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# STUDY ON THE ACCOUNTANCY OF OPERATIONS OF RECEIPTS AND PAYMENTS WITHIN THE ECONOMIC ENTITY

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**Abstract:**

*Given the importance of money, their rational organisation is an essential goal of accountancy in this area. This objective consists of providing the permanent financial balance and a rational efficiency of the entire activity, which can be achieved through a complex of activities and instruments, such as: activity programmes and budgets of income and expenses, expressed in money for all their sectors, but more especially through a permanent and systematic tracking of economic-financial activities. The paper presents some theoretical aspects regarding the concept of treasury and afterwards it focuses on the synthetic presentation of the main accounts used in their accountancy. A more detailed presentation is limited to an accounting monograph of operations of receipts and payments within an economic entity.*

**Keywords:** treasury, accountancy, accounting note, receipt, payment

## 1. Introductory aspects on treasury and treasury operations

The name of treasury originates in the Latin word “thezaurus” which is translated by “deposit for valuable objects” or “treasure”.

According to the Explanatory Dictionary of Romanian Language, treasury represents all financial operations for purchasing and spending the money.

According to IAS 7 „The situation related to cash flows”, although the concept of treasury is not clearly defined, it can be said that treasury includes cash and cash equivalents. Cash includes the money in the cash desk and in banks, as well as the demand deposits. Cash equivalents are very liquid, short term financial investments,

which are easily convertible in known cash amounts and which are subject to an insignificant risk of value change. According to the same standard, cash equivalents are kept rather for paying short term cash obligations than for investments or other purposes. Qualifying an investment as cash equivalent it has to be easily convertible into a known amount of cash and subjected to an insignificant risk of value change. Bank loans are generally considered financing activities. However, in some countries, such as Romania, overdrafts which are refundable at sight are part of the management of an entity. Therefore, overdrafts are considered component of the cash and cash equivalents. One characteristic of these banking arrangements is that the bank balance fluctuates between positive and negative.

The concept of treasury can be analyzed from two perspectives, namely: *organizational*, treasury being a service that is a component of entity's organizational chart, which has duties and attributions, which has specialized personnel and operates according to well-established structural rules; *according to its economic elements*, most definitions being based on the available liquidities of the economic entity at a certain time.

As a *structure*, treasury includes: the cash from the cash desk and other cash equivalents; availabilities in the banks; treasury advances; amounts and trade receivable effects; securities; short term bank loans.

*Depending on the place the treasury is*, the money can be: in the enterprise's cash desk; in bank accounts; at third companies or persons.

*Depending on the way of presentation*, treasury can be embodied in: cash; valuable documents.

## **2. Theoretical aspects on the accountancy of receipts and payment operations**

Supporting documents on the activity of cash receipts and payments are provided in "The methodological rules for the preparation and usage of financial-accounting documents". These are: receipt, receipt for operations with foreign currency, order of payment/collection, cashbook, cashbook (for foreign currency, purchase register, deduction for venture operations.

Non-cash deductions are those banking operations through which payments, respectively receipts are made through the passing – also called transfer – of an amount of money owed by the debtor (buyer or another payer), from his bank account into the banks account whose holder is the creditor (the supplier or other beneficiary of rights).

In the desire to diminish the percentage of cash operations and to benefit from the advantages of developing modern transfer operations, the legal framework of using payment operations has been updated through legal stipulations.

Economic entities may open multiple bank accounts (accounts, sub-accounts) on activities, destination, units etc., so that it can benefit from operational services, security and use of cash. Various types (systems) of deductions and proper instruments that would provide safety and efficiency for these operations can be used for the operations of collection and payments without cash, through the bank. This includes the provision of certain rules and operation procedures that each partner should accept and respect. To that effect, the National Bank and the specialised banks are developing rules for carrying out deduction operations.

Acceptance is a type of form of deduction through which payments between entities are performed based on the payer's consent given on his own initiative or at the supplier's request.

