



USAID
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MODULE 3: Money (v1)

SELL MORE FOR MORE

FACILITATOR'S GUIDE

Zambia Profit+

Farmer organization training and planning in improved business practices to improve quality and quantity of crops sold

February 2014

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government. The publication was prepared by ACDI/VOCA in compliance with the terms and conditions of Task Order No. AID-611-TO-12-00002.

Acknowledgements

Sell More For More was first launched by ACDI/VOCA in Rwanda to link maize cooperatives to markets by strengthening their management and production skills. It has been further developed by ACDI/VOCA to support a wider range of farmer group structures and products.

In collaboration with staff and partners of Zambia Profit+, Sell More For More has been adapted for the farmer cooperatives and Organizations of Zambia.

ACDI/VOCA trains local farmer organizations to support the implementation of Sell More For More. As part of a localization strategy to achieve sustainability, we then seek public and private institutional partners to continue strategic elements of ongoing training and capacity building. Although we share many resources with other institutions, ACDI/VOCA retains rights over materials to help maintain consistency in design and implementation.

Zambia PROFIT+ implemented by:

ACDI/VOCA (www.acdivoca.org)

Since 1963 and in 146 countries, ACDI/VOCA has empowered people in developing and transitional nations to succeed in the global economy. Based in Washington, D.C., ACDI/VOCA is a nonprofit international development organization that delivers technical and management assistance in agribusiness, financial services, enterprise development, community development and food security in order to promote broad-based economic growth and vibrant civil society. ACDI/VOCA currently has approximately 60 projects in 30 countries and total revenues of \$173 million.

Zambia Profit+

The Production, Finance and Improved Technology Plus (PROFIT+) program is a core activity of USAID's Feed the Future (FTF) global hunger and food security initiative in Zambia. PROFIT+ is fostering economic growth, significantly contributing to Millennium Development Goal one: halving the proportion of people living in extreme poverty and suffering from hunger by 2015. The program targets smallholder farmers and agro-enterprises to increase agricultural productivity and facilitate inclusive access to markets and private sector investment in target value chains. The project focuses on three objectives: 1) improved smallholder productivity; 2) greater access to markets and trade; and, 3) increased private sector investment in agriculture-related activities.

Introduction

This training manual is based on the Sell More For More methodology created by ACDI/VOCA. In this highly interactive training program, attendees create specific strategies to increase the quantity of their marketing output (“sell more”) and meet high quality standards to earn higher prices (“for more”). The program provides technical agricultural training of trainers for inputs, production and post-harvest handling. It also has four management training modules on membership, marketing, money and management for farmer organization leaders and board members.

The four management modules are intended to be delivered to members of two farmer organizations at the same time in order to facilitate learning and collaboration between groups. Each module lasts three days. Modules should be spaced in two-week intervals to allow time for the attendees to complete practical assignments. This material is designed to be delivered in a facilitative format (no lectures, no PowerPoint) whereby participants engage in learning activities and then capture their insights in individual *Planning Books*. This is an essential tool that not only guides participants through the workshops but also serves as a record of solutions, action items and new strategies resulting from the activities. The *Planning Books* logo (shown at right) designates activities that involve attendees entering information into their books. To this end, facilitators should bring plenty of flip charts, markers and tape. Additional supplies are listed in the activity descriptions. The facilitator must be flexible, as each workshop will be a unique experience with each new group.



These manuals use the term “farmer organization” or “Organization” to represent all types of cooperatives, Organizations and farmer groups. Feel free to use the appropriate term when facilitating your sessions.

