

HANDBOOK ON



MAINTENANCE OF RECORDS IN CO-OPERATIVE SOCIETIES

HANDBOOK

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OF
RECORDS IN CO-OPERATIVE
SOCIETIES

PRINCIPLES OF COOPERATIVE

1st Principle: Voluntary and Open Membership.

2nd Principle : Democratic Member Control.

3rd Principle : Member Economic Participation.

4th Principle : Autonomy and Independence.

5th Principle : Education, training and information.

6th Principle : Co-operation among Co-operatives.

7th Principle : Concern for Community.

PREFACE

A Cooperative Society is a symbol of Democracy and Transparency. The Acts and Rules, and the Bye Laws of every Society demands for a clean record keeping in all its daily activities. The status of the books of records of a Society reflects its genuineness and it acts as a primary source of information for assessment of its performance.

Of late, it has been noticed that Primary Cooperative Societies are not properly maintaining the books of record as desired, which portrays a grim picture in the working of the cooperatives as well as the state cooperative movement as a whole.

To fill this void, the department has brought out this basic Manual Book on maintenance of Records in Cooperative Societies to guide the management in proper record keeping and to bring uniformity in the system.

The department hope that this small manual book will be utilized to its best in uplifting the cooperatives and also in achieving the intended objectives of the department as well.

Opinions and suggestions for improvement of the contents of this booklet will be appreciated and welcomed.

Cooperation Department
Government of Nagaland

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1. Importance of Audit in a Cooperative - *Why Audit is necessary.*

A cooperative is not a one man's affair like a joint stock company, it is an association of persons. Since it is not possible for all the members to attend to the day to day affairs of the society, an indirect centralized system of the management is adopted. All the members constitute themselves into a general body and the general body elects a few representative from among the members known as managing Committee or Board of Directors. The day to day administration of the society is entrusted to this Committee or Board. The representatives are expected to carry on the administration of the society in accordance to the Cooperative Acts and Rules and bye laws of the Society, but not in their own selfish motive. Under this circumstances, in order to satisfy the members, a surveillance system over them is required where a constant scrutiny of Book of Accounts and examination of the general management is vital and for this purpose Audit becomes a necessary tool.

Audit enables the member of a cooperative society to know whether the management is functioning in the manner best suited to serve the interest of the society and show a true and fair view of financial position and earnings of their society. Its importance is much greater for cooperatives consisting of illiterate and poor members who might not have either knowledge or courage enough against misuse of authority. Thus Auditing is such a check on the management which enables the members to ascertain whether their representative have managed the society properly for the common interest of all.

2. Cooperative Audit.

Cooperative Audit may be defined as an examination of accounts and an enquiry into the affairs of the society in order to ascertain the correctness of accounts and the extent to which the activities of the society were useful in promoting the socio-economic welfare of its members to the satisfaction of their needs in accordance with the principles of cooperation. Thus cooperative audit is something more than a mere financial audit. It is the responsibility of the Registrar of Cooperative Societies to get accounts of each society audited once in a year as per the cooperative law. Therefore, every society is under obligation to complete the accounts and make them ready for audit every year.

To begin an audit, auditor should begin from vouching, **Vouching** is a technical term which refers to inspection by the auditor of the documentary evidence supporting a transaction. Vouching therefore is the essence of auditing. Voucher may be counterfoil of a receipt book, Expenditure memos, Resolution passed by the committee recorded in the proceeding book, an invoice, etc.

3. Fundamentals of account keeping - *Meaning and Definition:*

In a layman's language, Account keeping is the art of keeping or maintaining the books of accounts. To speak in technical term, it is a system of keeping records of all business transaction which are financial in nature. Accounting serves as a language to communicate

the results of business operation of individuals or Organization/firms in whose case money received and spent is recorded during a particular period.

For instance, a housewife can record the receipt of money on one page of her household diary, while the payment for different items such as Milk, Food, Clothing, Children education, entertainment, etc. on other page in a chronological order. Such a record will help her in knowing about,

- (i) The sources from which she received cash and purpose for which it was utilized.
- (ii) The nature of her receipts and payments, whether the receipts are more than payments or vice versa.
- (iii) The balance of Cash in hand or deficit, if any at the end of the period.

