# Business Recordkeeping Skill Development

Duration: 2 Hour

Session I. Opening (10 minutes)

* Welcome
* Ground Rules
* Expectation
* Introductions

Session II. Objectives (5 minutes)

After completing this training, you will be able to:

* To review the importance of recordkeeping for sustaining a business
* To identify basic records to meet the small business requirements.
* To exercise basic records for recordkeeping skill development.

**Key Concept- Objective I** (15 minutes)

Session III. Review of previous Training

Two steps will require reviewing the first training. Firstly, individual assessment on proper loan utilization, profit or loss and income and expenses related to their business. And second, discussing of 3 key messages from previous training with groups.

*Step I will require developed format of loan utilization and business assessment.*

***Trainer Notes***

Give participants sometimes to reflect on their experiences of loan utilization and they can do anonymously and then trainer organize a brainstorming session on 3 key message of previous training. Then Trainer can lead and highlight the followings.

The first training mainly focused on what is recordkeeping and its benefit, why it is important for your business and how you can easily track on the progress.

* Learned about filing the records
* Importance and benefit of proper recordkeeping
* Income Vs. Expenses
* Profit and Loss etc.

**Key Concept- Objective II (30 minutes)**

Session IV. A. Introduction of Small Business Records

Explore participant’s ideas on what business record forms they think business owner might be using. Highlight there are multiple useful and essential records to keep track of the business progress. And let participants decide on what are 5 fundamental records for small business. Women may operate the buying and selling business, service provision business and production business. So, Trainer needs to facilitate the participants to explore the forms need to cover these 3 types of business. The following are 4 key basic records.

1. Invoice/ Cash Receipt
2. Cashbook
3. Stock ledger
4. Inventory records

**Basic Business Record**

Business owner uses the relevant financial records and must be able to maintain proper records of his or her business transactions. When you maintain proper records of your business transactions, you will be properly positioned to carry out official business analysis and see how your business is fairing.

**“Cash Receipt”**

**Cash Receipt** simply means receiving **cash** from some source. Why Cash Receipt is required/ important to use in your business/ shop?

**“Cashbook”**

Weekly/Daily transactions should record in your cashbook so that you can calculate your business income, expenses, profit or loss.

**“Stock Ledger”**

Stock Ledger can tell you how much amount of stock related to your business is sold out and currently in-stock.

**“Inventory Record”**

Inventory Record contains information about the type and amount of stock an entity possesses.

Why these records are important?

### Cash Receipt

This record documented the proof of cash inflow or outflow from a business owner to a customer or supplier. This is a simple document that shows the proof of cash transaction. On a daily basis, you can received this form and give this to our customers. So, this will become the primary source to know the income and expenses of your business related. And then, cash receipt is critical to maintaining accurate cash balances.

### Cashbook

To know daily or weekly cash transactions and there we will know total of our income, expenses and will be able to calculate the profit and loss.

### Stock Ledger

To know your business stock status and can decide when you need to look for new product (or raw materials) and how much do you need that.

### Inventory Record

To know what inventory is functioning and not functioning. Then you can decide what kind of inventory you need to purchase and how many you should purchase based on your income and profit.

***Trainer Notes***

**Business Records**

There are different types of business records such as invoice, receipt, cashbook, sale record, customer record, inventory record, ledger, credit record, contract, stock ledger, employee pay roll, wages and revenues record, tax and bank records etc. But for a small business run by a women and a family business, we can use simple record to meet the needs for buying, selling, production and service. Incoming and outgoing money (income and expense) of a business is also required to well monitored and recorded.

**Basic Business Record**

Business owner uses the relevant financial records and must be able to maintain proper records of his or her business transactions. Proper bookkeeping is critical to sustaining and expanding a business. Without it, the entrepreneur runs the risk of hitting cash flow crunches, wasting money, and missing out on opportunities to expand his/her business. When you maintain proper records of your business transactions, you will be properly positioned to carry out official business analysis and see how your business is fairing.

**“Cash Receipt”**

**Cash Receipt** simply means receiving **cash** from some source. The source could be anything, a customer paying for the credit purchases, a person paying you rent for using your equipment, interest received on investments, additional funds brought in by the owner to expand the business etc.

**“Invoice”**

An invoice indicates specifies the amount and cost of products or services that have been provided by a seller. And an invoice indicates what must be paid by the buyer according to the payment terms of the seller. Payment terms usually specify the period of time that a buyer has to send payment to the seller for the goods and/or services that they have purchased.

**“Cashbook”**

Weekly/Daily transactions should record in your cashbook so that you can calculate your business income, expenses, profit or loss. Managing the business transactions regularly and properly will support your business cash flow and analyzing of profit or loss.

**“Stock Ledger”**

Stock Ledger can tell you how much amount of stock related to your business is sold out and currently in-stock. This record can also provide you the marketing information such as what most of your customers like to choose, how often and in what season.

**“Inventory Record”**

Inventory Record contains information about the type and amount of stock an entity possesses. All the fixed assets owned by an entity to use his/her business and which are likely to convert into cash will need to be recorded in here. This record includes items you purchased, date, amount and also item code.

**Key Concept- Objective III (60 minutes)**

Session V. (A) Cash Receipt Exercise

* *Cash Receipt Form Introduction*
* *Structure of Receipt Form*
* *Purpose of the record*
* *Exercise (group Work)*
* Q&A

(B) Cashbook Exercise

* *Cashbook Form Introduction*
* *Structure of Cashbook Form*
* *Purpose of the record*
* *Exercise (Scenario)*
* *Q&A*

(C) Stock Ledger Exercise

* *Stock Ledger Form Introduction*
* *Structure of Stock Ledger Form*
* *Purpose of the record*
* *Exercise (Trainer Lead)*
* *Q&A*

(D) Inventory Record

* *Inventory Record Form Introduction*
* *Structure of Inventory Form*
* *Purpose of the record*
* *Exercise (Brainstorm and Exercise)*
* *Q&A*

Closing (10 minutes)

1. Training Evaluation
2. Action Plan for next training
3. Others?