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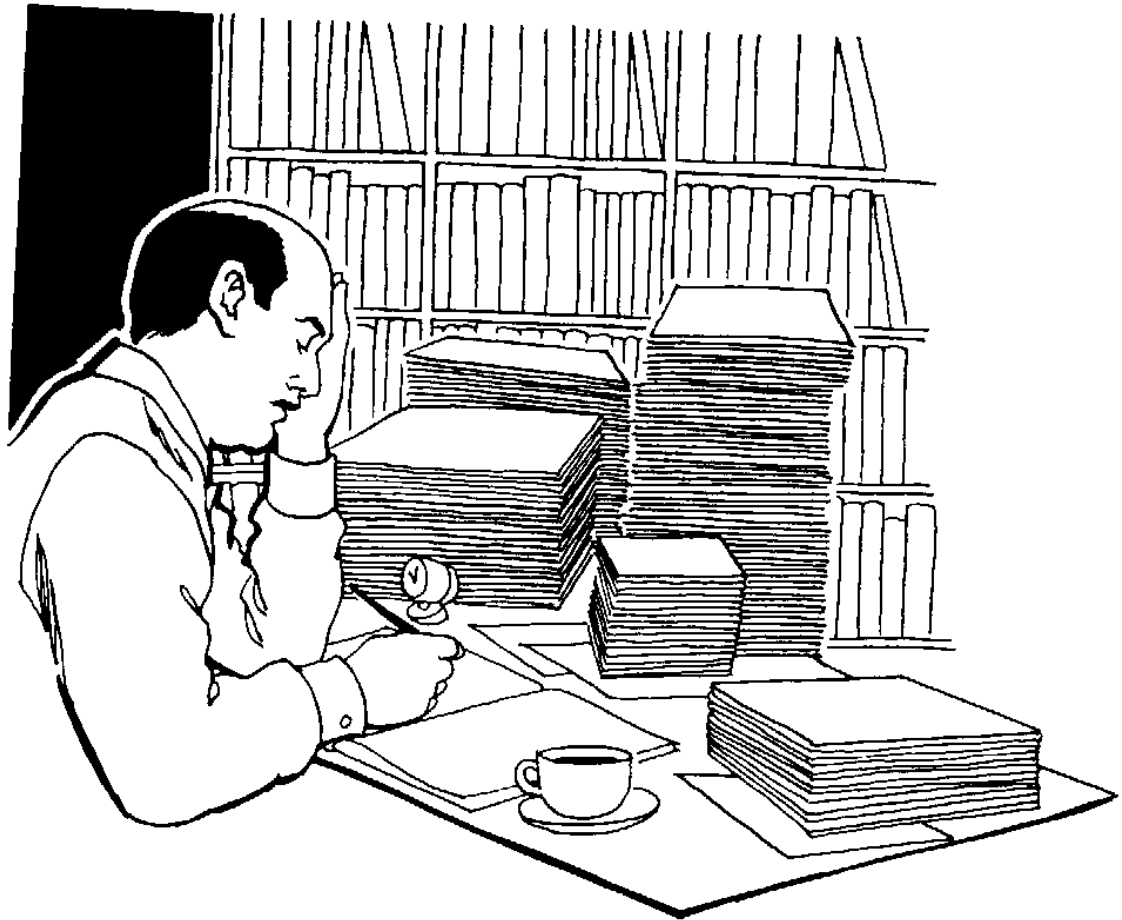
Money

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Module 3: Money

Goal:

Help participants learn how to independently track their financial transactions so that they can make better-informed future market decisions.



Chapter 1: Assignment Debrief

OBJECTIVE

Participants report out on their assignments from module 2.

ACTIVITY

Instruct the small teams from each Organization who performed the same activity to meet together. For example, those who did the forecasting assignment should form a single group. Each group should discuss the questions below. After each small group has had ample time to discuss, a representative from each group should report to the rest of the group on their discussion.

Instruct each group to discuss the following questions:

Assignment 1: Forecast

- How did this go?
- Did you find all the information you were looking for?
- What challenges are you predicting based on the information you collected?

Assignment 2: Recordkeeping Preparation

- Did you have any difficulty finding all the records?
- Did you determine a best way to store and transport the records?
- Did the self-audit reveal anything?

