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Economical Manual Voucher System

G. I. Tebbel

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AN ECONOMICAL MANUAL VOUCHER SYSTEM

By G. I. TEBBEL, C.P.A., Controller, Morley Brothers, Saginaw, Michigan

Small companies, as they begin to grow, frequently face a serious problem in recording their accounts payable transactions. The number of transactions frequently reaches the point where more employees need to be added to continue under the old system or a more efficient system needs to be adopted. Usually, when new systems are contemplated a mechanical installation is seriously considered before making the final decision. This paper is intended to furnish an idea of what can be done manually when a mechanical system is rejected by the management.

If a company receives a total of 1,000 invoices a month from approximately 300 vendors, the recording procedures under the usual accounts payable system are as follows:

- Entering the individual invoices in the purchase journal
 - 1,000 entries
- Foot and balance the purchase journal (approx. 30 pages). Summarize the controlling columns.
- 3. Posting purchase journal entries to accounts payable ledger

1,000 postings

300 entries

- Foot and balance the accounts payable ledger sheets for 300 vendors with one controlling account.
- 5. Preparing remittance advices on vendors to be paid. 1,000 entries
- Posting the payments to the accounts payable ledger.

 Indicating on ledger sheets the invoices paid and bring down new balances

Total Entries 3,300

The same number of transactions is handled under a voucher system as follows:

- 1. Entering the invoices on the voucher forms 1,000 entries
- 2. Foot and balance the

- vouchers after closing them for the month. (300 individual vouchers with an average of 3 entries recorded on them).
- 3. Entering the vouchers in the voucher register (make distribution from the columnar totals on the individual vouchers, if the system discussed later is used).

300 entries

- 4. Foot and balance the voucher register (approx. 10 or 11 instead of 30 pages).
- 5. Posting the payments to the payment information column in the voucher register.

300 postings

Total Entries 1,600

The number of entries required for recording the 1,000 invoices is thus less than one-half the number of entries required under the regular accounts payable system. The voucher further provides a record of all the transactions with each vendor for the month along with the distribution of the purchases. After the voucher is prepared all entries are made from the voucher totals rather than from individual invoices, thereby reducing the size of the book of original entry from 30 to 10 pages.

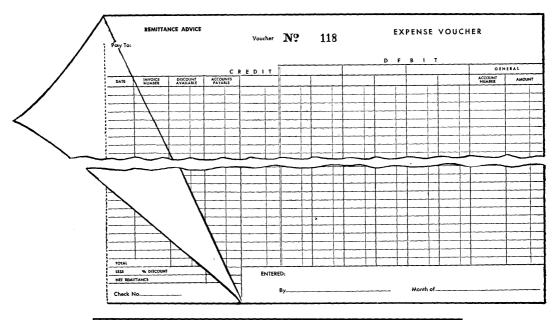
There are numerous variations in the voucher system. Some companies use the duplicate copy of the check and remittance advice as the voucher. Others prepare vouchers with a list of the invoices on one side and the distribution summary on the These systems make large savings in the accounts payable department. However, in order to make the original distribution summary or to have a complete distribution of individual invoices within the voucher, all the invoices must be thumbed through repeatedly. Generally, also, the vouchers are completely prepared and balanced during the first 10 days of the month when the accounts payable department is very busy.

There is presented below a suggested manual voucher which utilizes some of the benefits of both the accounts payable system and the voucher system. The arrangement of the voucher is similar to that of a purchase journal sheet, with the columnar headings left open for any distributions necessary. Complete distribution of all the invoices listed on the voucher is obtained from the face of the voucher and the columnar totals give an accurate summary of the distribution without further handling of the invoices. The invoices are entered on the voucher form at any time during the month after they have been approved for payment, thereby contributing to a better spread of the work in the accounts payable department.

The remittance advice is made out simultaneously with the entering of invoices by inserting a piece of carbon paper under the flap at the left of the voucher. Other

voucher systems, using a copy of the check and remittance stub as the voucher, would have to make assignment of definite check numbers (if a prenumbered check is used) long before the check would be made out and the voiding of the voucher would void the check number reserved.

The major advantage of the suggested voucher form lies in the distribution columns. By leaving the columnar headings blank and having enough room for almost any conceivable distribution spread, the need for any summarizing of the vouchers is virtually eliminated. If the number of inventory and expense accounts is too large for the voucher register, it might be advisable to post the distribution from the vouchers directly to summary sheets for all or certain classifications. The summary sheets, in turn, can be recapitulated on the voucher register for balancing and general ledger posting.



