :</p>	
<ul style="list-style-type: none"><li>- disbursement fund should not be mixed with collection fund;</li><li>- cash disbursement should be kept at a minimum;</li><li>- disbursement accounts must have clearly identified Cash and Bank balance.</li></ul>	
<b>2. Disbursement Accounting Forms and Register</b>	
<p>Following form and register have been designed to use for disbursement accounting :</p>	
<ul style="list-style-type: none"><li>- Credit Voucher (Form);</li><li>- Debit Voucher (Form);</li><li>- Petty Cash Voucher (Form);</li><li>- Bank Disbursement Register (Register);</li><li>- Petty Cash Register (Register).</li></ul>	
<p>These forms and register will be maintained by an accountant / Assistant Accountant.</p>	

## Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> Bank Disbursement Register, Petty Cash Register, Bank Payment voucher, Petty Cash voucher	Code : OBF 541
	Edition : 23/01/1994
<b>Section 4 : H A N D O U T S</b>	Page : 02 of 04
<p><b>3. Function flow</b></p> <p>There will be two types of payments. Payment by cheque and Payment in cash. Internal flow of disbursement functions are as follows :</p> <p><u>Payment by Cheque</u></p>  <pre>graph TD; CV1[Credit Voucher] --- BDR[Bank Disbursement Register]; DV1[Debit Voucher] --- BDR;</pre> <p><u>Petty Cash Payment</u></p>  <pre>graph TD; CV2[Credit Voucher] --- PCR[Petty Cash Register]; DV2[Debit Voucher] --- PCR;</pre> <p><b>4. Processing Procedures</b></p> <ul style="list-style-type: none"><li>- Disbursement of major amounts shall be made by account payee cheque;</li><li>- All payment will be made through one bank disbursement account;</li><li>- No disbursement will be made from bank collection account or from central bank collection account;</li><li>- Petty expenses up to Tk.100/- may be made through petty cash account;</li><li>- All disbursement either by cheque or by cash must be made by issuing debit voucher and petty cash voucher respectively.</li><li>- All debit voucher and petty cash voucher must have supporting papers to prove the correctness of the expenditure.</li></ul>	

## Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>	Code : OBF 541
	Edition : 23/01/1994
<b>Section 4 : H A N D O U T S</b>	Page : 03 of 04
<p><b>5. Payment by Cheque</b></p> <p>There will be one disbursement bank account of PWSS for making all payments. In addition to these, there will be separate bank accounts for bill collection and control collection. All certain amount will be transferred to disbursement account (STD) from collection bank account.</p> <p><b>6. Credit Voucher</b></p> <ul style="list-style-type: none"><li>- Any kind of receipt should be supported by a credit voucher;</li><li>- Money transferred from the bank collection account to the disbursement (STD) account must be supported by a credit voucher;</li><li>- Details of the credit voucher should be recorded in the debit side of bank disbursement register.</li></ul> <p><b>7. Debit Voucher</b></p> <ul style="list-style-type: none"><li>- In order to make payment, one debit voucher should be prepared which will be supported by proper supporting;</li><li>- Debit voucher must be approved by the approving authority before payment;</li><li>- Transactions mentioned on the debit voucher should be recorded on the credit side of the bank disbursement register.</li></ul> <p><b>8. Bank Disbursement Register</b></p> <ul style="list-style-type: none"><li>- On the basis of the bank advice for transfer of fund from bank collection account to the bank disbursement account, credit voucher should be prepared.</li><li>- Debit side of bank disbursement register should be recorded with reference to credit voucher.</li><li>- On the basis of debit voucher, the credit side of the Bank Disbursement Register should be recorded.</li></ul>	

## Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>	Code : OBF 541
	Edition : 23/01/1994
<b>Section 4 : H A N D O U T S</b>	Page : 04 of 04
<p><b>9. Payment by Cash Voucher</b></p> <ul style="list-style-type: none"><li>- Petty expenses will be paid by cash;</li><li>- For making petty expenses petty debit cash voucher will be prepared;</li><li>- Credit voucher should also be prepared when money will be received;</li><li>- Voucher should be approved by proper authority before payment;</li><li>- Petty cash received and payment will be recorded in the petty cash register.</li></ul> <p><b>10 Petty Cash Register</b></p> <ul style="list-style-type: none"><li>- Petty cash register will be maintained on a daily basis;</li><li>- Money received for petty cash expenses should be recorded in the cash received column of this register;</li><li>- On the basis of petty cash voucher expenses side of petty cash register will be recorded ;</li><li>- Casting of all transactions recorded under different column to be made at the end of the month;</li><li>- Total amount under different accounts should be posted directly at the end of each month in the General Ledger. (The same can be done through Journal Voucher also).</li></ul> <p><b>11 Loan and Advance Register</b></p> <p>Loans and advance are often made to the officers and staff of PWSS by Cheque or Cash. These loans and advances are recorded in the Disbursement Register or Petty Cash Register. In order to trace the loan and advance balance of individual staff of PWSS on any particular date, one subsidiary register is required to be maintained. This register is known as loan and advance register. Total of loans and advances made during the year should be debited in the "Loan and Advance to Staff Account" in the General Ledger. In case of realization, Loans and Advance to staff Account would be credited in the General Ledger providing corresponding credit entry to individual staff accounts in the Loan and Advance Register. At the end of the year individual account of the staff appearing in the "Loan and Advance Register should be balanced and listed in the loan and advance staff schedule". The total of this schedule must tally with the net balance appearing in the "Loan and Advance to Staff Account" appearing in the General Ledger.</p>	