Thus, at the end of the particular period, she can see her financial position ie, what she has and what she have to pay. This help in her planning of her future income & Expenses to a great extent.

Similarly, the need of accounting is more important for a Cooperative Society, since it deals with many persons and transactions in a particular period thus managing committee of the society must therefore know,

- (i) What amount is owing to the society by each of its Members, Customers or Debtors; and
- (ii) What amount is owing by the Society to each of its Members, Customers or Creditors; and
- (iii) Whether it has earned a profit or incurred loss on account of running a business.
- (iv) What Capital the society has in its business, and what assets and liabilities make up such capital.

This information can only be derived if an accurate and complete record is kept of all business transaction.

4. Maintenance of various records in the cooperatives

A cooperative society who do not maintain and keep record is not a true Cooperative society. Accurate maintenance of records by the cooperatives is the symbol of their efficient management. Since these records are the primary source of information to the Management, Members, Auditors and Inspecting team. Further assessment of performance of an organization is possible only when records are complete and requisite information is furnished. Some important records and their maintenance are as follows:

(i) DAY BOOK :- A day book is a book of original manuscript entry in which an accountant or a recorder records transaction by date, as they occur. In other words day book is a book in which daily transaction are recorded in chronological order and this information is later transferred into a Ledger/Cash book.

Sample of a simple Day Book

DATE	PARTICULARS	CREDIT (Rs)	PAYMENT (Rs)	RECIPT (Rs)
2/4 /2020	Received Admission Fee (25 members @ Rs 50/-)			1,250/-
2/4 /2020	Received Share Contribution (25 x Rs 10,000/-)			2,50,000/-
3/4 /2020	Meeting Expenses		560	
4/4 /2020	Purchase of Register (3Nos), Paper (1 Ream), Pen & Pencils		825	
10/4 /2020	Purchase of Farm Land		50,000	
15/4 /2020	(a) Labour payment for jungle clearance (15 persons @ Rs 300/-) = Rs 4500/- (b) Tea/Lunch expenses= Rs 1000/-		5500	
17/4 /2020	Purchase of Seeds/Seedlings		2,000	
17/4 /2020	Sale of Firewood- 3 Tata mobile load			12,000
18/4 /2020	Purchase of Agricultural Tools & Implements		2,000	
18/4 /2020	Opening of Saving Account at NSCB		2,000	
18/4 /2020	Purchase of Share at NSCB		10,000	
20/4 /2020	Meeting Expenses		730	
22/4 /2020	(a) Labour payment for planting of Seeds/Seedlings (7 person@ Rs300/-) (b) Tea/Lunch expenses- Rs 600/-		2,700	
27/4 /2020	(a) CGI – 3 bundles , Rs 9,000/- (b) Wood Blanks, 15 cft , Rs 7,500/- (c) Nails- 5kg Rs 600/- (d) Binding wire – 2 kg Rs 180/- (e) Transportation charges- Rs 1,200/- (Materials for Farm house)		18,480	

29/4 /2020	(a) Labour payment for construction of Farm house (12 persons @ Rs 350/-) (b) Tea/Lunch expenses		6,040	
3/5 /2020	(a) CGI – 2 bundles , Rs 4,000/- (b) Sand– 10 cft, Rs 500/- (c) Cement- 2 bags , Rs 850/- (d) Nails- 2kg Rs 210/- (e) Wodden blanks- 10 cft, Rs 5,000/- (f) Transportation Charges – Rs 800/- (Materials for Pig Sty Construction)		6,360	
5/5 /2020	(a) Labour payment for construction of Pig Sty (4 persons @ Rs 350/-) (b) Refreshment for construction workers- Rs 600/-		2,000	
5/5 /2020	Meeting expenses		675	
6/5 /2020	(a) Labour payment for construction of Pig Sty (3 persons @ Rs 400/-) (b) Refreshment for construction workers- Rs 500/-		1,700	
10/5 /2020	Purchase of Wool and Yarn- 120 kg, (Distribute to 11 nos of weavers)		54,000	
17/5 /2020	Purchase of Piglets – 6 nos,		27,000	
17/5 /2020	Utensils and Equipment for piggery		1,760	
17/5 /2020	Purchase of Feeds, 120 kg		2,100	
19/5 /2020	Meeting Expenses		640	
20/5 /2020	Tea/Lunch expenses for weeding of farm by society members		3,270	
21/5 /2020	Purchase of Medicine/Vaccine		945	
21/5 /2020	Wages to Weavers (a) Mrs M - Rs 2600/- (b) Miss N- Rs 1800/- (c) Mrs O- Rs 2400/- (d) Mrs P- Rs 1100/-		7,900	
25/5 /2020	Sales of (a) Shawals- 5 nos – Rs 5,000/- (b) Mekhelas- 2 nos- Rs 2,500/- (c) Bag- 4 nos- Rs 2,000/-			9,500
25/5 /2020	Paid Sales Commission @ 7%		665	