The deduction at the payer's initiative is made using as deduction instrument: the payment order, the order of payment, the cheque, note of hand, bill of exchange, draft.

The amounts of cash, in lei and foreign currency, of an economic entity are kept in the company's cash desk, having their own distinct management.

Cash operations of receipts and payments, in lei and foreign currency are conducted in compliance with the regulation on cash desk operations and with the regulations issued by the National Bank of Romania, monitored in the accountancy with account 531 "The Cash", which develops into two synthetic, level 2 accounts: 5311 "Lei cash", 5314 "Foreign cash" – evidence for each currency separately.

The transfer of cash between bank accounts and the cashier of economic agents is called internal transfer. Since this operation takes into account two cash accounts, causing troubles in operating several registers because the basic documents are the same, a supporting accounting was introduced which, by using this account, gives the possibility to develop two formulas from one accounting formula. It is intended to ensure no risk of double usage of cash transfers from one treasury account to another (Lei cash – Foreign cash). This account is 581 "Internal transfers". According to its economic content, it is a transit account, assimilated to cash accounts; assets account. It is debited with the amounts that came out of a cash account to get into another cash account. It is credited with the amounts entered from one cash account which come from another cash account.

Due to the rapid possibility of rapid transformation in cash, other values managed by the cashier are also assimilated to these. The term "other values" refers to securities known as commercial papers of the buyer and intended to be sold to be turned into cash. They are kept in the treasury of the economic entity and they include: fiscal or postal stamps, tickets for treatment and rest, travel tickets and vouchers and more.

They are recorded in accountancy with the account 532 "Other values" opened on synthetic, level 2 accounts, on types of values managed: 5321 "Fiscal and postal stamps", 5322 "Tickets for treatment and rest", 5323 "Travel tickets and vouchers", 5328 "Other values".

Accounts opened at banks ensure, on one hand, the concentration of cash and, on the other hand, non-cash payments or transfers. When relations between economic agents are normal, deductions between them prevail through accounts opened at banks. The reflection of these operations into accountancy is achieved through the account 512 "Current accounts in banks", which develop into the following synthetic, level II accounts: "Bank accounts in lei", 5124 "Bank accounts in foreign currency", 5125 "Amounts under settlement".

The account 5121 „Bank accounts in lei” outlines the cash in lei that exist in the cash account at the bank and their movement as a result of receipts and payments.

The account 5124 „Bank accounts in foreign currency” keeps record of the cash in foreign currency from the bank account and their movement as a result of receipts and payments and their equivalent in lei at the rate of exchange of that day or at a fixed rate of exchange.

There are considered amounts under settlement the following:

- Amounts deposited at the bank and which do not necessarily appear in the bank statement;
- Amounts transferred by third parties and which do not appear in the bank statement;
- Amounts deposited at the bank through postal order by third parties but which did not reach the bank;
- Amounts recorded in separate accounts at the banks for the purchase of foreign currency.

For the money kept in banks by the economic entities, the banks offer interests considered bank debts, and for the granted loans, the bank charges interest, considered as liabilities to the bank. Their reflection into the accountancy is through the account 518 "Interests", which is divided into two synthetic, level II accounts: 5186 "Interests to be paid", 5187 "Interests to be received".

Short term loans are varied, have diverse characteristic features according to the object, duration, cost and practical procedures for granting – reimbursement. Usually, they are opened directly at the bank, as a result of negotiations with the debtors and have duration of up to 1 year. Reimbursement of loans has to be ensured within the debtor's economic operations. The bank, in its relations with the debtors, is entitled to request the reimbursement of loans by pledging the receipts from certain commercial operations or to grant a general loan, for current needs of payment, without other special insurance than the debtor's creditworthiness.

Short term loans (of less than one year) are subject to treasury operations and long term credits and loans are included in the capital operations category. The accountancy of short term loans and their interests is done with the account 519 "Short term bank loans", divided into synthetic, level 2 accounts: 5191 "Short term bank accounts", 5192 "Short term bank loans irredeemable at maturity", 5193 "External governmental loans", 5194 "External loans guaranteed by the state", 5195 "External loans guaranteed by the banks", 5196 "State treasury loans", 5198 "Domestic loans guaranteed by the state", 5198 "Interests related to short term bank loans".