Department of Public Health Engineering

<b>Module : DISBURSEMENT ACCOUNTING</b> <b>Bank Disbursement Register, Petty Cash Register,</b> <b>Bank Payment voucher, Petty Cash voucher</b>	<b>Code : OBF 541</b>
<b>Annex: VIEWFOILS</b>	<b>Edition : 23/01/1994</b>
<b>Page : 01 of 04</b>	
<b>TITLE :</b>  1. Procedure of Disbursement 2. Payment made by Cheque 3. Payment made by Cash	<b>CODE:</b>  OBF 541/V 1 OBF 541/V 2 OBF 541/V 3

PAYMENT SHOULD BE MADE  
THROUGH BANK (STD A/C)

PAYMENT WILL BE MADE THROUGH ACCOUNT  
PAYEE CHEQUE

NO PAYMENT WILL BE MADE FROM BANK  
COLLECTION ACCOUNT

EXPENSES BELOW Tk.100/- MAY BE MADE FROM PET-  
TY CASH

PETTY CASH IMPREST ACCOUNT WILL BE Tk.1000/-  
ONLY

PAYMENT SHOULD BE MADE BY ISSUING DEBIT  
VOUCHER (BANK, PETTY CASH)

ANY TRANSFER MUST BE MADE BY CREDIT  
VOUCHER

ALL VOUCHER MUST BE SUPPORTED BY PROPER  
SUPPORTING



PAYMENT SHOULD BE MADE FROM  
BANK STD A/C

FUND SHOULD BE TRANSFERRED  
FROM BANK COLLECTION A/C

A CREDIT VOUCHER SHOULD BE  
ISSUED FOR EVERY TRANSFER

A DEBIT VOUCHER SHOULD BE  
PREPARED FOR EVERY PAYMENT

PAYMENT MUST BE APPROVED BY  
APPROVING AUTHORITY

THERE MUST BE A HEAD OF ACCOUNT  
FOR EVERY PAYMENT

VOUCHER SHOULD BE SIGNED BY THE  
CHEQUE SIGNATORIES

AMOUNT PAID SHOULD BE RECORDED  
IN THE DISBURSEMENT REGISTER

AMOUNT UP TO TK.100/- OR LESS  
THAN 100/- SHOULD BE PAID FROM  
PETTY CASH

PETTY CASH IMPREST ACCOUNT WILL  
BE Tk.1000/-

A PETTY CASH VOUCHER SHOULD BE  
PREPARED FOR EVERY PAYMENT

PETTY EXPENSES WILL BE RECORDED  
IN PETTY CASH REGISTER

MONTHLY PETTY EXPENSES SHOULD  
BE CALCULATED AND REQUIREMENTS  
FOR NEW FUND ASCERTAINED

PETTY EXPENSES SHOULD BE POSTED  
IN THE GENERAL LEDGER

Department of Public Health Engineering

<b>Module : GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>		<b>Code : OBF 112</b>
		<b>Edition: 23/01/1994</b>
<b>Section 1 : INFORMATION SHEET</b>		<b>Page : 01 of 01/12</b>
<b>Duration</b>	:	<b>45 minutes</b>
<b>Training objectives</b>	:	<b>After this session the trainees will be able :</b> <ul style="list-style-type: none"> <li>- to make posting in the general ledger through Journal voucher/direct posting;</li> <li>- to balance the accounts;</li> <li>- to prepare Trial Balance.</li> <li>-</li> </ul>
<b>Trainee selection</b>	:	<ul style="list-style-type: none"> <li>- PWSS Accountant, Assistant Accountant</li> <li>- Accounts Assistant, Bill Clerk.</li> </ul>
<b>Training aids</b>	:	<ul style="list-style-type: none"> <li>- Viewfoils : OBF 112/V 1-5.</li> <li>- Handout : OBF 112/H 1.</li> <li>- Blank format</li> </ul>
<b>Special features</b>	:	
<b>Keywords</b>	:	<ul style="list-style-type: none"> <li>- Posting, Balancing, Closing.</li> </ul>