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Josephine Platts, 201 Elmwood Ave., Buffalo, New York. Employed by Price Waterhouse & Co. Member of American Institute of Accountants and Buffalo Chapter, ASWA. Studied at University of Buffalo.

Gwen Potter, Box 31, Belhaven, North Carolina. Associate Member. Employed by R. O. Howard, CPA. Studied at East Carolina College and University of North Carolina. Degrees: B.S. and M.S.

Louise A. Sallman, 630 Caldwell Road, Oakland 11, California. Employed by Wallace & Meyer. Member: California Society of CPA's, American Institute of Accountants, San Francisco Chapter ASWA. Studied at Golden Gate College, San Francisco, California.

Jeanette Sanderson, 19720 Yacama Ave., Detroit 3, Michigan. Employed by John E. Yates. Member: Michigan Association of CPA's, American Institute of Accountants, American Accounting Association, Detroit Chapter, ASWA. B.S. degree from Wayne University.

Greta Schiedt, 5714 W. Race Avenue, Chicago 44, Illinois. Employed by Mercal, Incorporated. Member of Illinois Society (Continued on page 11)

IDEA EXCHANGE

By THEIA A. CASCIO, Sherman Oaks, California

Let's forget forms, machines, financial statements, and taxes for a short while. Employers and employees alike, in addition to their possession of technical knowledge and skill, need to know how to get along with other people. Dale Carnegie emphasizes this in his book "How to Make Friends and Influence People." Our present concern is not the latter; we want to make friends.

There is a difference between making friends and not making enemies. The latter is passive and results from an indifferent attitude toward others. It requires alert, conscious effort to have people like and trust you. Getting along with associates may not be ratable in an IQ test, but it should be a definite part of your plan for success.

One girl in our office said recently, "I can't seem to get friendly with Miss S. Every time I get near her, I can see nothing but the spots on her blouse." A little time for neatness could bring a closer relationship here. While appearance might seem to be picture viewing only, with no connection to character and how others feel about you, there is a definite pull toward the attractive, neat and clean person.

There is never any fear or hesitancy about approaching the courteous individual. Meet rudeness with politeness and you may start a chain reaction of courtesy. Elbert Hubbard wrote: "Everybody is really decent in spots; and I have seen the gentle answer completely disarm a grouch who was bent on chewing the red rag of wordy warfare."

Be interested in those around you and happy for their success. Mark Twain once said, "There is nothing harder to take than success—somebody else's success." Envy is natural; but how we react to that feeling is an indication of character. If you are envious of acquaintances or their accomplishments, study why. Realize it is most

probably because you want like good fortune, reason how you can attain it, and congratulate the successful person with good will and admiration.

Understanding and sympathy always merit a rewarding handclasp and a warm feeling of friendship. Lavish gifts and extravagant phrases are not usually indicative of real sympathy. A kindly smile and the sincerity of a brief, "I'm sorry," can be just as effective and more meaningful. Understanding comes from knowing all men and women have troubles and problems. With some, the load is heavier. Some small gesture or aid on another's part can reduce that load. How the burdened person would love you for lifting just a small part of that weight!

All who wish to get along with others need self-control. Consider the art of oral communication. We too often become irritable and curt if we must repeat ourselves. We assume too often that the other party understands our simplest words. Take the ordinary and commonplace "cat" for instance. When I write it, I think of the spotted one that jumps the fence in the back yard. What do you think about? Perhaps, the black one that crossed your path on the way home last night, or the cute manx cat curled up at your fireside. We must have patience to be sure we are using comparable terminology.

Human Relations is becoming so important that many employers purchase a mailing piece on the subject which is posted to the employee's home. We are coming to realize that genius does not always bring happiness and success. Job knowledge and experience are most important. Granted. But, when your class yell from the School of Experience becomes, "Ouch," something is wrong. It may be your understanding of Human Relations.

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of CPA's, Credit Women's Club of Society. Studied at Walton School of Commerce and Northwestern University. B.S.A. degree.

Gloria M. Stromberg, 54 East Scott Street, Chicago, Illinois. Employed by John N. Hoffman & Co. Studied at Rockford College and Northwestern University. B. S. degree.

Frances W. Sturgeon, 5310 Kenilworth Ave., Baltimore, Maryland. Employed by The City Baking Company. Member: Maryland Society of CPA's, National Association of Cost Accountants. Studied at Johns Hopkins and Baltimore College of Commerce.