# Appendix

## Glossary of Accounting Terms

### Generally Accepted Accounting Principles (GAAP):

GAAP are a formally recognized set of accounting principles, standards and procedures that organizations use to standardize the reporting of financial statements.

### Accrual Basis of Accounting:

An accounting method in which revenue is recorded when earned and expenses are recorded when incurred regardless of when payment is received or made.

### Cash Basis of Accounting:

An accounting method in which revenue is recorded when actual payment is received, and expenses are recorded when actual payment is made.

### General Journal:

An accounting logbook that contains a complete listing of an organization’s transactions recorded in chronological order.

### General Ledger:

An accounting book, which is a collection of individual accounts, summarizing all the transactions that occur in an organization.

### Chart of Accounts:

A systematically arranged list of all account names and numbers used in an organization’s general ledger.

### Petty Cash:

The small amount of cash kept on hand or in a special bank account that is used for minor purchases and incidental expenses.

### Government Remittance Records:

Documents verifying an organization’s payments of expenses such as taxes and employment related costs to the government.

### Payroll Records:

Documents verifying an organization’s payments related to staff wages and benefits.

### Invoice:

A document detailing a list of goods shipped or services rendered, with an account of all costs; an itemized bill containing individual prices, the total charge, and the terms.

### Cheque Register:

Sequential record of all cheques written by the organization.