Department of Public Health Engineering

<b>Module :</b> <b>GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>	<b>Code :</b> OBF 112
	<b>Edition:</b> 23/01/1994
<b>Section 2:</b> <b>S E S S I O N   N O T E S</b>	<b>Page :</b> 01 of 01
<b>1. Exchange Greetings</b>	Lecture
<b>2. Explain the Function Flow</b>	Flow chart
<b>3. Explain how posting is made in the GL</b>	Show V 1
<b>4. Explain the Balancing</b>	Show V 2
<b>5. Explain what is closing</b>	Show V 3
<b>6. Explain the objectives of closing</b>	Show V 4
<b>7. Process of closing</b>	Show V 5

# Department of Public Health Engineering

<b>Module :</b> <b>GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>		<b>Code :</b> OBF 112 <b>Edition:</b> 23/01/1994
<b>Section 3 :</b> <b>TRAINING AIDS</b>		<b>Page :</b> 01 of 01
<b>Posting in General Ledger</b> <b>OBF 112/V 1</b>  POSTING IN THE GENERAL LEDGER FROM BANK COLLECTION AND DISBURSEMENT REGISTER AND PETTY CASH  DIRECT POSTING POSTING THROUGH JOURNAL  DIRECT POSTING IS PREFERABLE  JOURNAL IS NECESSARY FOR - ADJUSTMENT - ACCOUNT FOR ACCRUAL EXPENSES AND INCOME	<b>Balancing</b> <b>OBF 112/V 2</b>  DEBIT - CREDIT - BALANCE  FOR CAPITAL NATURE EXPENSES OPENING BALANCE IS ADDED OR SUBSTRUCTED  DEBIT / CREDIT BALANCE  WHEN DEBIT SIDE AMOUNT IS BIGGER THAN CREDIT SIDE AMOUNT IT IS CALL DEBIT BALANCE OR VICE VERSA	
<b>Closing</b> <b>OBF 112/V 3</b>  ALL THE BOOKS INVOLVED IN ACCOUNTS MUST BE CLOSED OBSERVING THE FORMALITIES AT THE END OF A GIVEN PERIOD	<b>Objectives of Closing</b> <b>OBF 112/V 4</b>  - TO CLOSE ALL THE BOOKS  - TO BALANCE THE ACCOUNTS INVOLVED  - TO PREPARE TRIAL BALANCE  - TO PREPARE FINANCIAL REPORT	
<b>Process of Closing</b> <b>OBF 112/V 5</b>  - CAST ALL COLUMNS OF PRIMARY REGISTER (CONTINUOUS PROCESS)  - DEBIT AND CREDIT ENTRIES SHOULD BE DIRECTLY POSTED TO RESPECTIVE ACCOUNTS OF THE GENERAL LEDGER (CONTINUOUS PROCESS)  - PREPARE LIST OF OUTSTANDING AND ACCRUED EXPENSES, DEPRECIATION  - PREPARE JV FOR OUTSTANDING EXPENSES AND PROVISION  - POST THE AMOUNT OF JV TO THE RESPECTIVE ACCOUNTS IN GENERAL LEDGER  - ALL GENERAL LEDGER ACCOUNT SHOULD BE BALANCED  - TRIAL BALANCE SHOULD BE PREPARED FROM GENERAL LEDGER  - TOTAL DEBIT AND CREDIT SIDE OF TRIAL BALANCE MUST BE EQUAL		

## Department of Public Health Engineering

<b>Module :</b> <b>GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>	<b>Code :</b> OBF 112
<b>Section 4 :</b> <b>H A N D O U T S</b>	<b>Edition :</b> 23/01/1994  <b>Page :</b> 01 of 03
<p><b>1. Introduction</b></p> <p>Every financial transaction initially recorded in the books of primary or original entry, is transferred to General Ledger in the respective head of account. The General Ledger is the final book of accounts where all accounting information under individual head of accounts is detailed under chart of accounts, classified and summarized as debit and/or credit amount and balanced to determine the net position of each head of accounts.</p> <p><b>2. Objectives</b></p> <p>Objectives of the General Ledger are as follows :</p> <ul style="list-style-type: none"> <li>- to summarise and balance each account appearing in the Ledger as of a particular date;</li> <li>- to prepare trail balance for PWSS as of a particular date by arranging all debit and credit balances of the General Ledger to Give the total picture in a classified form;</li> <li>- to compile income and expenditure account and Balance sheet.</li> </ul> <p><b>3. Function flow</b></p> <p>Function flow of General Ledger accounting would be as follows:</p> <div style="text-align: center; margin: 20px 0;"> <pre> graph TD     A[Books of Original Entry] --&gt; C[Posting through Journal Direct posting To]     B[Special Transaction - opening - closing] --&gt; C     C --&gt; D[General Ledger]     D --&gt; E[Trail Balance]           </pre> </div>	