Assignment 3: Draft New Contract

- How did this go?
- Did you have difficulty incorporating all the new ideas?
- How do you think buyers will respond to these improvements?

Chapter 2: Recordkeeping Fundamentals

OBJECTIVE

To help participants understand the importance of keeping good records, and how to properly store and manage them.

MATERIALS

- Flip chart paper
- Markers of various colors

ACTIVITIES

This large group brainstorming activity is an introductory session reminding participants of the importance of good recordkeeping. Participants should write the answers to the below questions in their **Planning Books**.



- What is financial accounting?
- What happens if you don't keep good records?
- What are the most important records?
- Which records are mandated by law?
- Which records are mandated by Organization's constitution?
- Which are the main recordkeeping documents all Organizations should maintain?
- Who is responsible for maintaining and storing records?

Financial accounting means regularly monitoring asset movements and registering those movements in relevant forms and books. It is a technical tool that helps to assess the business's real finances. When correctly managed, financial accounting tools can suggest corrective measures for business inefficiencies.

Chapter 3: Register of Members

OBJECTIVE

Help participants understand the importance of the Register of Members, its elements and how to use it. Help every Organization maintain an existing and up-to-date Register of Members.

OVERVIEW

The Organization must have a registry of members and shares. Membership status is acquired only when a person has paid membership fees.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the written scenario (below) and instruct them to transfer the information to the Register of Members in their **Planning Books**. The group should discuss their entries. All members of the same group should enter the same data in their form. When the groups have finished, instruct them to pair up with a neighboring group and compare their Register of Members. If there are inconsistencies, they should bring these to the facilitator's attention so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

Scenario example

The facilitator says: “[Name] has lived in [location] her entire life. She was happy to join [name of Organization] on [date]. Her participation was approved by the larger membership at the last general meeting on [date]. She paid the [amount] fee and designated her oldest child [name], who still lives with her mother, as her heir.”

DISCUSSION

Each group presents its work to a neighboring group and the facilitator moderates any discussions. Feel free to provide additional examples.

No.	Name of farmer	Village name/ Location	Age	Sex	Marital status	Annual subscription for Organization	Amount of land cultivated (HA)	No. of bags harvested	No. of bags for sell

Chapter 4: Cash Book

OBJECTIVE

To help participants understand the importance of the cash book and use it correctly. After this activity, trainees will be able to correct previous, incorrect entries, and will be able to maintain the cash book properly.

OVERVIEW

The cash book contains information on the flow of cash. It helps the cashier and the accountant monitor the cash available and is a useful tool in auditing operations. The cash book is filled by the cashier on a daily basis, and provides information on the following:

- Description of cash collected
- Description of cash payments
- Running balances (balances of each page need to be carried forward from page to page)

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give groups the below scenario and instruct them to transfer the information to a cash receipt voucher and payment voucher in their **Planning Books**. Once they completed the receipt voucher and the payment voucher, each group should transfer the information to the cash book. The group should discuss their entries. All members of the same group should enter the same data in their form. When all groups have finished, the facilitator should instruct them to pair up with a neighboring group and compare their cash books. If there are inconsistencies, they should bring these to the facilitator's attention so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 20 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

The facilitator should read the following examples and instruct the trainees to enter the information into the appropriate forms.

- I. Opening cash balance as of July 1, 2014 was 500 ZMW.

2. On July 10, 2014, the Organization purchased office supplies from PAPER AND PENS STORE for 55 ZMW as per payment voucher No. 2547. The payment is effected in cash by the cashier.
3. On July 12, 2014, the Organization received 3,000 ZMW in cheque from sales of rice. The rice was sold to the World Food Program. The transaction was evidenced by cash receipt voucher No. 2548.
4. On July 15, the Organization paid 600 ZMW in cash for transporting rice as per payment voucher No. 2549. The name of the payee was Peter Daka.
5. On July 17, the cashier received 40 ZMW from Mary Zimba for repayment of loan. The transaction was evidenced by cash receipt voucher No. 2550.