Short term bank loans may be granted in RON or in foreign currency. When granted in foreign currency, favourable or unfavourable differences in the rate of exchange may appear at their reimbursement, depending on the evolution of the rate of exchange as compared to the one from the date the loans were contracted.

The values to be collected are suppliers' commercial papers that are to be turned into cash at maturity. At the maturity of commercial papers, their function of treasury instrument is achieved by account 511 "Values to be received". The role of the account is to record the commercial papers submitted for collection at maturity or sent for deduction, as well as the settlement cheques delivered to the bank for collection until their value is registered in the bank's current accounts. This account is divided into three synthetic, level 2 accounts: 5112 "Cheques to be collected", 5113 "Commercial papers to be collected", 5114 "Effects sent for deduction".

The rights for outstanding debts against customers can also be settled by the acceptance, takeover of certain settlement cheques, with or without cap amount. These cheques are taken from customers by the representatives or delegates of commercial services and delivered to the financial service, the specification "settled by cheque no....." being mentioned on the delivery invoice. By taking the cheque, the commercial relation with the customer concerning the settlement of the invoice ends and another financial relationship for collection is being created.

On the other hand, in order to delimitate in the company's management, the responsibility of the commercial resort that has supplied goods or provided services with their settlement through cheques delivered to the financial department, from the responsibility of the financial service which, by taking the cheques, it has to take care of their collection, the distinct separation of these cheques is required from the moment they were taken to the moment they were collected.

The commercial papers can be mobilized at maturity or before. Commercial papers that have reached maturity are taken out of the portfolio of values, registered in the checklist and submitted under signature to the banks in order to be collected. During the period from submission to collection, on behalf of the companies or people indicated for payment and until their collection into the current accounts, the evidence of commercial papers is achieved with the account 5113 "Effects to be collected".

And when the holder of a commercial paper needs money before maturity, he can submit this document to the bank for discounting.

Discounting is the operation through which transactions between economic agents are performed based on credit instrument when payment is made before maturity if the holder of a commercial paper shows this to the bank thus requiring the payment before the date mentioned on this document.

Discount is the amount of money by way of interests to which a commission is added to compensate for the discounting expenses due to the bank for the payment of commercial papers before maturity. The economic entity applying discounting before maturity shall receive the amount written in the commercial paper, except the discount fee (the interest plus the commission).

### 3. Accounting monograph for treasury operations

#### A. The accountancy of foreign currency operations by cashier

1) On 08.09.2011 it is collected through the cashier, based on the receipt no. 345 from S.C. Mondial S.R.L. invoice no. 8321/01.09.2011 in the amount of 300 USD. At the date the invoice was issued the rate of exchange was 3,2 lei/USD and at the date of collection, the rate of exchange was 3,00 lei/USD. There is a favourable difference in the rate of exchange namely:  $0,2 \text{ lei/USD} \times 300 \text{ USD} = 60 \text{ lei}$ . In accountancy, the accounting note no. 14 is operated. Collection operation was recorded in the company's Cashbook in USD.

5314.1 „Cash in USD” =	%		966
		411 „Customers”	960
		765 „Income from rate exchange differences”	60

2) On 10.09.2011, it is paid through the cashier to the supplier S.C. Gama S.R.L. invoice no. 1267/03.09.2011 the amount of 150 USD. The invoice was registered at the rate of exchange of 3,21 lei/USD. At the date the payment was made, the rate of exchange is 3,225 lei/USD. There is an unfavourable difference in the rate of exchange, namely:  $0,015 \text{ lei/USD} \times 150 \text{ USD} = 2,25 \text{ lei}$ . The accounting note no. 15 is operated in the accountancy. The collection operation was recorded in the company's Cashbook in USD.