## Department of Public Health Engineering

Module : <b>GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>	Code : OBF 112
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T S</b>	Page : 02 of 03
<p><b>4. Journal voucher / Direct Posting</b></p> <p>All transaction appearing in the books of Original Entry have two sides namely debit and credit. Account wise debit and credit transaction are posted in the General Ledger from these books of original entry. These posting are done by two methods :</p> <ul style="list-style-type: none"><li>- Journalisation;</li><li>- Direct Posting.</li></ul> <p>Method of posting by Journalisation is done by preparing a Journal Voucher. Whereas direct posting is done by posting the amount of the transaction in the General Ledger from the original books.</p> <p>All debit and credit transaction of the PWSS would be posted in general ledger to summarise and balance all the accounts and to list them under Trail Balance.</p> <p><b>5. Processing Procedure</b></p> <ul style="list-style-type: none"><li>- All accounting transactions are initially Recorded in the Bill Register, Cash and Bank Collection Register, Bank Disbursement Register and Petty Cash Register.</li><li>- At the end of each month all transaction under individual head of accounts in the above registers are totalled.</li><li>- PWSS accounts are recorded by the double entry principle. It is therefore essential to journalize all the above stated total amounts by debiting/crediting respective heads of accounts as written in the registers and also providing their corresponding debit and credit entries.</li><li>- Above stated journalization is done with the help of the source document named journal voucher.</li><li>- After preparing the above mentioned Journal voucher for each register all individual amount appearing on the debit and credit side of the heads accounts in the Journal Voucher should be posted directly to the respective heads of accounts in the General Ledger.</li><li>- Besides normal Journal Vouchers prepared for each books of primary /original entry referred above. Journal must also be made for the following special transactions:<ul style="list-style-type: none"><li>- Opening Journal;</li><li>- Closing Journal.</li></ul></li></ul>	

## Department of Public Health Engineering

Module : <b>GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>	Code : OBF 112
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T S</b>	Page : 03 of 03
<ul style="list-style-type: none"><li>- Opening journal is prepared for recording all closing balances appearing in last year's Balance Sheet of PWSS; in the case where last year's balance sheet is not prepared, all opening items such as assets and liabilities are to be determined and journalised as the first step of PWSS accounting.</li></ul> <p>At the end of the year closing journal should be prepared for recording the following transactions not recorded in the books of accounts :</p> <ul style="list-style-type: none"><li>- Unpaid liabilities, both for capital and Revenue Expenditures.</li><li>- Income earned but not received.</li><li>- Annual depreciation amount to be determined by conducting physical verification at the end of the year.</li><li>- After completing the posting of all transactions recorded in the journal vouchers in to General Ledger, the debit and credit amount of each of the heads of accounts should be cast. This is required to provide total debit and credit amount of each head and to establish the net debit or credit balance.</li></ul> <p>The net balance of each heads of accounts appearing in the general ledger should be extracted and arranged under a special form know as Trail Balance.</p> <h3>6. Annual Closing and Integration</h3> <p>PWSS accounts should be closed on 30th June each year. Each annual closing must, therefore, pass through the following recognized stages;</p> <p>Physical verification of Cash, Inventory and Fixed Assets should be completed by 30th June each year.</p> <p>A schedule for all unpaid expenses and income of Capital and revenue nature should be prepared and should be journalized to account for unpaid liabilities by 3rd July.</p> <p>By 7th July of each year all journal for closing the books of accounts of PWSS should be made and all accounts of General Ledger of PWSS should be Cast and Balanced.</p> <p>All reconciliations relating to customer Ledger and bank account must be completed by 10th July each year.</p> <p>By 12th July each year PWSS Trial Balance should be extracted from General Ledger. All the reports prepared on the basis of final balance of customer Ledger and other subsidiary Ledger should be completed by 18th July each year.</p>	



## Department of Public Health Engineering

Module : <b>GENERAL LEDGER ACCOUNTING</b> <b>Posting, Balancing, Closing of Accounts</b>	Code : OBF 112												
	Edition : 23/01/1994												
Annex: <b>VIEWFOILS</b>	Page : 01 of 06												
 <table><thead><tr><th>TITLE :</th><th>CODE:</th></tr></thead><tbody><tr><td>1. Posting in General Ledger</td><td>OBF 112/V 1</td></tr><tr><td>2. Balancing</td><td>OBF 112/V 2</td></tr><tr><td>3. Closing</td><td>OBF 112/V 3</td></tr><tr><td>4. Objectives of Closing</td><td>OBF 112/V 4</td></tr><tr><td>5. Process of Closing</td><td>OBF 112/V 5</td></tr></tbody></table>		TITLE :	CODE:	1. Posting in General Ledger	OBF 112/V 1	2. Balancing	OBF 112/V 2	3. Closing	OBF 112/V 3	4. Objectives of Closing	OBF 112/V 4	5. Process of Closing	OBF 112/V 5
TITLE :	CODE:												
1. Posting in General Ledger	OBF 112/V 1												
2. Balancing	OBF 112/V 2												
3. Closing	OBF 112/V 3												
4. Objectives of Closing	OBF 112/V 4												
5. Process of Closing	OBF 112/V 5												

