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## Accounting for Liberty Loan Subscriptions

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## Accounting for Liberty Loan Subscriptions

BY ARTHUR F. JONES, C.P.A., A.C.A.

The committee in charge of the third Liberty loan campaign in Portland, Oregon, decided upon a direct solicitation of individual subscribers rather than a recommendation that applications be made through the banks and as a result the required quota was obtained in less than a week.

The accountants practising in Portland were asked to devise a system for handling the financial transactions and to be responsible for all accounting matters in connection therewith. The committee of four selected for this purpose received the active support of the accountants and their assistants. The American Institute of Bankers agreed to provide as many tellers as might be necessary.

The organization of the drive had been arranged beforehand and consisted of a general having under him two lieutenant-generals each in charge of a division. A division consisted of ten colonels each having ten captains under him. Each captain controlled ten workers. The total was two thousand solicitors.

Each worker was provided with a duplicate receipt book, supply of application cards and envelopes for containing cash and cards. The worker's envelope practically formed the base for all accounting transactions. Its size was 10 x 6½ and it is illustrated below.

### THIRD LIBERTY LOAN DRIVE

April 8 1918

To Northwestern National Bank

This envelope contains Two hundred twenty seven (227) signed application forms, calling for initial payments aggregating Eleven thousand six hundred Dollars (\$11,600.<sup>00</sup>)

You will make collection of this amount from

United States National Bank  
John Doe  
Accountant

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At the close of each day the worker made up his envelope as required. It was then examined as to cash and accuracy by the captain and signed by him.

It will be noticed that one column is headed, "Leave this space blank." The clearing house number or initial of the designated bank was subsequently inserted therein by the accountant. This work may at first appear to be redundant but was found to be of considerable benefit.

As soon as a captain had received an envelope from each of his ten workers he made up his daily report in the following form:

<b>Captains Daily Report</b>						
DISTRICT No. _____				1918		
NAME OF WORKER		TOTAL SUBSCRIBED FOR		TOTAL PAYMENTS		
TOTAL						
RECEIVED THE ABOVE ENVELOPES _____				CAPTAIN _____		
COLONEL _____						

The colonel having received reports from his ten captains then made up his own report in practically the same form with certain minor changes.

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Arrangements were made whereby two of the larger banks in the city would act as depositories and remain open each night of the drive. Ten colonels were assigned to each bank, reporting there at seven o'clock each evening.

An accountant and teller were assigned to each colonel on arrival at the bank and two or three emergency accountants and tellers were on hand in case the work in any one cage was particularly heavy.

The following instructions were given to each accountant :

### Worker's Report

Verify report by comparing with subscription cards.

- a. See that each card is complete and has receipt number entered on it.
- b. See that details on envelopes agree with card.
- c. Post in second column on envelope the number or initial of bank, from list furnished you.
- d. Prove totals of
  - 1—number of subscribers,
  - 2—amount subscribed for,
  - 3—initial payments.
- e. See that all signatures are on cards, then sign the report.

### Captain's Report

Verify report by comparing the envelopes.

- a. See that entries are proper by comparing with envelope and enter number of subscribers also,
- b. Prove all totals; see that report is signed properly; then sign yourself.

### Colonel's Report

Verify in same manner as captain's report, except that comparison will be made with ten captains' reports instead of envelopes. Be sure to enter number of subscribers.

### Bank Reports

When all cards and envelopes are verified, sort cards by banks; then prepare list for each bank on split adding machine, showing list of subscriptions and list of initial payments in two parallel columns.

Be careful to preserve cards in same order as listed, and attach tape to cards when complete. Use rubber bands only, not paper fasteners.

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Prepare statement showing total subscriptions, number of cards and total cash due each bank. These totals must equal totals on colonel's report for day.

File empty envelopes in packages by captains.

The envelopes were opened by the teller and the cash was counted. If this was found to agree with the amount called for by the worker's envelope it was not counted by the colonel; but in case of error was counted by him and a note of the difference was signed by both. The envelope was then handed to the accountant to be checked with the cards, which were contained in a separate envelope. Particular care was necessary to see that the amount of the initial payment agreed with the reports as, after the cards had been sorted by banks, identity between the cards and the envelopes was, to a certain extent, lost, and errors were difficult to trace. Applications unaccompanied by cash or by less than the five per cent. subscription were laid aside and not included in the totals. The duplicate receipts were not examined by the accountant as they were in the possession of the worker. This had already been done by the captain and a subsequent check was eventually made by the auditing committee. The accountant having checked all details then sorted the cards by banks and prepared adding machine lists. Where a bank was not designated the cards were sorted to the "Liberty loan committee," to be subsequently allocated by that committee. The accountant then made up his report in the form shown on page 430.

The totals shown by banks of course agreed with those shown by the colonel's report and the amount of cash agreed with the teller's deposit slip.

This report was handed to the accountant in charge, who saw that the totals agreed and examined the cards to see that the sorting had been correctly done. This was found to be particularly necessary as there are many "First National" banks and a good deal of similarity in names.

The accountant in charge opened ledger accounts with each bank and posted the details from the accountants' reports. The total by banks then agreed with the total of the ten colonels' reports and the cash with the amount reported by the chief teller.

The cards were then sorted to the various banks by packages and the number of packages checked back with the ledger accounts.

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**THIRD LIBERTY LOAN DRIVE**

Accountant's Report to Chief Accountant

April \_\_\_\_\_ 1918

Colonel \_\_\_\_\_

No.	NAME OF BANK	NO. OF BANKNOTES	PAR VALUE OF APPLICATIONS	TOTAL OF INITIAL PAYMENTS
2	Canadian Bank of Commerce			
4	First National Bank			
5	Ladd and Tilton Bank			
6	Bank of California			
11	United States National Bank			
13	Security Savings and Trust Co.			
17	Hibernia Savings Bank			
18	Northwestern National Bank Other Banks (specify in detail)			
Total				

Accountant \_\_\_\_\_

The cards were placed in their respective envelopes which were properly endorsed. A form of the envelope is given on the opposite page.

The next morning a report was made to each depository directing the distribution of the amount received, the cards being subsequently delivered to the designated bank together with a cheque drawn on the account carried by the depository, signed by the chairman.

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DISTRICT NO. _____		_____ 1918		
WORKER _____		CORRECT AS TO CASH		
CAPTAIN _____		COLONEL _____		
TELLER _____				
RECEIPT NO.	LEAVE THIS SPACE BLANK	AMOUNT SUBSCRIBED FOR	AMOUNT PAID	REMARKS
<b>TOTALS</b>				

THE STANDARD BLANKING CO. 174-723

The working papers were retained by the accountant in charge who then had sufficient material for the preparation of statistics. All statistics required could be made up by the accountant except those relating to the names of the individual subscribers.

The work involved was strenuous and naturally involved very late hours. On the largest day of the drive it was necessary for the accountants in charge to work all night and well into the next day.

It was found as an operating detail that from two hundred to two hundred and fifty cards could be handled on an average by each man.

It was found desirable, when it could be so arranged, to have two extra accountants report for duty at a designated hour as assistants to the accountant in charge, whose hardest work came

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after the work of the other accountants was completed. This would be especially necessary in the case of a long drawn out drive, as there is a limit to human endurance.

Considering the large number of subscriptions handled and that the men engaged had already done a day's work before coming on duty the number of errors was surprisingly small and, though the work was hardly interesting, it was conscientiously and willingly carried out by accountants and tellers and they have the satisfaction of knowing that it was a patriotic duty well performed.