

JAMAICA INDEPENDENT SCHOOLS' ASSOCIATION

“Maintaining Proper Accounting Records”

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ACCOUNTING PLAN: LONG TERM

**Write the vision, and make it plain upon tablets that
individuals that read it, may understand it.**

Habakkuk 2:2.

Great vision? Require talented people...

- Plan at the beginning: financial and otherwise
- Chaos? Hebrew; Lack of management systems
- Financial literacy; Appreciation of financial skill
- Use Talented individuals: financially literate

ACCOUNTING RETURNS

Do you see a man diligent and skillful in his business? He will stand before kings; he will not stand before obscure men...Proverbs 22:29

- **Diligent: a persistent and hard working effort in doing something**
- Financial statements: March 15
- Declaration of Assets: September 15
- Directors Annual Income Tax Return: March 15
- Payroll Annual Statutory Returns: January 14
- Annual Income Tax Computation: March 15
- Companies Office Return: Due on anniversary date of formation of company.

ACCOUNTING SYSTEMS

God created the first operational system to eliminate chaos.

- Genesis 1: 1-8
- Solar system
- Precise operation
- Effective and efficient
- Each planet has a different function
- What is the **system** you have developed for managing your accounting?
- Accounting: eight entries to the system

ACCOUNTING RECORDS

Any enterprise is built by wise planning, becomes strong through common sense, and profits wonderfully by keeping abreast of the facts...Proverbs 24:3, LAB

- Cheque Book: stubs & requisitions
- Lodgment Book: details on the back: separate file
- Petty cash book; record cash payment: change cheque: lodge cash intact
- Creditors: slip system: ledger: control account
- Receivables : ledger: control account
- General Ledger : computerized
- Fixed Asset Register: chairs, desk, computer
- Credit Card records:
- Budget : guidance for the future
- Cash flows : profit is not equal to cash!

ACCOUNTING ENTRIES

- Income : fees and sales
- Payments: cheque and cash
- Depreciation: Journal
- Payables and Accruals
- Receivables
- Payroll entries
- Capital Acquisitions
- Capital injection

Accounting Strategies : Wisdom

...my people are destroyed from a lack of knowledge...Hosea 4:6.

- Save 20%: Story of Joseph
- Credit Cards: pay in full: 18% rate
- Loans: annual repayment on principal: 20% rate Maximum
- Land acquisition: God's wealth creation strategy:
- Diversification : sale of books, bags, pens, etc...
- 7 year mortgages: do not exceed
- Compounding? Talent to Business... is the key
- Savings rate? 3%; inflation 10%; ... losing value

ACCOUNTING FEES: ESTIMATES

Estimates based on small companies

- Audit...based on time....\$50,000+
- Accounting...\$10,000 depending on requirements
- Income Tax Return....\$20,000
- Declaration of Assets...\$5,000
- Annual Directors Returns...\$5,000
- Cash flow projections...\$30,000
- Payroll Returns...\$10,000
- Internet accounting...us\$25.00

ACCOUNTING SYSTEMS: BENEFITS

- Financial institutions: track record, easy access to credit
- TAAD: house in order; TCC
- Companies Office: letter of good standing
- Easy decision making

DISADVANTAGES: POOR RECORD KEEPING

- Penalties and interest: late payments of statutory liabilities
- Poor relationship with financial institutions
- Costly preparation of accounts due to “rush” to meet deadlines
- Unreliable figures for decision making

CONCLUSION

- Become financially literate
- In the counsel of many, there is safety...Proverbs
- Write the vision down: where there is no vision, the people perish.
- The plans of the diligent lead to profit as surely as haste leads to poverty. Proverbs 21: 5
- If you properly manage the little you have, you will be promoted: Story of the talents