POSTING IN THE GENERAL LEDGER  
FROM BANK COLLECTION AND  
DISBURSEMENT REGISTER AND PETTY  
CASH

DIRECT POSTING -  
POSTING THROUGH JOURNAL

DIRECT POSTING IS PREFERABLE

JOURNAL IS NECESSARY FOR  
- ADJUSTMENT  
- ACCOUNT FOR ACCRUAL EXPENSES  
AND INCOME

DEBIT - CREDIT - BALANCE

FOR CAPITAL NATURE EXPENSES  
OPENING BALANCE IS ADDED OR  
SUBSTRUCTED

DEBIT / CREDIT BALANCE

WHEN DEBIT SIDE AMOUNT IS BIGGER  
THAN CREDIT SIDE AMOUNT IT IS CALL  
DEBIT BALANCE OR VICE VERSA

ALL THE BOOKS INVOLVED IN  
ACCOUNTS MUST BE CLOSED  
OBSERVING THE FORMALITIES AT THE  
END OF A GIVEN PERIOD

- TO CLOSE ALL THE BOOKS
  
- TO BALANCE THE ACCOUNTS INVOLVED
  
- TO PREPARE TRIAL BALANCE
  
- TO PREPARE FINANCIAL REPORT

- CAST ALL COLUMNS OF PRIMARY REGISTER (CONTINUOUS PROCESS)
  
- DEBIT AND CREDIT ENTRIES SHOULD BE DIRECTLY POSTED TO RESPECTIVE ACCOUNTS OF THE GENERAL LEDGER (CONTINUOUS PROCESS)
  
- PREPARE LIST OF OUTSTANDING AND ACCRUED EXPENSES, DEPRECIATION
  
- PREPARE JV FOR OUTSTANDING EXPENSES AND PROVISION
  
- POST THE AMOUNT OF JV TO THE RESPECTIVE ACCOUNTS IN GENERAL LEDGER
  
- ALL GENERAL LEDGER ACCOUNT SHOULD BE BALANCED
  
- TRAIL BALANCE SHOULD BE PREPARED FROM GENERAL LEDGER
  
- TOTAL DEBIT AND CREDIT SIDE OF TRIAL BALANCE MUST BE EQUAL

Department of Public Health Engineering

Module : <b>FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	Code : OBF 121
	Edition: 23/01/1994
Section 2: <b>SESSION NOTES</b>	Page : 01 of 02
<p><b>1. Introduction</b></p> <ul style="list-style-type: none"><li>- Exchange greetings</li><li>- Read the subject matter of the session that is :</li></ul> <p><b>INTRODUCTION TO PWSS NO LOSS ACCOUNTING SYSTEM</b></p> <p><b>2. PWSS Financial Management Framework;</b></p> <ul style="list-style-type: none"><li>- Explain that this system means certain written procedures relating to actual financial performance recording aspects of PWSS. This system has some specific aspects to understand and explain overall PWSS financial management framework where accounting system as a part of actual recording of transaction appears.</li></ul> <p><b>3. PWSS Accounting Areas</b></p> <ul style="list-style-type: none"><li>- Explain the PWSS accounting areas</li></ul> <p><b>4. Broad accounting feature</b></p> <ul style="list-style-type: none"><li>- Explain the broad accounting features. In order to inform the relationship between the source document to financial reports, the opening chain of operation need to be explained here.</li></ul> <p><b>5. Nature of Financial Transaction</b></p> <ul style="list-style-type: none"><li>- Explain the nature of financial transactions to be required in PWSS.</li><li>- Briefly explain the nature of transaction and double entry principle.</li><li>- Explain the necessary of chart of accounts for keeping accounts.</li></ul>	<p>Lecture</p> <p>Show V 1</p> <p>Show V 2</p> <p>Show V 3</p> <p>Show V 4</p>

**Department of Public Health Engineering**

<b>Module : FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	<b>Code : OBF 121</b>
<b>Section 2: SESSION NOTES</b>	<b>Edition: 23/01/1994</b>
<p><b>6. Book-Keeping of Accounts</b></p> <ul style="list-style-type: none"><li>- Explain the Transaction recording or book-keeping aspect giving name of source documents and books of accounts.</li></ul> <p><b>7. Posting of Accounts</b></p> <ul style="list-style-type: none"><li>- Explain how accounting is performed by use of posting for recording transactions in General Ledger from different books of original entry.</li></ul> <p><b>8. Reporting</b></p> <ul style="list-style-type: none"><li>- At the end explain how the reporting is extracted at the end of year.</li></ul>	<p><b>Page : 02 of 02</b></p> <p><b>Show V 5</b></p> <p><b>Show V 6</b></p> <p><b>Show V 7</b></p>