	%			= 5314.1 „Cash in USD”	483,75
481,5		401 „Suppliers”			
2,25		665 „Expenses from rate exchange differences”			

3) On 23.09.2011 a rate of exchange is being operated at SC Exchange SRL. Based on the bill no. 18, the amount of 100 USD is purchased, at the rate of exchange of 3,25 lei/USD. The accounting note no. 16 is operated in the accountancy. The collection operation was recorded in the company's Cashbook in USD.

325		5314.1 „Cash in USD”	=		581 „Internal transfers”	325
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4) The situation of the account 5314.1 “Cash in USD” on the 23 of September 2011, the last day operations of receipt/payments in USD were made, is shown in table 1.

**Table 1.**

**The situation of the account 5314.1 „Cash in USD” USD on 23. 09. 2011**

Date	Operation	Rate exchan ge of the day	Debit		Credit		Balance	
			USD	Lei	USD	lei	USD	lei
01.09	-	3,215	325	1.044,875	-	-	325	1.044,875
08.09	Receipt	3,220	300	966,000	-	-	625	2010,875
10.09	Payment	3,225	-	-	150	483,75	475	1.527,125
23.09	Exchange	3,250	100	325,000	-	-	575	1.852,125

4) Since the foreign currency at the end of the month and also the receivables and debts in foreign currency are valued in lei at the rate of exchange communicated by the National Bank of Romania during the last day of the month, the rate of exchange differences of the 575 USD balance are settled and recorded in the company's accountancy, according to the Cashbook. In order to record the rate of exchange differences at the end of February, the average rate of exchange is calculated according to the relation:  $1.852,12 / 575 = 3,221$  lei/USD

The official rate of exchange communicated by the National Bank of Romania for 1 USD is 3,27 lei. The existing USD balance is calculated according to the communicated rate of exchange:

$$575 \text{ USD} \times 3,27 \text{ lei/USD} = 1.880,25 \text{ lei}$$

Based on the calculation below, we get a favourable difference in the rate of exchange, recorded in the company's accountancy on 28.09.2011.

$$1.880,25 \text{ lei} - 1.852,125 \text{ lei} = 28,125 \text{ lei}$$

28,125      5314.1 „Cash in USD” = 765 „Income from rate of exchange differences”      28,125

After this registration, the balance of the account 5314.1 “Cash in USD” at the end of February is of 1.880,25 lei.

The situation of the account 5314.1 „Cash in USD” at the end of February, on 28.09.2011, is presented in table 2.

**Table 2.**

**The situation of the account 5314.1 „Cash in USD” USD on 28. 09. 2011**

Date	Operation	Rate of exchange of the day	Debit		Credit		Balance	
			USD	Lei	USD	lei	USD	lei
01.09	-	3,215	325	1.044,875	-	-	325	1.044,875
08.09	Receipt	3,220	300	966,000	-	-	625	2010,875
10.09	Payment	3,225	-	-	150	483,75	475	1.527,125
23.09	Exchange	3,250	100	325,000	-	-	575	1.852,125
28.09	Favourable rate of exchange difference	3,27	-	28,125	-	-	-	1.880,25

**B. Accounting operations in lei through the cashier**

1) On 01.09.2011 it is paid, according to the bill no. 581, by S.C. Petrom SA, fuel in the total amount of 99.59 lei, out of which 80,32 the value of the fuel and 19,27 the value of the VAT. The operation is recorded in the company's accountancy according to the following accounting note:

	%	=		99,59
80,32	60221 „Expenses on fuel deductible”		5311 „Cash in lei”	
19,27	4426 „VAT deductible”			

We mention that the fuel purchase was made by Mr. Popescu, the company's commercial agent, a reason why the fuel is, according to the legal stipulations, a deductible expense.

