

9 counting stock

- at least once a year (usually on December 31st or January 1st) the entire stock must be counted and the stock in hand has to be recorded;
- The stock is valued on the basis of the relevant purchase prices, excluding VAT;
- a copy of this list is sent to the accountant.

10 listings for the balance sheet

- whenever a balance sheet is needed, but in any case on December 31st of each year, three lists need to be made;
- a stock list as described in point 9;
- a debtor list of all (sale) invoices not yet paid by clients at that moment;
- a creditor list of all (purchase) invoices of suppliers that have not yet been paid by you at that moment.

Pay particular attention to invoices which are received in January but dated in December of the previous year. These invoices should also be on the list. Total up the lists and send a copy of each to the accountant.

11 If the accounts are prepared each (calendar) quarter, all files referred to above, with the exception of the 'correspondence' file, should be submitted to the accountant for processing, unless otherwise agreed.

12 if you make your own VAT returns (via Internet), you must include copies of the of these return forms when you deliver the files to the accountant.

13 Any questions? Call your accountant. There are no stupid questions; it's stupid not to ask!

Examples of the debtors, creditors and stock lists

List of debtors on 31 January 2008 company name: J. Jansen in Rotterdam

name/place	number of invoice	date of invoice	excl. VAT	VAT	incl. Vat
H.J. Appel - S'dam	2008-045	15-01-2008	€ 5.000,00	€ 950,00	€ 5.950,00
P.J. Boer - R'dam	2008-055	21-01-2008	€ 2.500,00	€ 475,00	€ 2.975,00
etc.					
total (21 invoices)			€ 30.000,00	€ 5.700,00	€ 35.700,00

List of creditors on 31 December 2008 company name: J. Jansen in Rotterdam

name/place	number of invoice	date of invoice	excl. VAT	VAT	incl. Vat
De Klei R'dam	125.2365	12-10-2008	€ 5.000,00	€ 950,00	€ 5.950,00
Van der Meer D'Haag	89525	31-12-2008	€ 2.000,00	€ 380,00	€ 2.380,00
Eneco - december			€ 75,00	€ 14,25	€ 89,25
KPN nov - dec			€ 57,00	€ 10,83	€ 67,83
etc.					
total (25 invoices)			€ 15.215,00	€ 2.890,85	€ 18.105,85

List of stock on 30 June 2008 company name: J. Jansen in Rotterdam

description	quantity	unit price	total
stock of product A	40	€ 75,00	€ 3.000,00
stock of product B	30	€ 80,00	€ 2.400,00
etc.			
total (25 invoices)			€ 46.750,00

International trade, VAT & bookkeeping

When you are doing business outside your country, a whole new set of rules is applicable. These rules apply not only to the content of invoices, but also when & how you must use a different VAT percentage. It is commonly misunderstood that any sale to a customer outside your own country is a sale without VAT. This is absolutely not true and has brought many people into trouble. It is important that you have some guidance on these matters because the penalties can be very severe. To give you some understanding of the rules I will give a brief outline on some points of interest:

- First, you have to divide your sales in three parts: domestic, EU and outside EU (export). Each is treated differently.
- For the VAT rules applicable you need to focus on the final destination of the goods, not on the country of the buyer. A sale to a French company but a delivery in the Netherlands is treated as a domestic sale, not an EU sale.
- For the VAT on imported goods the invoice date is not relevant but the date of arrival in the Netherlands (VAT clearance date) is.
- If you do business within the EU you always need the VAT number of your customer, check it and state it on your invoice.
- Once every quarter you must file a listing of all your EU customers and the value of your sales to them; your files should be prepared for that.
- If you charge 0% VAT to a customer and it is not correct you have to pay the VAT anyway, added with a fine and interest. So in case of doubt: better safe than sorry!
- There could also be a (monthly) obligation for you to file your EU sales by article, country, numbers or weight to CBS, the statistic bureau of the Dutch government. If your files cannot provide you with this information, you will have a huge problem gathering the information needed.

Please visit my website www.ericleenderts.com for information about what I can do for you. There is a special page for companies that have just started and information about how you can process your own files via internet.



Eric Leenderts B.V.

Truus Smulders-Beliënstraat 15

3207 DJ Spijkenisse

fax: 084-7112106

e-mail: info@ericleenderts.nl

website: www.ericleenderts.com

© 1988-2007 Eric Leenderts B.V.



