

## Chapter 13

# Keeping Complete Financial Records

**E**VERY SUCCESSFUL business, regardless of its nature, needs a complete, accurate record of all financial transactions. The business of producing a school annual is no exception.

A simple, workable bookkeeping system is a basis from which the yearbook business manager or adviser can efficiently analyze and direct the business transactions of the publication. The size of the annual and its financial resources may determine to a certain extent just what bookkeeping devices are necessary to maintain complete financial records. However, even the smallest book operating on a limited budget should have a system of keeping records.

It is not the purpose of this book to teach methods of bookkeeping. But, emphasis is given here to the value of keeping records and to presentation of forms which are helpful in keeping adequate records. Fundamentally, complete records for the yearbook consist simply of a written record of all money taken in from various sources and a similar record of all disbursements.

### Receipt Forms Needed

For the average yearbook, depending on its size and systems of raising money, three receipt forms are needed, also a standard advertising contract, a set of file cards and a ledger.

Sources of yearbook income may be divided into four general divisions for bookkeeping purposes. These are (1) Sale of books (2) Sale of advertising space (3) Income from in-

dividual photographs (4) Miscellaneous income such as that from sale of space in the book, payments for group photographs and money received from promotional activities. A separate form for recording individual transactions is required for each of these general sources of income.

A receipt suitable for use in the book sales campaign and a sample advertising contract, used in selling yearbook advertising, were discussed and pictured in Chapter 12. Each of these forms plays an important part in assembling the yearbook's financial records. Both should be made in duplicate and filed in the yearbook office. Book sales receipts should be numbered consecutively. As in the case of the receipt forms to be discussed later, information contained on the book-sales receipt or the advertising contract must be transferred to the ledger as a permanent record.

### Issuing Photographic Receipts

In addition to the two forms already described, photographic and general receipts are necessary. Figure 13.1 is an example of a standard photographic receipt used by many yearbooks. These receipts are numbered consecutively and made in duplicate with the duplicate bearing the same number as the original. For convenience in handling, they can be bound in books of 50 or 100. Thus, when an entire book of receipts has been issued, the duplicates will still be in the bound form. In such a form, they are easily accessible.

<b>ORANGE AND BLACK – Photograph Receipt</b>	
Name _____	No. 4899
Home Address _____	
School _____	Class _____
Insert Picture in the Following Sections:	
Which Class _____	\$.....
Name of Fraternity _____	\$.....
Name of Sorority _____	\$.....
Amount Received _____	\$.....
<b>1956 ORANGE AND BLACK</b>	
Date _____	By _____

**FIGURE 13.1.** This standard photographic receipt can be issued to each student who pays for an individual picture in the annual. A carbon copy is retained in the receipt book for the use by the staff.

As shown on the sample photo receipt, the section of the book in which the picture is to appear should be indicated along with any other information the editorial staff may need in preparing the copy.

In some cases, it may be the policy of the yearbook staff to allow the photographer who takes the individual photos to issue the receipts and collect the money. However, this is not recommended since the staff has no assurance that complete and accurate records will be kept. It is a better policy for the photo receipts to be sold directly by the staff and the money collected at the yearbook office. If this is done, the business manager has a complete record available at all times, and there is less opportunity for errors resulting in the omission of a picture which has been paid for.

#### **Use of General Receipt**

A general or miscellaneous receipt form is also essential. Figure 13.2 is an example of the general receipt issued when space in the book is sold, when a group picture is paid for or when money is received from any other source such as candy sales and class plays.

General receipts also are numbered consecutively, made in duplicate and bound in books of 50 or 100. These receipts are

handled in much the same manner as the photographic receipts. In both cases, each receipt issued is recorded in the ledger when the money is deposited in the bank. After a book of receipts is filled, the information is transferred from the receipt to a file card which will be discussed later.

All of the receipts are entered in the ledger as a permanent record. The ledger entry includes the name of the person or organization to whom the receipt was issued, the number of the receipt and the date of issuance.