30/5 /2020	Purchase of (a) Water pipe – Rs 2300/- (b) Water Tank- Rs 2800/- (c) Transportation – Rs 600/-		5,700	
30/5 /2020	Writing Pad (5 books), Rubber Seal (3 Nos)		1730	

1/6 /2020	Sales of (a) Shawals- 7 nos – Rs 7,000/- (b) Mekhelas- 3 nos- Rs 2,200/- (c) Bag- 3 nos- Rs 1,500/-			10,700
1/6 /2020	Paid Sales Commission @ 7%		749	
1/6 /2020	Paid Salary to Mr A, (Farm Attendant)		5,000	
1/6 /2020	Meeting expenses		755	

5/6 /2020	Cheque Received from ICDP Loan – Rs 4,0000/- Share Capital- Rs 2,80,000/- Subsidy – Rs 1,20,000/- (Financial assistance)			8,00,000
5/6 /2020	Deposit to Saving A/C at NSCB		8,00,000	
5/6 /2020	TA to Chairman		2,500	

10/6 /2020	(a) Labour payment for Weeding of Farm (7 persons @ Rs 300/-) (b) Refreshment - Rs 700/-		2,800	
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12/6 /2020	Wages to Weavers (a) Miss R- Rs 2500/- (b) Mrs S- Rs 3000/- (c) Mrs T- Rs 1600/- (d) Miss U- Rs 3400/- (e) Mrs V- Rs 3500/- (f) Mrs W- Rs 2300/-		16,300	
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15/6 /2020	Sales of (a) Shawals-20 nos – Rs 21,000/- (b) Mekhelas-15 nos- Rs 24,200/- (c) Bag- 10 nos- Rs 5,000/-			50,200
15/6 /2020	Paid sales commission @7%		3,514	
15/6 /2020	Meeting Expenses		750	

20/6 /2020	Purchase of Feeds, 200 kg		3,500	
20/6 /2020	Amount withdrawn from bank (NSCB)			7,50,000

22/6 /2020	(a) Cost of Vehicle – Rs 7,10,00/- (b) Insurance – Rs 8,500/- (c) Registration – Rs 6,000/- (d) Body Welding – Rs 14,000/- (Purchase of 4WD Bolero Pickup)		7,38,500	
23/6 /2020	Meeting Expenses		510	
25/6 /2020	Cost for Harvesting of Agri Products (a) Wages –Rs 900/- (b) Refreshment – 400/-		1,300	
25/6 /2020	Cost of Fuel		500	
25/6 /2020	Packaging items (a) purchase of Basket – 10 nos- Rs 500/- (b) Purchase of Gunny bag- 20 Nos- 600/-		1,100	
26/6 /2020	(a) Sale of Green Vegetables – Rs 5,350/- (b) Sales of Potato 275 kg @ Rs 30/- per kg			13,600
1/7 /2020	Paid Salary to Mr A, (Farm Attendant)		5,000	
4/7 /2020	Income from Vehicle			2,000
5/7 /2020	Income from vehicle			1,200

(ii) JOURNAL:- The journal literally means daily records. It is a book in which all the transactions are recorded in order in which they occur. It is maintained by those cooperative societies which have large number of transfer and adjustment entries with all narration of the transaction. It includes LAMPS, Marketing Societies, Banks, Consumer Coops., etc.

(iii) SALES BOOK and PURCHASE BOOK:- Sales book is maintained to record credit sales transaction, whereas Purchase book is maintained to record Credit Purchases.

(iv) SALES RETURN BOOK and PURCHASE RETURN BOOK:- Return of sales to us by our customers are recorded in the Sales Return Book and purchase returned by us to suppliers are recorded in the Purchase Return Book.