## Department of Public Health Engineering

<b>Module : FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>		<b>Code : OBF 121</b>
<b>Section 3 : TRAINING AIDS</b>		<b>Edition: 23/01/1994</b>
<b>Section 3 : TRAINING AIDS</b>		<b>Page : 01 of 02</b>
<p><b>PWSS Financial Management OBF 121/V 1</b> <b>Frame work</b></p> <p><b>FINANCIAL PLANNING</b></p> <p><b>ACTUAL FINANCIAL PERFORMANCE RECORDING</b></p> <p><b>CONTROLLING FINANCIAL SYSTEM</b></p>	<p><b>PWSS Accounting areas OBF 121/V 2</b> <b>CUSTOMER ACCOUNTING / BILLING</b></p> <p>COLLECTION ACCOUNTING</p> <p>DISBURSEMENT ACCOUNTING</p> <p>GENERAL LEDGER ACCOUNTING</p> <p>ANNUAL CLOSING AND REPORTING</p> <p>INVENTORY ACCOUNTING</p> <p>FIXED ASSETS ACCOUNTING</p>	
<p><b>Broad Accounting Features OBF 121/V 3</b></p> <p>SOURCE DOCUMENTS</p> <p>BOOKS OF PRIMARY OR ORIGINAL ENTRY</p> <p>SUBSIDIARY LEDGER/REGISTER</p> <p>JOURNALISATION/DIRECT POSTING</p> <p>GENERAL LEDGER ENTRY</p> <p>TRIAL BALANCE AND REPORTING</p>	<p><b>Nature of Financial transactions capital and revenue OBF 121/V 4</b></p> <p>THERE ARE TWO TYPES OF TRANSACTIONS</p> <p>CAPITAL AND REVENUE</p> <p>TRANSACTION FOR WHICH BENEFITS RECEIVED EXTEND FOR MORE THAN ONE YEAR IS CAPITAL NATURE</p> <p>TRANSACTION FOR WHICH BENEFITS RECEIVED OR GIVEN ARE NOT EXTENDED FOR MORE THAN ONE YEAR IS REVENUE NATURE</p> <p>CAPITAL TRANSACTIONS APPEAR IN THE BALANCE SHEET, REVENUE TRANSACTION APPEAR IN THE INCOME AND EXPENDITURE ACCOUNT</p>	
<p><b>Transaction recording or Book-Keeping OBF 121/V 5</b></p> <p>SOURCE OF DOCUMENTS</p> <p>WATER BILL, WEEKLY BANK COLLECTION, STATEMENT, RECEIPT CREDIT VOUCHER, CHEQUE VOUCHER, PETTY CASH VOUCHER ACCRUAL LIST, PURCHASE REQUISITION SLIP, ISSUE &amp; RECEIPT VOUCHER, RETURN VOUCHER, SUPPLIERS INVOICE, HAND OVER/TAKE OVER DOCUMENT AND JOURNAL VOUCHER</p> <p>BOOK OF ACCOUNTS</p> <p>BILL REGISTER, CUSTOMER SUBSIDIARY LEDGER, CASH AND BANK COLLECTION REGISTER, BANK DISBURSEMENT REGISTER, LOANS AND ADVANCE REGISTER, INVENTORY AND ASSETS REGISTER, GENERAL LEDGER</p>	<p><b>Accounting through journal voucher/direct posting to general ledger OBF 121/V 6</b></p> <p>ACCOUNT WISE TRANSACTIONS ARE RECORDED IN THE GENERAL LEDGER</p> <p>POSTING FROM THE BOOK OF ORIGINAL ENTRY TO GENERAL LEDGER IS MADE THROUGH JOURNAL OR DIRECT POSTING</p> <p>RECORD IN DEBIT AND CREDIT SIDES OF ACCOUNTS IN GENERAL LEDGER BY USING DOUBLE ENTRY RULES</p> <p>ACCOUNTS ARE BALANCED</p>	

**Department of Public Health Engineering**

<b>Module : FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	<b>Code : OBF 121</b>
	<b>Edition: 23/01/1994</b>
<b>Section 3 : TRAINING AIDS</b>	<b>Page : 02 of 02</b>
<p><b>Reporting year-end results and financial position</b>      <b>OBF 121/V 7</b></p> <p>BALANCE OF ACCOUNTS ARE LISTED IN TRIAL BALANCE</p> <p>BALANCE OF ACCOUNTS OF CAPITAL NATURE ARE LISTED UNDER BALANCE SHEET TO SHOW THE NET WORTH OF PWSS</p> <p>BALANCES OF REVENUE NATURE ARE LISTED UNDER INCOME AND EXPENDITURE TO SHOW THE PROFIT OR LOSS</p> <p>ALL THE FINANCIAL REPORTS ARE PREPARED FROM BOOKS OF ACCOUNTS</p>	
	<p><b>Financial Management      OBF 121/H 1</b>  <b>(No loss accounting system)</b></p>