When ordering the various forms at the beginning of the year, make a careful estimate of the number of each type that will be needed. No two receipts, regardless of their intended use, should be numbered the same. For example, suppose the staff decides that they will need 1,000 book sales receipts, 1,500 photographic receipts and 200 general receipts. They can all be numbered consecutively with numbers 1 to 1,000 assigned to book sales receipts, numbers 1,001 to 2,500 assigned to photographic receipts and numbers 2,501 to 2,700 set aside for the general receipts. These numbers can be seen best if placed in the upper right-hand corner of the forms.

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**ORANGE AND BLACK – Receipt No. 1001**

Received of \_\_\_\_\_

For \_\_\_\_\_

\$ \_\_\_\_\_

1956 ORANGE AND BLACK

Date \_\_\_\_\_ By \_\_\_\_\_

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FIGURE 13.2. A general receipt form can be used for recording miscellaneous cash received from such items as sale of space to organizations, sale of pictures, etc.

### Use of the Card File

A comparatively simple device and a valuable time-saver is the card-file system. In most cases a 4 by 6 inch card or a 3 by 5 inch card is suitable for the yearbook office. Each person who buys a book or has a picture in the annual is listed on a file card.

The cards are filed alphabetically in a small cabinet. Information from the various receipt forms is transferred to the file card along with any material judged necessary by the staff. All of the information appearing on the card should be typed for legibility.

Figure 13.3 shows a recommended type of file card. Spaces are left for receipt numbers, money paid and money due and for the signature of the person receiving the book. In addition, the numbers of the pages on which pictures of the card owner appear can be recorded in the margin of the file card. This is a marked aid in indexing the book. With the cards already filed alphabetically, it is simple to assemble the index by copying the name of the person and the page numbers from the card. Similarly, the file card system makes it easier to compile almost any special

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Last Name	First Name	Middle Initial
Amount paid on book _____		
Amount due on book _____		
Receipt number _____		
Photographic receipt number _____		
Picture to appear _____ Class _____		
<b>1956 Orange and Black</b>		
Book received by _____		

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FIGURE 13.3. A file card for each individual who purchases a book or has his picture in the annual is a valuable time-saver for the staff. It can also be used for compiling an index and for subscribers to sign as they accept the annual.

list in alphabetical order such as a list of all seniors, juniors or sophomores. The number of the original photo receipt issued to each individual also can be included for easy ordering of prints from the photographer.

Receipt numbers on the file card make it possible for the staff members to make a rapid check when a student comes to the office and announces that he has lost his receipt. Without the file card, all of the duplicate receipts might have to be examined to find the information desired. The system can be of value in conducting the book sales campaign as well as in other ways. If he makes a rapid check through the file cards, the salesman can see who are still prospective buyers.

#### **The Ledger As a Permanent Record**

Each financial transaction recorded in the various receipt books eventually is transferred to the ledger as a permanent record. Thus, the ledger is actually the only book required in this simple system. Many bookkeeping systems use a cashbook-journal as well as the ledger. However, the bound volumes of duplicate receipts serve the same purpose as the cashbook-journal and may be properly substituted, on a small annual, thus simplifying the system.

Into the double-entry ledger goes a permanent record of all income and all disbursements. Separate sections in the ledger are set aside for recording book sales, sale of advertising, individual photographic receipts and miscellaneous receipts and disbursements. Often it saves time if an index to these various sections is entered in the front of the ledger.

The staff should consult an experienced bookkeeper before making entries in the ledger. In a large college or university, some member of the business office may be an excellent source of advice. In high schools, the commerce teacher is usually willing to assist.

In any case, no yearbook staff should set out to produce an annual without having a complete system of records. Careful planning at the beginning of the school year often will save valuable time later in the production schedule. Many times, the efficient use of bookkeeping aids, such as the card file, will prove to be the difference between meeting and not meeting the final deadline.