(v) **LEDGER:-** A ledger is a principal book which contains all accounts (Assets account, Liabilities account, Capital account, Revenue account, Expenses account, etc) to which transactions are recorded, transferred from the book of original entry. The object of ledger account is to clearly indicate the position of each account in relation to business of an organization.

Sample of Ledger Account posting from the Day Book.

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Dr				Cr			
Admission fee A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
				2/4/2020	By Cash		1,250

Page-2

Dr				Cr			
Share Capital A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
				2/4/2020	By Cash		2,50,000
				5/6/2020	By Cash		2,80,000

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Dr				Cr			
Meeting Expenses A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
3/4/2020	To Cash		560				
20/4/2020	To Cash		730				
5/5/2020	To Cash		675				
19/5/2020	To Cash		640				
1/6/2020	To Cash		755				
15/6/2020	To Cash		750				
23/6/2020	To Cash		520				

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Dr				Cr			
Printing & Stationary A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
4/4/2020	To Cash		825				
30/5/2020	To Cash		1,730				

Dr				Cr			
Land A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
10/4/2020	To Cash		50,000				

Dr				Cr			
Labour Charge A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
15/4/2020	To Cash		5,500				
22/4/2020	To Cash		2,700				
20/5/2020	To Cash		3,270				
10/6/2020	To Cash		2,800				
25/6/2020	To Cash		1,300				

Dr				Cr			
Purchase A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
17/4/2020	To Cash		2,000				
10/5/2020	To Cash		54,000				
17/5/2020	To Cash		27,000				

Dr				Cr			
Sales A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
				17/4/2020	By Cash		12,000
				25/5/2020	By Cash		9,500
				1/6/2020	By Cash		10,700
				15/6/2020	By Cash		50,200
				26/6/2020	By Cash		13,600

Dr				Cr			
Bank A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
18/4/2020	To Cash		2,000	24/4/2020	By Cash		7,50,000
5/5/2020	To Cash		8,00,000				
10/7/2020	To Cash		50,000				

Dr				Cr			
Agri Tools & Implements A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
18/4/2020	To Cash		2,000				

Dr				Cr			
NSCB Share A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
18/4/2020	To Cash		10,000				

Dr				Cr			
Farm House Construction A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
27/4/2020	To Cash		18,480				
29/4/2020	To Cash		6,040				

Dr				Cr			
Pig sty Construction A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
3/5/2020	To Cash		6,360				
5/5/2020	To Cash		2,000				
6/5/2020	To Cash		1,700				

Dr				Cr			
Piggery Equipments A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
17/5/2020	To Cash		1,760				

Dr				Cr			
Feeds A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
17/5/2020	To Cash		2,100				
20/6/2020	To Cash		3,500				

Dr				Cr			
Medicine/Vaccine A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
21/5/2020	To Cash		945				

Dr				Cr			
Weaver Wages A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
21/5/2020	To Cash		7,900				
12/6/2020	To Cash		16,300				

Dr				Cr			
Sales Commission A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
25/5/2020	To Cash		665				
1/6/2020	To Cash		749				
15/6/2020	To Cash		3,514				

Dr				Cr			
Water Tank A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
30/5/2020	To Cash		5,700				

Dr				Cr			
Salary A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
1/6/2020	To Cash		5,000				
1/7/2020	To Cash		5,000				

Dr				Cr			
Loan A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
				5/6/2020	By Cash		4,00,000

Dr				Cr			
Subsidy A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
				5/6/2020	By Cash		1,20,000

Dr				Cr			
TA A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
5/6/2020	To Cash		2,500				

Dr				Cr			
Vehicle A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
22/6/2020	To Cash		7,38,500				

Dr				Cr			
Fuel A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
25/6/2020	To Cash		500				

Dr				Cr			
Packaging Materials A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
25/6/2020	To Cash		1,100				

Dr				Cr			
Vehicle Income A/C							
Date	Particulars	L.F	Amount	Date	Particulars	L.F	Amount
				4/7/2020	By Cash		2,000
				5/7/2020	By Cash		1,200

NB: Every head of account should be maintained in separate page in the Ledger

(vi) SUBSIDIARY LEDGERS:-

- (a) Loan Ledger provide details of Loan & Advances.
- (b) Creditors ledger furnishes details of borrowers.
- (c) Debtors ledger furnishes details of amount recoverable.
- (d) Share Ledger gives the details of share amount and number of share purchased by members with date.