2) On 01.09.2011 it is purchased, based on the Purchase register no. 14, pallets for the products' transportation. The value is paid on the same day, in cash, based on the order of payment no. 325. The payment operation is recorded in the company's Cashbook and in the general accountancy based on the following accounting note:

900	401 „Suppliers”	=	5311 „Cash in lei”	900
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3) On 01.09.2011 the financial statements are submitted to the National Trade Register Office. For deposit, a fee of 14 lei is paid based on the receipt no. 1005394. The document is operated in the company's Cashbook and general accountancy as it follows:



14 635 „Expenses with other taxes and fees” = 5311 „Cash in lei” 14  
and similar payments

4) On 24.01.2011 raw materials were purchased from SC Mystic SRL, based on the invoice no. 2632268. The contract between the two commercial partners provides that the term of payment for invoices is 15 days. The company pays the invoice before the due date, based on the receipt no. 264 in the amount of 3.104,47 lei, the payment operation being recorded in the Cashbook through the following accounting note:

3.104,47 401 „Suppliers” = 5311 „Cash in lei” 3.104,47

5) On 09.09.2011 a fax machine is purchased by Sc Simpex SRL based on the invoice no. 2652 in the amount of 373,95 lei. The invoice is paid at the moment of purchase. The bill no. 57 is received and it is given to the cashier where it is operated in the Cashbook and in the accountancy. The accounting note is:

373,95 401 „Suppliers” = 5311 „Cash in lei” 373,95

6) On 09.09.2011 the company's associate supplies with diesel SC Petrom SRL. Bill no. 608 is received, in total value of 100,09 lei, out of which 80,72 value of the fuel and 19,37 lei value of the VAT. The fuel purchase was made by the associate for the vehicle used for travels. According to the legal provisions, the fuel expense and the related VAT are non-deductible, fiscally speaking. The operation is recorded in the company's Cashbook according to the following accounting note:

100,00 60221 „Expenses for fuel = 5311 „Cash in lei” 100,09  
non-deductible”

7) On 10.09.2011 stationery is purchased from SC Diverta SRL based on the invoice no. 312, in total amount of 100,08 lei. The value of the invoice is paid according to the receipt no. 251 and it is operated in the Cashbook and in the accountancy under the following accounting note:

100,08 401 „Suppliers” = 5311 „Cash in lei” 100,08

8) On 15.09.2011 the amount of 200 lei is deposited in the cashier, an amount that was taken from the bank account opened at BRD. The operation is recorded in the Cashbook under the following accounting note:

200 5311 „Cash in lei” = 581 „Internal transfers” 200

9) On 15.09.2011 the amount of 1.870 lei is collected, according to the receipt no. 390, from SC Renial SRL. The collected amount represents the value of the invoice no. 1856, issued on 10.09.2011 by SC Alfa SRL, at the sale of products. The collection operation is recorded in the Cashbook under the accounting note:

1.870 5311 „Cash in lei” = 4111 „Customers” 1.870

10) Employee Ionescu Daniel is delegated to Bucharest to contract some business partners. For this travel, based on the order of payment no. 235/15.09.2011, he receives and advanced payment of 1.000 lei. The payment is recorded in the company's Cashbook:

1000 542 „Cash advances” = 5311 „Cash in lei” 1000

11) As requested by SC Romnial SRL, the company has sent it, by mail, a number of accounting and legal documents, and a copy of the contract with the customer, copies of the invoices issued during the month of January. To send the documents, a mail fee in the amount of 25 lei was paid on 15.09.2011, for which the receipt no. 635 was received. The accounting note for this payment operation recorded in the company's Cashbook is the following:

25 626 „Postal expenses and telecommunication fees” = 5311 „Cash in lei” 25

12) On 16.09.2011, SC Combial SRL collects the value of the invoice no. 35987, representing an advance. Bill no. 7888 for the amount of 4.800 lei is issued at the collection. The collection document is operated in the Cashbook under the following accounting note:

4.800 5311 „Cash in lei” = 419 „Customers- creditors” 4.800

13) On 09.09.2011 the invoice for telephone services from SC Orange Romania SA was received, issued on 03.09.2011, with maturity on 17.09.2011. The value of the invoice is 234,73 lei. The invoice is paid in cash on 16.09.2011, according to the bill no. 49718732. The payment operation is recorded in the company's Cashbook according to the following accounting note:

