

## Annual Accounts and Grant tracking system from the Money in Mind Project

Version 1.2 for Windows, Released December 2012



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This accounts system was developed with generous help from Greg Maddocks at Sussex Community Internet Project



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## How to use the Annual Accounts and Grant tracking system

### Part 1: Setting up your accounts

Even if you don't like instructions, please read this page through to the end. You won't be able to use the accounts system unless you have first set up income and expenditure headings. This page tells you how to do that.

#### Technical stuff before you start

- 1.1 Read and follow the installation instructions, which you downloaded with the accounts system. If you don't have the installation instructions, they [www.resourcecentre.org.uk/money-in-mind/accounts-systems/annual/annualinstall.asp](http://www.resourcecentre.org.uk/money-in-mind/accounts-systems/annual/annualinstall.asp)

#### Customising the system for your group: amending your blank workbook

- 1.2 Type the name of your group in [the white box](#) on the **Setting up your accounts** worksheet. Save the workbook in your **blank forms and instructions** folder.

#### Generating your accounts system

- 1.3 Copy your blank workbook to this year's folder and rename it for this year (for example, **Accounts 2011-2012.xls**)
- 1.4 Think about the income and expenditure headings you will need for the coming year. These might be largely the same as last year, but this is a good opportunity to consider whether the headings you currently have are giving you the information you need, whether you have headings that are redundant, or whether you need to add new ones for new activities or projects. You can add more headings during the year, or change what an existing heading is called, but you can't change the order in which they appear.
- 1.5 Type or paste your income and expenditure headings in [the yellow cells](#) on the **Setting up your accounts** worksheet. Don't leave any blank cells between headings - anything below the blank cell won't be recognised by the
- 1.6 Don't include special column headings (eg Petty Cash) for transferring money between your bank account and cash tin. These transactions are dealt with separately, on the **Transfers and bank reconciliation** sheet.

- 1.7 Type the names of any grant funders you have in [the pink cells](#) on the **Setting up your accounts** worksheet. You can use this system to keep track of income and expenditure for particular projects, even if they are not grant funded. For example, you might put 'Christmas Fair' as the name of a funder, or 'garden project'
- 1.8 Give each funder or project a code – this can be a number, or initials, or whatever you like. Enter these codes in [the blue cells](#) beside the names of the funders or projects.
- 1.9 Also choose a code for general income and expenditure and enter that in [the blue cell](#) to the right of the word General. Press enter or click in an empty cell when you've finished typing.
- 1.10 Press the **Generate** button on the **Setting up your accounts** worksheet. Don't panic if it all seems to go crazy - that's what it's supposed to do. It is copying your income and expenditure headings, and the names of your funders or projects, to the worksheets you will be using to keep your accounts. If you add or amend any headings or funders during the year, you will need to press this button again. Don't worry - you won't lose any entries you have already made if you press the **Generate** button during the year.

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### Part 2: Getting ready to start the year

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- 2.4 Enter your reconciled bank balance at the start of the year in [cell M15](#) on the **Transfers & Bank Reconciliation** sheet
- 2.5 Enter your cash balance at the start of the year in [cell M23](#) on the **Transfers & Bank Reconciliation** sheet
- 2.6 If you have any grant funding carried forward from last year, enter the amount remaining for each grant [in the orange cells](#) on the **Setting up your accounts** sheet.

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### Part 3: When you take in cash

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- 3.1 Enter the date, what the money was for, and the amount, in [columns B, C, and D](#) on the next free row on the **Cash income** sheet. Make sure you are typing in the row directly underneath the previous
- 3.2 Enter the funding code in column E. Normally, for cash income, this will be the General code you have already put in [Cell I9](#) on the **Setting up your accounts** sheet
- 3.3 A red figure will appear in column G. This is because you haven't put the income under a column heading yet.
- 3.4 Tab across to the correct column (or columns) and enter the amount of cash you have taken in under the correct
- 3.5 Column G should now be blank
- 3.6 If you forgot to enter something in and need to add it later, just type it in on the next blank row. You can then sort the rows into date order by pressing the **Order Entries by Date** button.
- 3.7 If you have entered something on this sheet by mistake and you need to delete it, just click in each cell you typed in and press the delete key on the keyboard. If this means you now have a blank row in the middle of the sheet, press the **Order Entries by Date** button to close up the gap.

