

## How to maintain Account book?

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Proper accounts to be kept by the SHG Opening savings bank account with bank enable SHG members to obtain loans from banks, and repaying the same

- There are different types of bank accounts: current, deposit, and savings.
- Open a bank book and enter in it everything that happens in the bank account.
- Use a separate page in the bank book for items going in (receipts) and items going out (payments).



- An analysed bank book will show you the type of payment made from the bank.
- You can combine the bank book and the cash book.
- When transfers of money are made between bank and cash, always remember to make an entry in both records.
- Agree your bank book with the bank's records regularly, by completing a bank reconciliation.
- A bank account should be kept in the name of the group, never in the name of an individual.
- Two people should always sign cheques or requests for money from the account.
- Do not sign blank cheques.
- Always pay money into the bank as soon as possible.

## Rules to help you to control your bank account

There are rules which need to be observed when operating a bank account:

1. Whenever a bank account is opened, it should always be registered in the name of the group, never in the name of the leader or treasurer.
2. Arrange with your bank for all cheques written by your group to be signed by two people.
3. Cheques should be used as much as possible in making payments, as this avoids having to hold large amounts of cash on your premises. However, cheques are not always accepted as a method of payment. In this case you will have to pay in cash.
4. You should never sign blank cheques. Signed cheques are the equivalent of cash. If you really have no alternative, make sure that the name of the payee is included, and a limit set on the amount payable. Some banks will allow you to write this on the face of a cheque (for example, 'amount not to exceed two hundred ...').
5. Any money you receive should be deposited into the bank as often as practical. This is especially important over holidays and weekends, when surplus cash should not be left on the premises.
6. Cheques not cleared through the bank within a certain time-limit (six months in many countries) should be cancelled, and the payee should be contacted in case they have been lost.