234,73 401 „Suppliers” = 5311 „Cash in lei” 234,73

14) The company has worked in January with a collaborator to repair the equipment. A payroll for collaborators was drawn up for them. On 16.09.2011 defrayal is paid, based on the order of payment no. 239, calculated in the amount of 850 lei. The mentioned payment operation is recorded in the Cashbook as it follows:

850 4281 „Other liabilities related to personnel” = 5311 „Cash in lei” 850

15) For the endowment of Elementary School no. 2 library, the company signs the sponsorship contract with it registered under no. 59 of 15.09.2011. On 16.09.2011, the amount stipulated in the contract is paid to the school, i.e. 1.500 lei, based on the receipt no. 7890. The payment operation is recorded in the Cashbook under the related accounting note, as it follows:

1.500 6582 „Donations and grants” = 5311 „Cash in lei” 1.500

16) On 16.09.2011 a company credit in the amount of 2.0352,72 lei was returned to the associate, based on the order of payment no. 240, under the loan contract no. 34/12.01.2011. The operation is recorded in the Cashbook as it follows:

2.352,72 4551 „Associates – current accounts” = 5311 „Cash in lei” 2.352,72

17) On 19.09.2011 the amount of 2.155 lei is collected, based on the receipt no. 7.891 from SC Maxol SRL. The collected amount is the value of invoice no. 35999 issued on 16.09.2011 by SC Alfa SRL on the sale of products. The collection operation is recorded in the Cashbook under the accounting note:

2.155 5311 „Cash in lei” = 4111 „Customers” 2.155

18) On 19.09.2011 employee Ionescu Daniel goes to the company’s cashier to regularize the travel advance from 15.09.2011. On his return, the employee explains the amount received based on the supporting documents as it follows: the payment of some stationery suppliers, in the amount of 10 lei; 350 lei protocol; return train ticket 187 lei; daily allowance in the amount of 51 lei; accommodation 170 lei.

Accounting notes related the regularization of the advance are the following:

%	=	542 „Treasury advances”	1.000
401 „Suppliers”			10
623 „Protocol, advertising and publicity expenses”			350
624 „Expenses on transportation of goods and personnel”			187
625.1 „Expenses on travels, assignments and transfers – daily allowance”			51
628 „Other expenses with services executed by third parties”			170
5311 „Cash in lei”			232

19) On 05.09.2011 raw materials was purchased from SC Beta SRL based on the receipt no. 25376 in total amount of 4.800 lei. To reduce the expenses with banking commissions, the value of the invoice is paid in cash on 19.09.2011, according to the receipt no. 58932. The receipt for this payment is operated in the Cashbook and in the accountancy under the following accounting note:

4.800                  401 „Suppliers”                  =                  5311 „Cash in lei”          4.800

20) Following the acquisition of a real estate property, the payment of notary fees is required. Therefore, documents are signed at the Notary’s Office and the levied amount equals 774,04 lei, amount paid in cash according to the bill no. 28. The notary’s office is non-taxable. The above accounting note is recorded in the company’s accountancy, centralised in the Cashbook:

774,04    622 „Expenses on commissions” = 5311 „Cash in lei”    774,04  
                        and fees”

21) On 19.09.2011 fiscal stamps are purchased in the amount of 32 lei, paid in cash. The operation can be found in the Cashbook as it follows:

32          5321 „Fiscal and postal stamps”                  =                  5311 „Cash in lei”    32

22) On 23.09.2011 more promissory notes are due and the company does not have the necessary amount to pay them. Therefore, the loan contract no. 35/23.09.2011 is signed with the associate and the company is credited with the amount of 9.000 lei. The documents drawn up for the collection are cash order no. 249 of 23.09.2011 and bill no. 7.994 of the same date. The operation is recorded in the Cashbook as it follows:

9.000    5311 „Cash lei”                  =    4551 „Associates – current accounts”    9.000

23) The cashier takes from the cash desk the amount of 9.000 lei to be deposited in the bank. The order of payment no. 250 is issued for the withdrawal. The operation is recorded in the Cashbook as it follows:

9.000    581 „Internal transfers”                  =    5311 „Cash in lei”    9.000

**C. Accounting operations through bank accounts**

1) On 09.09.2011, the note of hand no. 87988/12.01.2011 is paid to SC Beta SRL, accepted by the supplier for the value of raw materials delivered under invoice no. 2158/12.01.2011. The value is 2.344,07 lei. The payment for the note of hand is

recorded in the accountancy, according to the bank statement, and also for the commission:

- payment for the note of hand

2.344,07 403 „Effects to be paid” = 5121 „Bank accounts in lei” 2.344,07

- payment for the banking commission

8 627 „Banking and similar services expenses” = 5121 „Bank accounts in lei” 8

2) On 15.09.2011, the amount of 200 lei is withdrawn from the bank account opened at BRD, by ATM. The withdrawal is written in the bank statement and the amount was deposited in cash desk. The commission for the withdrawn amount is 0,75 lei. The accounting notes for these operations, according to the company's accountancy, are the following:

- cash withdrawal

2.344,07 581 „Internal transfers” = 5121 „Bank accounts in lei” 2.344,07

- payment for the banking commission

0,75 627 „Banking and similar services expenses” = 5121 „Bank accounts in lei” 0,75

3) On 15.09.2011 the wages docket for the payment of salaries is deposited at the bank which totals the amount of 23.000 lei. The accounting note is:

23.000 421 „Personnel- owed salaries” = 5121 „Bank accounts in lei” 23.000

4) On 16.09.2011, the order of payment no. 233 is collected from SC Elvida SRL for the value of invoice no. 7645/01.09.2011 issued for the products sold. The collected amount is 7.900 lei. The commission for this operation and which is levied by BRD is 8 lei. The accounting notes for the operations are the following:

- the collection of the order of payment

7.900 5121 „Bank accounts in lei” = 4111 „Customers” 7.900

- payment of the banking commission

8 627 „Banking and similar services expenses” = 5121 „Bank accounts in lei” 8

5) On 16.09.2011 the instalment for a short term bank loan was paid. The instalment is mainly composed of the amount of 3.210 lei and the interest in the amount of 637 lei. The commission for this operation is of 3 lei, the loan being contracted at BRD. The operations recorded in the accountancy based on the bank statement and the reimbursement plan of the loan are the following:

- payment of the principal

3210    51911 „Short term bank loans” = 5121 „Bank accounts in lei” 3.210

- payment of the interest on the loan

637    5198 „Interests on the banking loans - briefly” = 5121 „Bank accounts in lei” 637

- payment of the commission retained by the bank

3    627 „Banking and similar services expenses” = 5121 „Bank accounts in lei” 3

6) On 18.09.2011, the company receives from a client the cheque no. 1042, for the amount of 15.580 lei, representing the value for the finished products delivered under the invoice 764521 of 29.08.2011. This will be deposited to BRD on 19.09.2011, based on the bank statement number 1, ascertaining the entry of money into the company's bank account on 21.09.2011. The main operations regarding the collection of sold products have been operated into the accountancy as it follows:

- accounting note no. 156 of 18.09.2011 on the receipt of the cheque to be cashed was issued

15.580    5112 „Cheques to be cashed” = 4111 „Customers” 15.580

- accounting note no. 157 of 21.09.2011 on the collection of the cheque's value was issued

15.580    5121 „Bank accounts in lei” = 5112 „Cheques to be cashed” 15.580

- payment of the commission for the collection operation, kept by the bank

12    627 „Banking and similar services expenses” = 5121 „Bank accounts in lei” 12

7) On 22.09.2011, the company deposits for collection to the bank the promissory note no. 78999 accepted from the client SC Carrefour SA, in the amount of