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[Next: Instructions Part 4 - When you take in cheques](#)

## Part 4: When you take in cheques or money is paid into your bank account

- 4.1 Follow these instructions if you receive payment by cheque or if someone else has paid money into your account by BACS or standing order. If you are transferring cash into your bank account, see [Instructions Part 7 - When you transfer money between your cash tin and bank account](#)
- 4.2 Enter the date, what the money was for, and the amount, in [columns B, C, and D](#) on the next free row on the **Bank income** sheet. Make sure you are typing in the row directly underneath the previous
- 4.3 It's a good idea to enter the details of each cheque separately, as soon as you receive the cheques, even if you are going to pay a number of cheques into the bank at once. This makes it easier to look back and see where your money came from
- 4.4 When you pay the cheques into the bank, note the paying in slip number or building society passbook reference in [column E](#)  
You will have the same reference number for several different cheques, if you have paid them all in together. This will enable you to see that they are all part of the same transaction when you do your bank reconciliation at the end of the month.
- 4.5 Enter the funding code in [column G](#).  
You should have already set up a code for each grant funder and for your general work on the **Setting up your accounts** sheet
- 4.6 A red figure will appear in column I. This is because you haven't put the income under a column heading yet.
- 4.7 Tab across to the correct column (or columns) and enter the amount of money paid into the bank, under the correct
- 4.8 Column I should now be blank
- 4.9 If you forgot to enter something in and need to add it later, just type it into the next blank row. You can then sort the rows into date order by pressing the **Order Entries by Date** button.
- 4.10 If you have entered something on this sheet by mistake and you need to delete it, just click in each cell you typed in and press the delete key on the keyboard. If this means you now have a blank row in the middle of the sheet, press the **Order Entries by Date** button to close up the gap.

### Part 5: When you spend cash

- 5.1 Enter the date, what the money was for, and the amount, in [columns B, C, and D](#) on the next free row on the **Cash expenditure** sheet. Make sure you are typing in the row directly underneath the previous entry.
- 5.2 If you are using petty cash slips use [column E](#) to note the relevant slip number. Staple the receipt to the petty cash slip and file in number order. Then you can easily find the receipt if you need it later.
- 5.3 Enter the funding code in [column F](#). You should have already set up a code for each grant funder and for your general work [in these blue cells](#) on the **Setting up your accounts** sheet. If the spending is being paid for by more than one grant, or partly funded by a grant and partly from your general reserves, you will need to split the entry so that each funder's portion is on a separate row, with the correct funding code.
- 5.4 A red figure will appear in column H. This is because you haven't put the income under a column heading yet.
- 5.5 Move across to the correct column (or columns) and enter the amount of money spent, under the correct heading(s).
- 5.6 Column H should now be blank
- 5.7 If you forgot to enter something in and need to add it later, just type it into the next blank row. You can then sort the rows into date order by pressing the **Order Entries by Date** button.
- 5.8 If you have entered something on this sheet by mistake and you need to delete it, just click in each cell you typed in and press the delete key on the keyboard. If this means you now have a blank row in the middle of the sheet, press the **Order Entries by Date** button to close up the gap.

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## Part 6: When you spend money by cheque, BACS, Direct debit or standing order

6.1 Follow these instructions if you are paying for goods or services by cheque, BACS, Direct debit or standing order. If you are writing a cheque in order to withdraw cash from your account, see [Instructions Part 7 - Transferring money between your cash tin and bank account](#)

6.2 Enter the date, what the money was for, and the amount, in [columns B, C, and D](#) on the next free row on the **Bank expenditure** sheet. Make sure you are typing in the row directly underneath the previous entry.