The file system

A simple method of bookkeeping



eric leenderts



The file system

A simple method of bookkeeping

The file system is a simple but effective way of keeping your books up to date and submitting them to an accountant for processing.

The more efficient the communication is between you and your accounting office, the less time is needed to process. With this system you save money!

The start: first name the files

You start with:

- 4 to 7 files
- 3 alphabetical dividers for files
- when needed: a cash book with VAT columns

All these materials are available at any office supplier.

The files are labeled:

cash
bank
debtors
sales ledger
creditors
purchase daybook
correspondence

for smaller firms, the following files can be merged to a single file:

cash / bank / giro
debtors / sales ledger
creditors / purchase daybook

the debtors, purchase daybook and correspondence files are all arranged alphabetically.

Next: how does the system work?

1 File all the bank statements in the file 'bank' with the most recent statement on top.

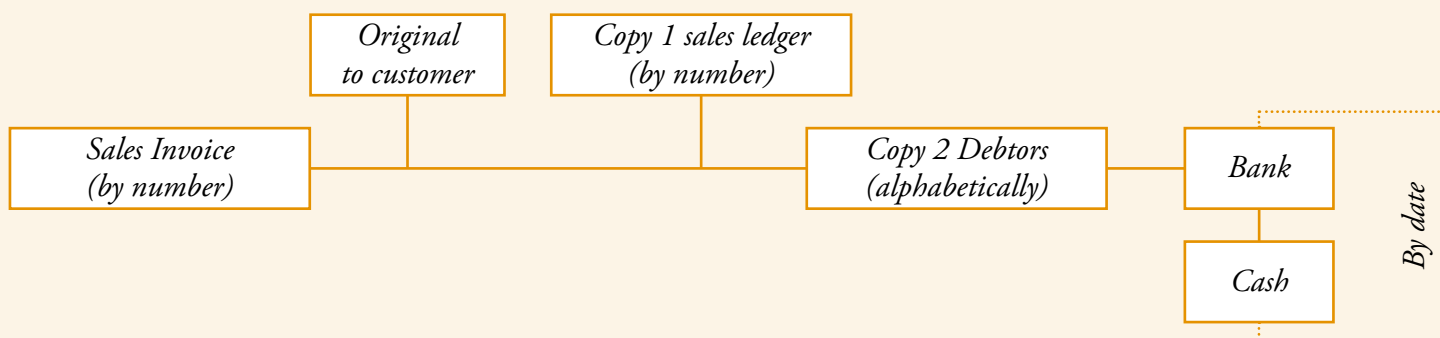
This can also be a print-out of your account from the internet.

2 when you prepare an invoice for a client, it should state at least:

- your full (company) name and address, registration number at the Chamber of Commerce and VAT number;
- the clients full name and address;
- a invoice date and number in sequence. For example in 2008 you might start with 2008-001, then 2008-002, and so on. Do you think starting with one is annoying? Start with 2008-100 and continue the sequence;
- a clear description of what service you have provided or what product you have delivered and over which period of time;
- a clear statement of the amount exclusive VAT, the VAT due, the VAT rate and the total amount to be paid;
- send the original invoice to your client and keep two copies for your own reference.

3 the two copies are filed separately

- one copy is filed in the 'sales ledger' file, with the most recent on top. This file will therefore contain all invoices of a year, paid or not. Never remove anything from this file.
- one copy is filed in the 'debtors' file, arranged by name of the customer (alphabetically).

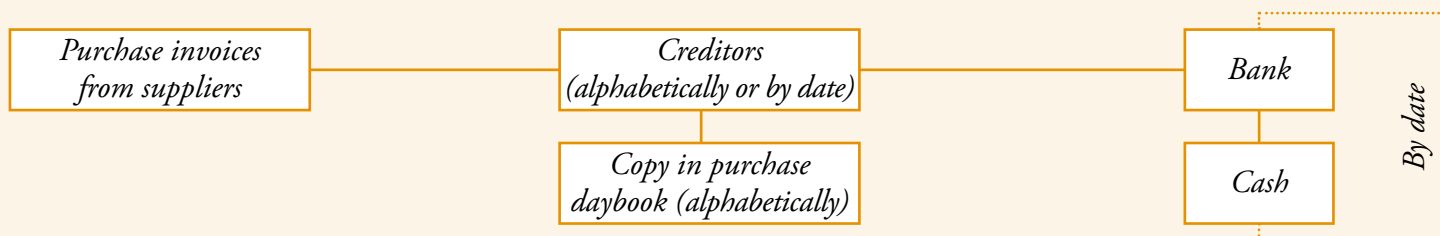


4 on receipt of (purchase) invoices from suppliers, we recommend to make a copy

- this copy is filed in the 'creditors' file by name of the supplier (alphabetically or on estimated date of payment, whatever you like);
- the original is filed in the 'purchase daybook' file (alphabetically). Never remove anything from this file;

5 on receipt of client payments

- remove the copy of the relevant invoice from the 'debtors' file and file it behind the cash or bank statement, depending on how the client has paid;
- cash payments, when there are no invoices, are recorded in the cash book according to the entry on the daily cash register print-out or your own calculation.