DISCUSSION

The facilitator moderates discussions and explains the support documents such as receipts and payment vouchers, accounting methods and cash authorized.

Cash Receipt Voucher

Organization _____



No _____

Date _____

Received From _____

Amount (in figures) _____ In words _____

Purpose _____

Cash Cheque No _____

Account Title	Debit		Credit	

Signature of the Cashier

Distribution

Original – Customer / or depositor 1st copy - Accounts 2nd Copy - pad

Payment Voucher

Organization _____

☎ _____ ☒ _____

No _____

Date _____

Payee _____

Amount Paid

In words _____

Purpose of Payment _____

Payment Method : Cash Cheque No _____

Account Title	Debit		Credit	

Recipient's Signature

Prepared by
(If there is an accountant)

Checked by
(Chief accountant)

Approved by
(Chairman)

Distribution: Original: Accounts 1st copy: Pad

Cash Book

Date	Reference		Description	Cash collection	Cash payment	Balance
	Cash Receipt No	Cash Payment voucher				
			Balance Brought Forward			
			Balance Carried Forward			

Chapter 5: Bank Book

OBJECTIVE

Help participants understand the components of a bank book. After the activity they will be able to maintain a proper record book and correct previous, incorrect entries.

OVERVIEW

A bank is an institution where you can legally keep your money. Most Organizations keep their money in a nearby bank. In the bank book, we note money deposited, money withdrawn and the balance on the account.

You can use the bank book to:

- Find out when a transaction was completed; and
- Monitor the bank balance cash. The bank book is essential for the monthly bank reconciliation exercise, comparing the information in the bank book to the statement issued by the bank.

Since the financial institution's bank book does not show where the money deposited comes from or what the withdrawn money was used for, the Organizations should note details of deposits and withdrawals in another book. A different bank book should be kept for each bank account.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the below scenario and instruct them to transfer the information to the bank book in their **Planning Books**. The group should discuss their entries. All members of the same group should enter the same data in their form. When the groups have finished, instruct them to pair up with a neighboring group and compare bank books. If there are inconsistencies, they should bring these to the facilitator's attention, so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

1. The opening cash balance at the Organization's bank was 500 ZMW.
2. On July 15, 500 ZMW was paid to SUPPLY TRADERS LIMITED for the purchase of five shovels as per cheque No. AB 456982, Voucher No. 2366.
3. On July 17, 2,200 ZMW was collected from sales of rice and deposited to the bank account. The cashier collected a deposit slip from the bank as evidence of the deposit and with reference number 19711.
4. On July 20, the cashier deposited 40 ZMW which was cash he collected from Mary Phiri to pay back a loan. The cashier collected a deposit slip from the bank and gave it reference number 19992.
5. On July 25, 1,500 ZMW was paid to NATIONAL BANK to repay a loan taken by the Organization. The payment was effected as per cheque No. AB 456983.

DISCUSSION

Have the groups present their work in turns. The facilitator asks questions to confirm understanding of the issue and importance of using bank books for monthly reconciliation.

Bank Book

Date	Reference		Description	Debit	Credit	Balance
	Deposit Slip	Cheque Payment voucher				
			Balance Brought Forward			
Total						

Chapter 6: Collection Register

OBJECTIVE

Help participants understand how to use a collection register and why it is important. Enable trainees to maintain an up-to-date and accurate collection register and correct previous entries.

OVERVIEW

A collection register records the Organization's collection of funds and classifies them by either cash or cheque. The register provides the information to form financial reports such as income and expense statements.

Use the collection register to:

- Find out when a collection was received; and
- Find out the sum of different collections received during a period.