6.3 Note the cheque number in [column E](#). Also write the cheque number and the date of payment on the receipt or invoice, before you file it. This helps to tie everything up if you need to look back in your records later.

6.4 Enter the funding code in [column G](#). You should have already set up a code for each grant funder and for your general work [in these blue cells](#) on the **Setting up your accounts** sheet. If the spending is being paid for by more than one grant, or partly funded by a grant and partly from your general reserves, you will need to split the entry so that each funder's portion is on a separate row, with the correct funding code.

6.5 A red figure will appear in column I. This is because you haven't put the income under a column heading yet.

6.6 Tab across to the correct column (or columns) and enter the amount of money spent, under the correct heading(s).

6.7 Column I should now be blank

6.8 If you forgot to enter something in and need to add it later, just type it into the next blank row. You can then sort the rows into date order by pressing the **Order Entries by Date** button.

6.9 If you have entered something on this sheet by mistake and you need to delete it, just click in each cell you typed in and press the delete key on the keyboard. If this means you now have a blank row in the middle of the sheet, press the **Order Entries by Date** button to close up the gap.

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## Part 7: Transferring money between your cash tin and bank account

In this accounts system, whenever you pay cash into the bank or withdraw cash from the bank, this is called a transfer. You are not actually receiving or spending money, just transferring it from your cash tin to your bank account or vice versa.

So even if you are taking cash out of the bank in order to pay somebody directly, you need to write it up in the accounts as if you had first transferred some money from the bank to the cash tin, and then made a cash payment out of the tin.

### Paying cash into the bank

7.1 If you are paying cash into the bank, enter the date, amount and paying in slip number or building society reference in [columns G and H and I](#) on the **Transfers & bank reconciliation** worksheet. Don't enter this as expenditure on the **Cash expenditure** worksheet, or as income on the **Bank income** worksheet. Type in the row directly underneath the previous entry in these columns.

### Withdrawing cash from the bank

7.2 Enter the date, amount of cash you are withdrawing and cheque number or building society reference in [columns B, C and D](#) on the **Transfers & bank reconciliation** worksheet. Don't enter this as expenditure on the **Bank expenditure** worksheet, or as income on the **Cash income** worksheet. Type in the row directly underneath the previous entry in these columns.

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# Part 8: End of month procedures

## Bank reconciliation

- 8.1 When you receive your bank statement at the end of the month, mark all the transactions that appear on the statement, by typing "x" in the appropriate rows in [column F on the \*\*Bank Income\*\* worksheet](#), [column F on the \*\*Bank expenditure\*\* worksheet](#), [column E on the \*\*Transfers & Bank reconciliation\*\* worksheet](#) and [column J on the \*\*Transfers & Bank reconciliation\*\* worksheet](#). Each transaction will only appear in one of these places. Tick off each transaction on your statement as you go along.
- 8.2 Now enter the bank balance as shown on your statement in [cell M7](#) on the **Transfers & bank reconciliation** worksheet.
- 8.3 The system will check whether your account books agree with your bank records, and show your reconciled bank balance [in cell M10](#). If everything is OK, then [cell L12](#) will say "Bank reconciled correctly". If something is not right, it will say "Error of" and [cell M12](#) will tell you how much the discrepancy is. See the **Glossary and further help** section for some more help if your bank reconciliation produces an error ([click here](#)).

## Cash tin reconciliation

- 8.4 Count the cash in your tin and compare the amount with the balance shown in [Cell M28](#) on the **Transfers & Bank Reconciliation** sheet
- 8.5 If there is a difference between the amount in your tin and the cash balance shown, see the tips under the heading **Cash reconciliation errors** in the **Glossary and further help** section ([click here](#)).
- 8.6 If you want to top up your cash tin to allow for future petty cash payments, withdraw some money from the bank as [Instructions part 7 - Transferring money between cash tin and bank account](#).

