

Glossary of Key Terms

- **Assets** : furniture (e.g. desks, chairs) and equipment (e.g. welding machine)
 - **Audit** : auditor takes stock of the financial transactions and ensures that there is no irregularities in the financial management of the co-operative
 - **Breakeven** : no loss or profit made on sale of goods
 - **Budget** : funds that have been approved to meet expenses
 - **Capital** : money required for start-up and running costs of the co-operative
 - **Capital Needs** : amount of resources for start-up (e.g. computer, desks)
 - **Cash Flow** : funds available to run the co-operative
 - **Cash Register** : to record a sale and issue a receipt
 - **Cash Slip** : voucher issued in respect of receipt of payment
 - **Credit** : to purchase an item or commodity and pay at a later date
 - **Debts** : money owed (if liabilities exceed assets then you are in debt)
 - **Delivery note** : proof of delivery (goods or services received)
 - **Garnishee** : summons to court for non-payment
 - **GRN** : (Goods Received Note) Proof of goods or services received
 - **Insolvency** : liabilities exceed assets, cannot pay back money owed or meet operational cost
- Invoices** : a document that tells you to pay for the goods or materials you have received. An invoice lists details of what you have bought and tells how much you must pay, when you must pay, who you must pay, and how you must pay.
- Liability** : debts; money that must be paid. Debt on terms of less than five years is usually called a short-term liability, and debt for longer than five years is a long-term liability
- **Mark-up** : percentage mark-up on cost of goods
 - **Petty Cash** : money used to meet day-to-day expenses for running the office (e.g. posting letters, buying tea, etc.), separate from money in the bank.
 - **Profit** : difference between cost and selling price
 - **Reimbursements** : expenses accrued by staff on behalf of the co-operative that must be paid for
 - **Remuneration** : payment made to the board for services rendered.
 - **Requisition** : form to complete in order to seek authority to effect payment for goods or services received (this is to keep proper records of monies spent by the co-operative)
 - **Working Capital** : money to cover fixed and variable costs

Financial Statements

- **Allowance** : money allocated for task or extra service (e.g. travel)

- Balance Sheet : shows assets and liabilities of the co-operative (how much the co-op is worth)
- Bank Statement : reflects financial activities in cheque account(money in and out)
- Bookkeeping : daily records of financial transactions
- Cheque : a form of paper payment(banks debit and credit accounts from cheque payments)
- Cheque account : can write cheques against account
- Deposit Book : record of deposits and withdrawals from cheque account
- Disbursements : money paid out for incurring an expense
- Financial Management : the system on how to manage finances
- Income statement : compares income to expenses. Shows profit or loss
- Insurance : protection against loss or damage
- Record Keeping : detailed records of all transactions
- Refund : money or goods returned
- Savings account : money is saved and accrues interest
- Service Charges : fee charged by banks for transactions
- Subsistence Allowance : reimbursement of costs accrued by members (e.g. travel costs for conferences)
- Suspense Account : transactions that do not have proper account allocation
- Tax : divided into three categories PAYE,UIF and SDL