(vii) CASH BOOK:- Cash book is a book of original entry in which all the transaction relating to Cash receipts and payments are recorded in chronological order. Cash receipt is entered on the Debit side and Cash payment is recorded on Credit side of the cash book.

Sample of Cash Book and its posting transferred from Day Book.

For the month of APRIL 2020

Date	Receipts	L.F	Amount	Date	Disbursements	L.F	Amount
1	2	3	4	1	2	3	4
2/4/2020	<u>Admission fee A/C</u> (Member Admission fee)		1,250	10/4/2020	<u>Land A/C</u> (Being the purchase of land)		50,000
2/4/2020	<u>Share Capital A/C</u> (Member share contribution)		2,50,000	4/4/2020	<u>Printing Stationary A/C</u> (Stationary purchase)		825
17/4/2020	<u>Sales A/C</u> (Being the sales of firewood)		12,000	15/4/2020	<u>Labour Charges A/C</u> (Jungle clearance of farm land)		5,500
				22/4/2020	(Seeds/seedlings)		2,700
				17/4/2020	<u>Purchase A/C</u> (Purchase of seeds /seedlings)		2,000
				3/4/2020	<u>Meeting Expenses A/C</u> (Meeting refreshment)		560
				20/4/2020	(Light refreshment)		730
				18/4/2020	<u>Bank A/C</u> (Opening of saving A/c)		2,000
				8/4/2020	<u>Tools & Implements A/C</u> (Purchase of Agri Tool & implements)		2,000
				18/4/2020	<u>NSCB share A/C</u> Share purchase at NSCB Ltd)		10,000
				27/4/2020	<u>Farm house construction A/C</u> (Material purchase)		18,480
				29/4/2020	(Labour cost of making charge)		6,040
	<i>Total</i>		2,63,250		<i>Total</i>		1,00,835
					<i>Closing Balance</i>		1,62,415
	<i>Grand Total</i>		2,63,250		<i>Grand Total</i>		2,63,250

For the month of MAY 2020

Date	Receipts	L.F	Amount	Date	Disbursements	L.F	Amount
1	2	3	4	1	2	3	4
25/5/2020	<u>Sales A/C</u> (Sales of Handloom products)		9,500	30/5/2020	<u>Printing Stationary A/C</u> (Stationary purchase)		1,730
				20/5/2020	<u>Labour Charges A/C</u> (Weeding of farm)		3,270
				10/5/2020	<u>Purchase A/C</u> (Purchase of wool/yarn)		54,000
				17/5/2020	<u>Purchase A/C</u> (Purchase of piglets)		27,000
				5/5/2020	<u>Meeting Expenses A/C</u> (Meeting refreshment)		675
				19/5/2020	<u>Meeting Expenses A/C</u> (Meeting entertainment)		640
				3/5/2020	<u>Pigsty construction A/C</u> (Material purchase)		6,360
				5/5/2020	<u>Pigsty construction A/C</u> (Labour cost of construction)		2,000
				6/5/2020	<u>Pigsty construction A/C</u> (Payment of Making charges)		1,700
				17/5/2020	<u>Piggery Equipments A/C</u> (Purchase of utensils & equipment's)		1,760
				17/5/2020	<u>Feeds A/C</u> (Being the purchase of feeds)		2,100
				21/5/2020	<u>Medicine & vaccine A/C</u> (Purchase of Medicine & vaccine)		945
				21/5/2020	<u>Weaver wages A/C</u> (Payment of wages to weavers)		7,900
				25/5/2020	<u>Sales commission A/C</u> (Payment made to sales agent)		665
				30/5/2020	<u>Water tank A/C</u> (Installation of water tank)		5,700
	Total		9,500		Total		1,16,445
	Opening Balance		1,62,415		Closing Balance		55,470
	Grand Total		1,71,915		Grand Total		1,71,915