18.950 lei, representing the value of invoice no. 32578/01.09.2011 for the sold products. On 23.09.2011 the order of payment is cashed and the bank requires a commission of 15 lei. The main operations regarding the collection of sold products were operated in the accountancy as it follows:

- the promissory note shall be deposited at the bank to be cashed

18.950 5113 „Effects to be collected” = 413 „Effects to be received” 18.950

- the promissory note is collected on 23.09.2011, according to the bank statement

18.950 5121 „Bank accounts in lei” = 5113 „Effects to be collected” 18.950

- payment of the commission for the collection operation, kept by the bank

15 627 „Banking and similar services expenses” = 5121 „Bank accounts lei” 15

8) On 23.09.2011 the amount of 9.000 lei is deposited in the bank account from the cashier. For the deposit, the paying-in slip no. 36908 was issued and the commission for the operation is 8 lei. The accounting notes recorded in the company's accountancy are the following:

- deposit in the bank account of the amount of 9.000 lei

9.000 5121 „Bank accounts in lei” = 581 „Internal transfers” 9.000

- payment of the commission for the collection operation, kept by the bank

8 627 „Banking and similar services expenses” = 5121 „Bank accounts in lei” 8

9) On 26.09.2011 the operation of recording in the bank account of the amount of 5000 lei is performed, necessary for the purchase of the amount of 1.100 Euro. On 27.09.2011 foreign currency at the rate of exchange of 4,2143 lei is received, the bank's commission is paid and the unused amount is unblocked. The commission for this operation is 5 lei. The operations recorded in the company's accountancy according to the bank statements are the following:

- recording in the bank account of the amount in lei necessary to buy foreign currency:

5.000 5125 „Amounts to be settled” = 5121 „Bank accounts in lei” 5.000

- receiving the amount of 1.100 Euro, the equivalent of 4.635,73 lei (1.100 Euro x 4,2143 lei/Euro)

4.635,73	5124.1	„Bank accounts in foreign In foreign currency – Euro”	= 5125	„Amounts to be settled”	4.635,73
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- payment of the bank commission and unlocking of the unused amount:

364,27	%	=	5125 „Amounts to be settled”	364,27
	627		„Banking and similar services expenses”	5,00
	5121		„Bank accounts in lei”	359,27

#### **4. Final conclusions**

Treasury includes all financial operations that have an operational character which ensures collections and current payments. Treasury has several implications with regard to the normal activity of any economic agent, to permanently maintain the financial balance.

The result of the year is the indicator generated by comparing incomes and expenses of an enterprise during a financial year and which corresponds to an enrichment (to be more exact, an increase of assets), but profit does not necessarily liquidities, because the moment the payment or income is made does not correspond to the moment they are cashed. Thus, an efficient management of the enterprise involves both the management of flows involving property (incomes/expenses) and the treasury management, namely the flows of receipts and payments.

The elements presented in the accounting monograph are repetitive and specific operations of SC Alfa SRL activity, including payments to suppliers of raw materials, materials or assets, made by order of payment, cheque or note of hand, representing payments of some invoices previously issued or anticipated payments; money cashed from customers, representing the value of some sold products or receipts of advances, receipts and payments in foreign currency.

After analysing the accounting operations, for the efficiency of the company's treasury activity, the following is suggested: the use of analytical accounts for 4551 “Associates – current accounts”, to have a strict record on the credits and money refunds for each associate separately; opening an analytical account 5121.1 “Current bank accounts in lei - BRD” even if for the moment the company uses only this bank, analysing the opportunity of using other banks, too for payments and receipts, to diminish the value of bank commissions (this analysis can be made by considering the banks used by the most important customers and suppliers of SC Alfa SRL); credit operations can be achieved by the direct deposit in the bank account, without having to



get the amount through the cashier, thus diminishing the volume of documents; a more correct allocation of the money for the production or consumption process that have a great influence on the economic and financial performances of the enterprise etc.

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