6 payments to suppliers

- remove the (copy of the) suppliers invoice from the 'creditors' file and file it at the front of the 'cash' or 'bank' file, depending on how you have paid;
- on receipt of a statement or print-out which contains the relevant payment, file this (copy of the) purchase invoice behind this statement;
- do exactly the same with 'pin' or 'chip' payments you have made. Make sure you have the original receipts, not only the 'pin' or 'chip' receipt, and that the amount of VAT is mentioned. If not, the VAT cannot be refunded!

7 real bank balance

- as long as paid purchase invoices have not appeared on a statement, they should be filed before the most recent statement;
- even without a computer you will always know what your real bank-balance is.

8 the use of a cash book

- all receipts are filed in the 'cash' file by date, with the most recent on top;
- the cash receipts in each year are numbered consecutively 1,2,3, etc.;
- this receipt number is entered in the column '%' in the cash book. In other words: this column is not used to record the VAT rate;

- each page in the cash book begins with an opening balance in the column 'amount' under income and finishes with a checked closing balance in the column 'amount' under expenditure;
- the original of the page from the cash book is saved in the file together with the relevant receipts after the final balance has been checked and all columns have been added up. The (carbon) copy of the page remains in the cash book;
- on receipt of cash payments from clients (sales on accounts, invoice sent) the 'VAT' column is not used, but instead the entire sum that was received is entered in the column 'amount'. For cash sales, where no invoice has been given, the 'VAT' column is used. Those cash payments are broken down into the amount exclusive of VAT and the VAT amount and entered in the column 'amount', the VAT amount in the column 'VAT';
- cash payments to suppliers are also broken down into the amount exclusive of VAT and the VAT amount. This has to be stated on the receipt. The amount exclusive of VAT is entered in the column 'amount', the VAT amount in the column 'VAT'. Do not enter the VAT amount yourself! If the receipt does not state the VAT amount, the 'VAT' amount column is left blank and the total amount entered in the column 'amount';
- enter cash withdrawals from the bank in the column 'amount' under income; enter cash deposits in the bank in the column 'amounts' under expenditure;
- if the system had been used correctly, the totals of the column 'VAT and 'amount' under income are equal to the totals of the column 'VAT' and 'amount' under expenditure;
- be especially careful about private deposits (business expenses paid) or cash withdrawals for private use. Always record these amounts, otherwise the cash balance will never be correct;
- warning: the cash can never have a negative balance (expenditure greater than income);
- payments with 'pin', 'chip' or credit cards go into the cash turnover. They should be entered as 'expenditure' with this description. Otherwise the cash balance does not reconcile as the amounts are not really received in cash.

Sample cash book

Name of company: J. Jansen in Rotterdam
 Period: Tuesday 8 to Friday 11 January 2008

date	description	%	income		expenditure	
			amount	VAT	amount	VAT
08-01	opening balance		€ 50,00			
08-01	turnover of shop (incl. pin- and chip payments)	1	€ 219,26	€ 41,66		
08-01	cashcard payments				€ 50,00	
08-01	creditcard payments				€ 125,00	
09-01	turnover of shop	2	€ 200,20	€ 38,04		
09-01	purchase from H. Jansma	3			€ 79,41	€ 15,09
10-01	turnover of shop	4	€ 228,80	€ 43,47		
10-01	payment from debtor Paashaas	5	€ 270,01			
10-01	private withdrawal				€ 266,00	
11-01	turnover of shop	6	€ 95,32	€ 18,11		
11-01	gas/electricity bill paid at post office	7			€ 400,00	
11-01	closing balance				€ 269,37	
	totals		€ 1.063,59	€ 141,28	€ 1.189,78	€ 15,09
			€ 1.204,87		€ 1.204,87	

The total of the income columns must be equal to the total of the expenditure columns.