For the month of JUNE 2020

Date	Receipts	L.F	Amount	Date	Disbursements	L.F	Amount
1	2	3	4	1	2	3	4
5/6/2020	<u>Share Capital A/C</u> (Share capital from ICDP)		2,80,000	10/6/2020	<u>Labour Charges A/C</u> (Weeding of farm)		2,800
				25/6/2020	(Labour payment of harvesting)		1,300
1/6/2020	<u>Sales A/C</u> (Received from handloom products)		10,700	1/6/2020	<u>Meeting Expenses A/C</u> (Meeting)		755
15/6/2020	(Sales of Handloom products)		50,200	15/6/2020	(Meeting entertainment)		750
26/6/2020	(Sales of Agri products)		13,600	23/6/2020	(Meeting refreshment)		510
5/6/2020	<u>Loan A/C</u> (Loan from ICDP)		4,00,000		<u>Bank A/C</u> (Deposited into Bank)		8,00,000
5/6/2020	<u>Subsidy A/C</u> (Subsidy from ICDP)		1,20,000	20/6/2020	<u>Feeds A/C</u> (Purchase of feeds)		3,500
20/6/2020	<u>Bank A/C</u> (Withdrawn from Bank)		7,50,000	12/6/2020	<u>Weaver wages A/C</u> (Payment of wages to weavers)		16,300
					<u>Sales commission A/C</u> (Payment made to sales agent)		749
				15/6/2020	(Paid to sales agent)		3,514
				1/6/2020	<u>Salary A/C</u> (Salary paid for the month of May)		5,000
				5/6/2020	<u>TA A/C</u> (TA to Chairman)		2,500
				22/6/2020	<u>Vehicle A/C</u> (Purchase of pickup)		7,38,500
				25/6/2020	<u>Fuel A/C</u> (Purchase of fuel)		500
				25/6/2020	<u>Packaging materials A/C</u> (Expenses on packaging materials)		1,100
	Total		16,24,500		Total		15,77,778
	Opening Balance		55,470		Closing Balance		1,02,192
	Grand Total		16,79,970		Grand Total		16,79,970

For the month of JULY 2020

Date	Receipts	L.F	Amount	Date	Disbursements	L.F	Amount
1	2	3	4	1	2	3	4
4/7/2020	<u>Vehicle Income</u> <u>A/C</u> (Vehicle hire charges)		2,000	1/7/2020	<u>Salary A/C</u> (Salary paid for the month of June)		5,000
5/7/2020	(Vehicle hire charges)		1,200	10/7/2020	<u>Bank A/C</u> (Deposited into Bank)		50,000
	Total		3,200		Total		55,000
	Opening Balance		1,02,192		Closing Balance		50,392
	Grand Total		1,05,392		Grand Total		1,05,392

(viii) **TRIAL BALANCE :-** Trial Balance is a technique for checking the accuracy of the debit and credit accounts recorded in the various Ledger accounts. It is basically a statement that exhibits the total of the debit and credit balances recorded in various accounts of the Ledger. It is usually prepared at the end of an accounting period. In large Cooperatives like LAMPS, Marketing Cooperatives, Consumer Cooperatives, Banks etc. it is the responsibility of an accountant to prepare the financial statement of Trial Balance, Trading Account, Profit and Loss Account and Balance Sheet.

TRIAL BALANCE

Particulars	Dr	Cr
Cash in hand	50,392	
Admission fee		1,250
Member share contribution		2,50,000
Share Capital from ICDP		2,80,000
Meeting Expenses	4,620	
Printing & Stationary	2,555	
Land	50,000	
Labour Charges	15,570	
Purchases	83,000	
Sales		96,000
Bank	1,02,000	
Agri Tools & Implemets	2,000	
Share at NSCB	10,000	
Farm House	24,520	
Pigsty	10,060	
Piggery Equipments	1,760	
Feeds	5,600	
Medicine & Vaccine	945	
Weaver Wages	24,200	
Sales Commission	4,928	
Water Tank	5,700	
Salary	10,000	
Loan		4,00,000
Subsidy		1,20,000
TA	2,500	
Vehicle	7,38,500	
Fuel	500	
Packaging Materials	1,100	
Vehicle Hire Income		3,200
	11,50,450	11,50,450

(ix) CLOSING STOCK :- Closing Stock is an amount of unsold stock lying in your business on a given date. In simple words, it's the inventory which is still in your business waiting to be sold for a given period. The closing stock can be in various forms such as raw materials, in-process goods or finished goods.