## Department of Public Health Engineering

Module : <b>FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	Code : OBF 121
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 01 of 04
<p><b>1. Introduction</b></p> <p>- PWSS 18-DTP will have separate set of books of accounts for recording all financial transactions or operations exclusively incurring within the PWSS. Accounts will be based on "<u>double entry</u>" principle and also on "<u>accrual basis</u>". At the end of each financial year, the entire financial operations or the final accounts of PWSS will be integrated to general accounts of the Pourashava.</p> <p><b>2. Framework of PWSS Financial Management System</b></p> <p>- Framework of PWSS financial management system includes all works in relation to <u>financial planning</u>, <u>actual financial performance recording</u> and <u>controlling</u> the day-to-day financial and accounting functions of PWSS. Above stated functions are as follows :</p> <p>a. The financial planning functions includes :</p> <ul style="list-style-type: none"><li>- budget</li><li>- break-even-analysis</li></ul> <p>b. Actual financial performance recording</p> <p>The actual financial performance recording is the real accounting areas where following accounting works will involve :</p> <ul style="list-style-type: none"><li>- customer accounting</li><li>- collection accounting</li><li>- disbursement accounting</li><li>- inventory accounting</li><li>- fixed asset accounting</li><li>- general ledger accounting</li><li>- annual closing and integration</li><li>- reporting.</li></ul> <p>c. Controlling</p> <p>The controlling functions of PWSS financial management system include :</p> <ul style="list-style-type: none"><li>- delegation of financial powers.</li><li>- internal control through check, coordination and audit.</li><li>- control through Management Information System (MIS)</li></ul>	

Department of Public Health Engineering

Module : <b>FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	Code : OBF 121
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 02 of 04
<p><b>3. Broad Accounting Features</b></p> <ul style="list-style-type: none"><li>- The accounting features have five steps as given bellow:<ul style="list-style-type: none"><li>a. source document</li><li>b. books of primary / original entry</li><li>c. journalisation</li><li>d. books of final entry i.e general ledger</li><li>e. trial balance.</li></ul></li></ul> <p><b>4. Specific Aspects of PWSS Accounting System</b></p> <ul style="list-style-type: none"><li>- Under PWSS Accounting system following specific aspects should be taken care:<ul style="list-style-type: none"><li>a. capital and revenue nature of transaction;</li><li>b. nature of accounts and double entry principle;</li><li>c. opening and current transaction;</li><li>d. chart of accounts.</li></ul></li></ul> <p>a. <u>Capital and Revenue Transactions</u></p> <p>It is known that all financial transaction incurred as opening or as current transactions will be recorded in different accounts of PWSS. These transactions are of two types namely capital nature and revenue nature. Transactions for which benefits received or given extend for more than one year is known as capital nature. Whereas transactions for which benefits received or given are short lived and do not extend for more than one year is of revenue nature. Summary balance of all revenue transactions indicate profit or loss incurred by PWSS and appear in Income and Expenditure Account. However, summary balance of all capital transactions indicate the financial viability of PWSS and these will appear in the Balance sheet.</p> <p>b. <u>Opening and current transaction</u></p> <p>Accounts are maintained generally for a period of twelve (12) months. It may start for a specific date and end on a particular date. As for example 1/1/91 to 31/12/91 or 1/7/92 to 30/6/93. It always happens that balance sheet of last year to the current year as opening transaction. Examples of these transactions are cash balance, bank balance, values of fixed assets, unpaid liabilities of last year etc. Accounts can not be completed if opening transaction are not included with the current periods transaction. It is therefore, necessary to account for all balances of last years.</p> <p>Balance sheet as opening transactions of the current year for incorporating these with current transactions by passing <u>journal voucher</u>.</p>	

## Department of Public Health Engineering

Module : <b>FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	Code : OBF 121
	Edition : 23/01/1994
Section 4 : <b>H A N D O U T</b>	Page : 03 of 04

### c. Chart of Account

Besides above stated specific aspects of accounting system, there must be specified list of accounts to be used by PWSS for head wise consolidation of financial transactions. This list of accounts is called head of accounts or chart of accounts. Head of accounts are divided into following four broad groups :

- balance sheet Head falling under asset and liability groups.
- income and expenditure head falling under income and expenditure groups.

### 5. Book-Keeping

Preparing source documents and recording all information appearing the source documents, in the books of original entry or subsidiary records is called book-keeping. The following source documents and books of accounts will be maintained by PWSS.

#### I. Source documents

Water bills  
Weekly bank collection statement  
Credit voucher  
Petty cash voucher  
Accrual list  
Purchase requisition  
Purchase order

Goods receiving report  
Requisition slip  
Issue voucher  
Return voucher  
Supplies invoice  
Journal voucher

Department of Public Health Engineering

<b>Module : FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	<b>Code : OBF 121</b>
	<b>Edition : 23/01/1994</b>
<b>Section 4 : H A N D O U T</b>	<b>Page : 04 of 04</b>
<p><b>II. <u>Books of accounts</u></b></p> <p>Bill register Subsidiary ledger Collection register Disbursement register Advance register Inventory register Fixed assets register General ledger</p> <p><b>III. <u>Journal voucher / direct posting</u></b></p> <p>All transactions appearing in the books of original entry are posted in general ledger by : Journalisation or Direct posting</p> <p><i>Journalisation is done by preparing journal voucher. Direct posting is done by posting to the general ledger directly from books of original entry.</i></p> <p><b>IV. <u>Trial balance</u></b></p> <p>All debit and credit transactions of PWSS would be posted invariably in general ledger. By summarizing and balancing all the accounts of the general ledger, a list is prepared which is known as trial balance.</p> <p><b>V. <u>Reporting</u></b></p> <p>At the end of the financial year all accounts balances from general ledger are listed in the trial balance, to confirm that the total of debits and credits of different accounts appearing in the ledger are equal. For reporting purpose, all balances of accounts of revenue nature are listed under income and expenditure account. All balances of capital nature are listed under the balance sheet.</p>	