All cash receipts should be recorded on the register. If an Organization has a separate cash sales invoice, this invoice also should be recorded on this register. The cash collection total on the register should equal the total of all classified revenues.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the below scenario and instruct them to transfer the information to the collection register in their **Planning Books**. The group should discuss their entries, and all members of the same group should enter the same data in their forms. When the groups are finished, instruct them to pair up with a neighboring group and compare their collection registers. If there are inconsistencies, they should bring these to the facilitator's attention so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

Instruct the trainees to prepare a collection register and compile a monthly cash collection report based on the information given below:

1. On May 2: Mary Phiri gave the Organization 20 ZMW as a membership registration fee received as income for the Organization. The cash was collected as per cash receipt voucher No. 251.
2. On May 20: the Organization received 10 ZMW from NATIONAL BANK as a dividend per cash receipt voucher No. 253.
3. On May 28: the Organization received 40 ZMW from Mary Phiri for the purchase of two shares as per cash receipt voucher No. 254.
4. On May 30: the Organization received 60 ZMW for the sale of seeds and fertilizer to a member as per cash receipt No. 255.

DISCUSSION

Have the groups present their work in turn. Ask the participants questions to test their knowledge on how the collection register should be used and why it is important.

Date	Receipt Voucher No	Description	Amount	Type of Income			
				Share	Registration fee	Other	Other
Total							

Chapter 7: Sales Register

OBJECTIVE

Help participants understand how to use a sales register and why it is important. Enable trainees to maintain an up-to-date sales register and correct past entries if needed.

OVERVIEW

A sales register is used to record the details of sales including the item sold, quantity and value, this information is used in reports on sales for a period (month, quarter and year). A collection register only provides information on cash sales whereas a sales register provides information about sales conducted on cash and credit basis including quantity information.

Use a sales register to:

- Find out when a sale was conducted; and
- Compile the different types of sales conducted over a certain period, such as a month, quarter or year.

The total sales figure should equal the summation of the different sales recorded on the register.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the below scenario and instruct them to transfer the information to the sales register in their *Planning Books*. The group should discuss their entries, and all members of the same group should enter the same data in their forms. When the groups have finished, instruct them to pair up with a neighboring group and compare their sales registers. If there are inconsistencies, they should bring these to the attention of the facilitator so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

Please prepare a sales register and extract a monthly sales report based on the information given below

1. On May 5: the Organization sold 20 metric tons of soy beans to the World Food Program at ZMW 52,000. The Organization received cash as documented in cash receipt voucher No. 0252.
2. On May 12: the Organization sold 30 metric tons of maize to Export Trading Group for a total of ZMW 39,000 as documented in cash receipt voucher No. 0253.
3. On May 30: the Organization sold 30 metric tons of soy beans at ZMW 78,000 to the World Food Program, which paid in cash as documented in cash receipt voucher No. 0256.
4. On May 31: the Organization sold 50 metric tons of maize to Export Trading Group for ZMW 65,000 per receipt voucher No. 0257.

DISCUSSION

Have the groups present their work in turn. Ask the participants questions on the monthly sales report and sales register to test their knowledge on how these should be used and why they are important.

Sales Register

Date	Issue Voucher / Invoice No	Buyer	Unit	Quantity	Unit Price	Total Price	Products			
							Soy Bean		Maize	
							Kg	ZMW	Kg	ZMW
Total										
Balance Carried Forward										
Average Price										

Chapter 8: Payment Register

OBJECTIVE

Help participants learn how to use a payment register and why it is important. Teach trainees to maintain a proper payment register and correct past entries that were done incorrectly.

OVERVIEW

Use a payment register to record and classify cash and cheque payments. The register is a basis for producing financial reports, such as income and expense statements.

Use a payment register to:

- Find out when cash was paid, to who it was paid and for what purpose; and
- Calculate the sum of the different cash payments during a period.