Closing Stock as on 10th July 2020

i	Raw Materials (yarn)	20,000
ii	Finished Goods	10,000
iii	Live Stock	45,000
	TOTAL	75,000

(x) TRADING ACCOUNT :- Trading account shows the result of buying and selling of goods, It is prepared to determine the gross profit or the gross loss of a trader.

TRADING ACCOUNT

Dr	Amount	Cr	Amount
To, Labour Charges	15,570	By, Sales Proceeds	96,000
" Purchases	83,000		
" Feeds Purchase	5,600	By, <u>Closing Stock</u>	
" Medicine & Vaccine	945	Raw Materials (Yarn)	20,000
" Weaver Wages	24,200	Finished Goods	10,000
" Sales Commission	4,928	Live Stock	45,000
" Fuel	500		
" Packaging Materials	1,100		
TOTAL	1,35,843	TOTAL	1,71,000
Gross Profit	35,157	Gross Loss	Nil
Grand Total	1,71,000	Grand Total	1,71,000

(xi) PROFIT & LOSS :- The profit and loss account shows what net profit and loss your business has made within an accounting period after deducting all expenditure from the income. A net profit is earned if the total expenditure is less than the sales and a net loss if it is greater.

PROFIT & LOSS ACCOUNT

Dr	Amount	Cr	Amount
To, Meeting Expenses	4,620	By, Gross Profit b/d	35,157
" Printing & Stationary	2,555	" Vehicle hire income	3,200
" Salary	10,000	" Subsidy	1,20,000
" TA	2,500	" Admission fee	1,250
" Admission fee Transferred to R/F	1,250		
TOTAL	20,925	TOTAL	1,59,607
Net Profit	1,38,682	Net Loss	Nil
Grand Total	1,59,607	Grand Total	1,59,607

(xii) BALANCE SHEET :- A balance sheet is a statement of the financial position of a business that lists the assets, liabilities and owner's/ society equity at a particular point in time. In other words, the Balance Sheet illustrates the business net worth.

BALANCE SHEET

CAPITAL/LIABILITIES	Amount	ASSETS/PROPERTY	Amount
<u>Share Capital</u>		Cash in hand	50,392
(a) Member Contribution	2,50,000	Land	50,000
(b) From ICDP	2,80,000	Closing Stock	75,000
Loan from ICDP	4,00,000	Bank Balance	1,02,000
Admission fee/ Reserve fund	1,250	Agri Tools & Implements	2,000
Net Profit	1,38,682	Share at NSCB Ltd	10,000
		Farm House	24,520
		Pigsty	10,060
		Piggery Equipment	1,760
		Water Tank	5,700
		Pickup Vehicle	7,38,500
Grand Total	10,69,932	Grand Total	10,69,932

(xiii) **CASH AND CREDIT MEMOS:-** When Cash is received, we issue Cash Memo and in case of credit sales, Credit Memo is issued.

(xiv) **STOCK REGISTER:-** Stock Register is maintained to record balance of commodities and materials.

(xv) **ASSETS REGISTER :-** Assets Register is maintained to record all the Fixed Assets of the Societies

(xvi) **PRODUCTION REGISTER:-** Production Register in case of Agri & Allied activities, Industrial and Processing units is maintained which includes details of production ie, Unit/Materials/Commodities/Labour cost. etc.

(xvii) **MEMBERSHIP REGISTER :-** Membership Register gives details of members, their Name, Addresses, Father's name, Nominee, Date of Admission, etc.

Format of Membership Register

SL. No.	Name of Member	F/Name	Age on the Date of Admission	Address	Date of Admission	Name of the Nominee	Signature Thumb impression
1							
2							

(xviii) **MEETING PROCEEDING REGISTER:-** Meeting Proceeding Book is prepared to record the meetings of Managing Committee, Sub-Committees and General Body Meeting.

(xix) **INSPECTION REGISTER:-** This Register gives the details of observation by the Inspecting personnel or Team.

(xx) **ANNUAL STATEMENT FILE :-** This File should record the annual financial statement ie, Audited Statement of all consecutive years from the period of registration.

5. REMARKS

(i) The Primary cooperative societies who has nominal transactions can avoid using the Ledgers by recording the transaction directly to the Cash Book from the Day Book.

(ii) The Day Book can be recorded in any convenient local dialect.

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