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### Part 9: Keeping track of your grants

- 9.1 The system keeps track of your grants automatically, as long as you put in a funding code for every transaction.
- 9.2 Your list of funding codes is [in the blue cells](#) on the **Setting up your accounts** worksheet
- 9.3 If you receive a new grant during the year, enter the name of the funder in the next pink cell, choose a funding code and enter this in the corresponding blue cell on the [Setting up your accounts worksheet](#)  
You will then need to press the **Generate** button again, to add this new funder to the accounting sheets. You won't lose any data you have already entered.
- 9.4 To see how much grant money is left for a particular grant, look at [the bottom](#) of the relevant column on the **Income and Expenditure** worksheet.
- 9.5 Each grant has its own column, showing how much has been received and spent during the year so far. There is also a column for general funding (money you have received or spent which is not part of a specific grant).
- 9.6 To print a report on a particular grant, press the Print funder button on the [Income and Expenditure worksheet](#)  
A box will come up with a list of your funders and projects. Choose the one you want to print and then Click the **Print**  
A print preview page should appear, and you can then choose to print the document.

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## Part 10: Producing a Finance report

10.1 You can print a report on the overall financial position of your group, by pressing the Print Total button at the top of the [Income and Expenditure worksheet](#)

A print preview page should appear, and you can then choose to print the document.

10.2 You can also print separate reports showing the income and expenditure of each grant, and the general fund

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## Glossary and further help

If you are a small community group (income less than £35,000 per year) based in Brighton & Hove, you can get free one-to-one help with using this accounts system, or any other aspect of managing your finances, from the [Money in Mind project](#).

Money in Mind is a partnership project - different services are provided by different partner organisations. To find out more about the help available, see

[our website](#)

or give the Resource Centre a ring on 01273 606160 and we will point you in the right direction.

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### Bank reconciliation errors

Here are a few things to check, if you have done your bank reconciliation and the system shows a discrepancy between your records and the bank statement:

- 1 Is there anything on the bank statement that you haven't entered up in your records? For example, perhaps somebody has paid you by BACS and not let you know.
- 2 Is it possible that you have entered something in your records twice? Maybe it looked different on your bank statement and you entered it again by mistake
- 3 Have you typed an amount of money in wrongly? It's easy to transpose figures without noticing.
- 4 Has the bank made a mistake?

Try getting someone else to check it over. It's surprising how difficult it is to see an error when you have made it yourself.

### **Cash reconciliation errors**

If there is a difference between the amount in your tin and the balance shown in the accounts:

- 1 If there is more money in the tin than you expected, check if the difference matches the amount on one of your petty cash slips. Maybe somebody wrote out the slip but forgot to take the cash.
- 2 If there is less money (and it is a significant amount) ask generally in the group if anyone has taken money from the tin and forgotten to write out a petty cash slip.
- 3 If there is a small discrepancy, add an entry on your Cash Expenditure sheet to make the balance in the system show the actual amount of money in the tin. For example, if your system shows that there should be £20.59 in the tin and there is actually £19.50 in the tin, add an entry called something like 'adjustment to reconcile cash tin' and show the amount as £1.09. The cash balance will then show as £19.50. If your tin has more money in it than the system shows, make this adjustment item a negative amount. So if your tin has £21 and your accounts show £20, add an entry on the Cash Expenditure sheet of -£1. The accounts will then show the correct balance of £21.
- 4 If there is a consistent pattern of money going missing from the cash tin, you will need to discuss it in your group. Having the adjustment items shown clearly in your accounts will make it easier to have a discussion based on facts. Don't make up the money from your own pocket.

### **Reconciled bank balance**

Your reconciled bank balance is the balance given on your bank statement, less any cheques written which have not yet appeared on your bank statement, plus any uncleared deposits to your bank account. This accounts system enables you to calculate your reconciled balance automatically. If you need to work out your reconciled balance in order to start using the system, download and use this

[Bank reconciliation guide from CASH-Online \(PDF document\)](#)

### **Technical support**

If you are having technical problems with the accounts system, please

[email the Resource Centre](#)

giving a full description of what has gone wrong, and we will do our best to help you.