All cash payments should be recorded on the register. The total amount of cash paid should equal the total of all the payments on the register.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the below scenario and instruct them to transfer the information to the payment register in their *Planning Books*. The group should discuss their entries and all members of the same group should enter the same data in their forms. When the groups have finished, instruct them to pair up with a neighboring group and compare their payment registers. If there are inconsistencies, they should bring these to the facilitator's attention for group discussion. - Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

Instruct the trainees to prepare a payment register and compile a monthly payment / expenditure report based on the information below:

1. On December 2: the Organization paid 105 ZMW for its meeting expenses, as per payment voucher No. 0541.
2. On December 5: the Organization paid salary to its employed staff for 20 ZMW as per payment voucher No. 0542.
3. On December 6: the Organization purchased 80 MT of maize from members for ZMW 104,000.
4. On December 9: the Organization paid 120 ZMW to transport 2 of its members as per payment voucher No. 0543.
5. On December 15: the Organization paid 55 ZMW for its telephone expenses, as per voucher No. 0544.
6. On December 20: the Organization purchased office supplies for 133 ZMW as per payment voucher No. 0545.
7. On December 22: the organization purchased 50 MT of soy beans from members for ZMW 130,000.

DISCUSSION

Have the groups present their work in turn. Ask the participants questions on the payment register to test their knowledge on how it should be used and why it is important.

Payment Register

Date	Voucher No	Cheque No	Petty Cash Voucher No	Description	Amount	Purpose of payment													
						Purchase of Spy Bean	Purchase of Maize	Rent	Office Supplies	Salary	Telephone	Allowance							
		Balance Brought Forward																	
		Balance Carried Forward																	

Chapter 9: Debtor's Book

OBJECTIVE

Help participants understand the components of a debtor's book and why it is important to use. Teach trainees how to maintain a proper debtor's book and correct previous entries.

OVERVIEW

Debtors are individuals or institutions/organizations that owe money to the Organization. They might owe this money because the Organization lent them funds, or performed work or sold goods which they have not yet paid for. The debtor's book helps to track the outstanding receivable balance for each debtor as of a given date.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the below scenario and instruct them to transfer the information to the debtor's book in their **Planning Books**. The group should discuss their entries, and all members of the same group should enter the same data in their form. When the groups have finished, instruct them to pair up with a neighboring group and compare their debtor's books. If there are inconsistencies, they should bring these to the attention of the facilitator for discussion by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

1. On December 11: the Organization sold maize to the Export Trading Group for 2,200 ZMW. The maize was issued as per store issue voucher No. 456.
2. On December 22: the Organization sold maize to the Export Trading Group for 500 ZMW. The maize was issued as per store issue voucher No. 457.
3. On December 23: the Organization received 2,200 ZMW from the Export Trading Group for settlement of credit sales as per receipt voucher No. 2550.
4. On December 25: the Organization sold rice to the Export Trading Group for 1,700 ZMW. The rice was issued as per store issue voucher No. 458.

- On December 29: the Organization received 500 ZMW from the Export Trading Group for settlement of credit sales as per receipt voucher No. 2551.

DISCUSSION

One by one, have the groups exhibit their work and ask participants to give comments. Moderate the discussion with questions and answers, guiding the conversation to show the importance of debtor's books.

Name of Organization: _____					
Name of Debtor: _____					
Date	Reference	Details	Credit Sales	Payment	Balance

Chapter 10: Creditor's Book

OBJECTIVE

Teach participants how to use a creditor's book and why it is important. Teach trainees how to properly maintain a creditor's book and correct past entries, if needed.