#### **Closing the Yearbook's Affairs**

Once the annual has gone to press, the editorial staff can catch up on lost sleep and neglected studies. Such is not the case with the business staff.

A good business manager often uses the lull between the final editorial activities and the distribution of the books to get the financial affairs into shape. With his assistants, the business manager can use this period to collect all outstanding accounts and start a final financial report. At the same time, he must begin arranging for efficient distribution of the books.

Many advertising accounts can be collected in advance of the actual distribution of the books if the advertising salesmen make the necessary arrangements with the printers. Often, three or four of the complete advertising signatures can be obtained as soon as they come off the press. When they are folded and trimmed, these signatures will show the advertising pages as they appear in the finished book.

Provided with these finished sections, the business staff of the yearbook can collect for most of the advertising before the annuals are delivered. This plan of collecting will allow the business staff to get important work out of the way before becoming involved in the rush of distributing the books. At the same time, the plan of advance collections will help bring the financial records of the book up to date so that a complete financial statement can be prepared soon after the final flurry of activity.

#### **Have the Books Audited**

The final duty of the business manager of the annual is to leave on file with school authorities a complete statement of receipts and disbursements. In all cases, the books should be audited for the protection of all parties concerned. If the school does not employ an auditor, the business manager will be justified in asking that a committee be appointed to audit the books of the annual.

A simple statement, which is easy to understand but which includes all necessary information, is sufficient. Figure 13.4 is one form of financial statement which might be pre-

pared by the business manager from the financial books he has kept throughout the year.

### Help the New Staff

While the yearbook staff members will be anxious to complete their duties and close up the book's affairs as soon as possible, it is a moral obligation, if nothing else, for them to offer aid to the new staff for the coming year.

Once the new staff has been appointed, it is the duty of the retiring members, who are familiar with the problems of producing a yearbook, to get the new staff members off to a good start.

If the old staff lends a hand before bowing out, the new book is bound to be improved. Let the new staff profit by the errors of the old. It should be a standing policy that the retiring staff does its best to see that the new staff has advantages that the old staff did not have. Progressive action of this kind will insure improvement of the school's annual each year.

The book's affairs can thus be closed in a businesslike and efficient manner. Every record of the past year should be permanently kept on file and made available to the incoming group.

FIGURE 13.4. A simple financial statement that gives a comprehensive summary of all financial transactions for the year is a must for yearbook staffs.

## THE 1955 ORANGE AND BLACK

(Annual Publication of the Student Body)

Statement of Receipts and Disbursements

June 1, 1954 to May 31, 1955

### CASH RECEIPTS

Orange and Black Sales:

1,402 at \$1.25 to students . . . \$1,752.50

120 at \$1.50 to non-students . . . 180.00

\$1,932.50

Share in activity fund . . . . . 150.00

Advertising space . . . . . 404.50

Sale of space to organizations . . . 310.00

Senior pictures . . . . . 415.00

Class play . . . . . 71.50

TOTAL CASH RECEIPTS . . \$3,283.50 \$3,283.50

### CASH DISBURSEMENTS

Printing, binding and covers . . . \$1,848.00

Photoengraving and art work . . . 921.00

Photography . . . . . 224.00

Prizes for book sales . . . . . 25.00

Postage and express . . . . . 18.20

Telephone and telegraph . . . . . 5.60

Office supplies and expenses . . . 12.45

Key awards to staff members . . . 36.00

Refunds . . . . . \$8.50

Refunds . . . . . 4.00

Refunds . . . . . 2.50

\$15.00 15.00

Unclassified items . . . . . 6.40

TOTAL DISBURSEMENTS . . \$3,111.65 \$3,111.65

Cash balance in bank, 5-31-55 . . . . . 171.85

Represented by:

Bank balance per statement, 5-31-55 . . . 180.25

Less check No. 38 outstanding . . . . . 8.40

Cash balance as above . . . . . \$171.85

Business Manager

1955 ORANGE AND BLACK