# Department of Public Health Engineering

<b>Module :</b> <b>FINANCIAL MANAGEMENT (NO LOSS ACCOUNTING SYSTEM)</b>	<b>Code :</b> OBF 121
	<b>Edition :</b> 23/01/1994
<b>Annex:</b> <b>VIEWFOILS</b>	<b>Page :</b> 01 of 08

<b>TITLE :</b>	<b>CODE:</b>
1. PWSS Financial Management Frame Work	OBF 121/V 1
2. PWSS Accounting Areas	OBF 121/V 2
3. Broad Accounting Features	OBF 121/V 3
4. Nature of Financial Transactions Capital and Revenue	OBF 121/V 4
5. Transaction Recording or Book-Keeping	OBF 121/V 5
6. Accounting through Journal Voucher/Directing Posting to General Ledger	OBF 121/V 6
7. Reporting Year-end Results and Financial Position	OBF 121/V 7

FINANCIAL PLANNING

ACTUAL FINANCIAL PERFORMANCE  
RECORDING

CONTROLLING FINANCIAL SYSTEM



**CUSTOMER ACCOUNTING / BILLING**

**COLLECTION ACCOUNTING**

**DISBURSEMENT ACCOUNTING**

**GENERAL LEDGER ACCOUNTING**

**ANNUAL CLOSING AND REPORTING**

**INVENTORY ACCOUNTING**

**FIXED ASSETS ACCOUNTING**

**SOURCE DOCUMENTS**

**BOOKS OF PRIMARY OR ORIGINAL  
ENTRY**

**SUBSIDIARY LEDGER/REGISTER**

**JOURNALISATION/DIRECT POSTING**

**GENERAL LEDGER ENTRY**

**TRIAL BALANCE AND REPORTING**

**THERE ARE TWO TYPES OF  
TRANSACTIONS**

**CAPITAL AND REVENUE**

**TRANSACTION FOR WHICH BENEFITS  
RECEIVES EXTEND FOR MORE THAN  
ONE YEAR IS CAPITAL NATURE**

**TRANSACTION FOR WHICH BENEFITS  
RECEIVED OR GIVEN ARE NOT  
EXTENDED FOR MORE THAN ONE  
YEAR IS REVENUE NATURE**

**CAPITAL TRANSACTIONS APPEAR IN  
THE BALANCE SHEET, REVENUE  
TRANSACTION APPEAR IN THE  
INCOME AND EXPENDITURE ACCOUNT**

*SOURCE OF DOCUMENTS*

WATER BILL, WEEKLY BANK  
COLLECTION, STATEMENT, RECEIPT  
CREDIT VOUCHER, CHEQUE  
VOUCHER, PETTY CASH VOUCHER  
ACCRUAL LIST, PURCHASE  
REQUISITION SLIP, ISSUE & RECEIPT  
VOUCHER, RETURN VOUCHER,  
SUPPLIERS INVOICE, HAND  
OVER/TAKE OVER DOCUMENT AND  
JOURNAL VOUCHER

*BOOK OF ACCOUNTS*

BILL REGISTER, CUSTOMER  
SUBSIDIARY LEDGER, CASH AND BANK  
COLLECTION REGISTER, BANK  
DISBURSEMENT REGISTER, LOANS AND  
ADVANCE REGISTER, INVENTORY AND  
ASSETS REGISTER, GENERAL LEDGER

ACCOUNT WISE TRANSACTIONS ARE  
RECORDED IN THE GENERAL LEDGER

POSTING FROM THE BOOK OF  
ORIGINAL ENTRY TO GENERAL  
LEDGER IS MADE THROUGH JOURNAL  
OR DIRECT POSTING

RECORD IN DEBIT AND CREDIT SIDES  
OF ACCOUNTS IN GENERAL LEDGER  
BY USING DOUBLE ENTRY RULES

ACCOUNTS ARE BALANCED

BALANCE OF ACCOUNTS ARE LISTED  
IN TRIAL BALANCE

BALANCE OF ACCOUNTS OF CAPITAL  
NATURE ARE LISTED UNDER BALANCE  
SHEET TO SHOW THE NET WORTH OF  
PWSS

BALANCES OF REVENUE NATURE ARE  
LISTED UNDER INCOME AND  
EXPENDITURE TO SHOW THE PROFIT  
OR LOSS

ALL THE FINANCIAL REPORTS ARE  
PREPARED FROM BOOKS OF  
ACCOUNTS