OVERVIEW

Creditors are people to whom the Organization owes money. The Organization might owe this money from purchases, money borrowed or work done for the Organization which has not yet been paid for.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the below scenario and instruct them to transfer the information to the creditor's book in their *Planning Books*. The group should discuss their entries and all members of the same group should enter the same data in their form. When all groups have finished, instruct them to pair up with a neighboring group and compare their creditor's books. If there are inconsistencies, they should bring these to the facilitator's attention so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

1. On December 2: the Organization purchased seeds from FARMER SUPPLY COMPANY for 600 ZMW on credit, evidenced by goods receiving voucher No. 0753.
2. On December 5: the Organization purchased fertilizer from FARMER SUPPLY COMPANY at 300 ZMW on credit, as evidenced by goods receiving voucher No. 0754.
3. On December 18: the Organization paid 200 ZMW to FARMER SUPPLY COMPANY per payment voucher No. 6543.
4. On December 30: the organization paid 500 ZMW to FARMER SUPPLY COMPANY per payment voucher No. 6548.

DISCUSSION

Have the groups present their work in turn. Ask the participants questions on the creditor's book to test their knowledge on how it should be used and why it is important.

Name of Organization: _____					
Name of Creditor: _____					
Date	Reference	Detail	Payment	Credit	Balance

Chapter 11: Profit and Loss statement

OBJECTIVE

Help participants understand the importance of using a profit and loss statement (also known as an Income Statement). Teach trainees how to maintain a proper profit and loss account and correct previous entries.

OVERVIEW

The profit and loss statement shows a picture of the Organization's profits and losses during a given period of time. When expenditure is greater than income, the Organization incurs a loss. But when income is greater than expenditure, the Organization makes a profit.

Note: An Organization must make sure that its expenditure is less than income to maintain constant profit every financial year.

The collection register, the payment register and the sales register are the main sources of information to prepare the Organization's income and expense statement.

The Organization must make every effort to minimize losses and maximize profits. It is the responsibility of the supervisory committee to audit and advise the Organization management on the minimization of losses and maximization of profits.

The profit and loss statement can be used:

- To determine profits or losses overall;
- To determine profits or losses in a given period of time (quarter, year etc.); and
- To measure performance against budget, the previous year's performance or the performance of similar Organizations.
- To develop a list of the income and expenditures over a given period of time.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the scenario below and instruct them to transfer the information to the income statement in their *Planning Books*. The group should discuss their entries and all members of the same group should enter the same data in their form. When the groups have finished, instruct them to pair up with a neighboring group and compare their income statements. If there are inconsistencies, they should bring these to the facilitator's attention so the topic can be discussed by the larger group.



- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.

ACTIVITY

Consider the following data for the Organization calculated at the end of the year. This information came from the collection register, payment register and sales register.

- From Chapter 6 (Collection Register), enter the amount of income into the Profit and Loss Statement.
- From Chapter 7 (Sales Register), enter the amounts of rice and maize sales into the Profit and Loss statement as Income.
- From Chapter 8 (Payment Register), enter the total amount of payments into the Profit and Loss statement as Expenses.

DISCUSSION

Have the groups present their work in turn. Explain the components of the operating account and how to calculate the cost of goods sold.

PROFIT AND LOSS STATEMENT

Name of Organization: _____

For the period From: _____ To: _____

<i>Items</i>	<i>Amount</i>
Income	
_ Maize	
_ Rice	
_ Other	
Total Income	
Expenditure	
_ Maize	
_ Rice	
_ Other	
_ Other	
Total expenditure	
Profit (Loss) for the period	

Chapter 12: Balance Sheet

OBJECTIVE

Help participants understand the components in a balance sheet and how it can be utilized. Teach trainees how to prepare a proper balance sheet and correct entries that were done incorrectly.

OVERVIEW

The balance sheet is a statement that shows a list of the asset, liabilities, and capital of an organization at a specific point in time. It is normally prepared at the end of the accounting year/fiscal year. The accounting equation $\text{Asset} = \text{Liabilities} + \text{Capital}$ should be in balance.

Note that the cash book, the bank book, creditor's and debtor's book, the fixed asset register, the annual stock count and the income statements are the main sources of information to prepare your balance sheet.

INSTRUCTIONS

- Literacy and numeracy skills are required for this exercise. Each group should have at least one person who can read and calculate. Form groups that are as small as possible, depending on the literacy and numeracy skills of the trainees. Ten groups of three are ideal. Six groups of five would also work.
- Give each group the written scenario (below) and instruct them to transfer the information to the balance sheet in their *Planning Books*. The group should discuss their entries, and all members of the same group should enter the same data in their form. When the groups have finished, instruct them to pair up with a neighboring group and compare their balance sheets. If there are inconsistencies, they should bring these to the facilitator's attention so the topic can be discussed by the larger group.
- Instructions and distribution of materials will take five minutes, the group activity will last 15 minutes and each group has about three minutes for presentation. After the presentations, lead the participants in discussion and synthesize the ideas introduced in the activity.



ACTIVITY

Prepare a balance sheet as of December 31 for the Organization according to the following information.

Balances as of December 31:

- Cash: 150 ZMW (Chapter 4: Cash book)
- Bank: 502 ZMW (Chapter 5: Bank book)
- Debtors: 207 ZMW (Chapter 9: Debtors book)
- Inventory: 950 ZMW (Inventory book using current market value)
- Assets: 575 ZMW (Per asset register, discussed in Management)
- Creditors: 250 ZMW (Chapter 10: Creditors book)
- Income/Loss: 330 ZMW (Chapter 11: Profit and Income)
- Capital: 1804 ZMW (accumulation of past earnings)

BALANCE SHEET			
Name of Organization: _____			
As of (date): _____			
Asset		Liabilities & Capital	
NAME	AMOUNT	NAME	AMOUNT
TOTAL:		TOTAL:	

Chapter 13: Auditing

OBJECTIVE

To prepare the Organization to complete an audit, we cover the essential elements of the audit and clarify the responsibilities of the supervisory committee. Participants will be prepared to complete the self-audit checklist.

INSTRUCTIONS

- Participants form groups of five or six.
- Group work lasts 15 minutes.

ACTIVITY

- What are the tasks incumbent on the supervisory committee of the Organization?
- What are the elements of management that are subject to regular audit?
- The groups report out their answers and the facilitator collects ideas for each topic.
- Participants enter the correct information into the templates in their **Planning Books**.



DISCUSSION

- Each group presents its work
- Participants share the goal of each task of the supervisory board and the role of external audit.

Chapter 14: Reporting to Members

OBJECTIVE

To prepare the Organization leaders to give a financial report to members.

INSTRUCTIONS

- Participants form groups of five or six, mixing Organizations.
- Each group gets a flipchart.
- Group work lasts 15 minutes.

ACTIVITY

Complete the table which asks the following questions:

- Which reports should be presented at the member meeting?
- What information from each report should be explained?
- Who will present the information from each report?

Report to be presented	Important Information on this report	Person to present this report

DISCUSSION

- Each group presents its work
- Attendees copy the table into their **Planning Books**.
- General discussion questions:
 - Why is it important to inform members about the finances?
 - What happens if members lack information about the finances?
 - How else can the board help members stay informed about the finances?



Chapter 15: Field Assignment

OBJECTIVE

To explain the field assignment and designate who is responsible for accomplishing them

WHAT TO DO

Explain the assignment and then solicit a group of volunteers to be responsible for completing the assignment. Remind participants that next session will begin with a review of all of the activities.

ASSIGNMENTS

Assignment 1: Draft report to members/stakeholders

Based on all of the content that we have covered in the last three sessions, a small team needs to begin to plan how this information will be reported to members at the upcoming general meeting. Answer the following questions:

- What topics are important for us to discuss with members?
- What have we created that we want to share with the members?
- What should be on the next agenda?

Assignment 2: Update all record books

Review the existing records and update to the desired formats. Ensure that records are kept in a safe location. Ensure that people using the record books completely understand how to maintain the books. Also, show the supervisory committee each of the books and explain how they are used.

Additional Notes:

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