

**Article Title:** Bookkeeping

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Keeping track of the finances of a dojo is of the utmost importance, yet it is likely that few dojo (Uechi-ryu or otherwise) actually have a clear picture of their financial situation on paper at any given time.

Keeping track of income and expenses is relatively easy to do if approached with the following common sense method.

The simplest way to keep your 'books' is to use a standard split entry bookkeeping system, here's how:

- 1) Get a ledger, usually you can find these in any department store or pharmacy selling stationary. If this is not available then a simple notebook or scribbler will do. With a ruler and pen draw a line vertically down the center of the pages.
- 2) Get a black pen and a red pen. The black pen is your friend while the red pen is your enemy.
- 3) Get 12 (twelve) large manila envelopes. I suggest manila as they are a bit stronger even after normal wear and tear. Mark each envelope with a month, one month for each envelope.
- 4) Take your ledger (or notebook) and on one page at the top of the left column write the word 'Income'; on the top of the right column write the

word 'Expense'. Put the month on the top of the page, always start a new page for each month. This is your balance sheet.

5) In the left column with the black pen (your friend remember?) mark down any money you have coming in. Only write this down AS IT COMES IN. Never speculate on what you would normally bring in. Be sure to write down the amount, who gave it to you, why they gave it & when.

**ie. \$45.00 | Bob Smith | Dues | Aug. 01**

Be sure to give a receipt for any money that comes in, have the other party sign it as well. You can get your carbon copy receipt book at the same store you bought your ledger.

6) In the right column with the red pen (your enemy), write down all bills and expenses that you have to pay. As the bills arrive (say the light bill) write it down in the right column much the same way as you did for the left (income) column.

**ie. \$38.76 | Light bill | Aug. 01**

As you pay the bills you can put a check mark beside the entry. Take your paid receipts and original bills and put them into the manila folder with the corresponding month.

It is that simple. As the money comes in you mark it down in black with its information. As the bills come in, you mark them down in red with its information. As you pay the bills put a small check beside the entry.

When you come to the end of the month you should total the amounts up at the bottom.

a) First total the left (income) column up; this is done in black. This shows the monthly income the dojo is bringing in.

b) Now total the right (expense) column up; this is done in red. This shows the monthly expenses the dojo is incurring.

c) Now subtract the red from the black, the remainder (should be a positive number) is the profits your dojo has for that month. If the number is a negative then you have higher debts than income and need to re-evaluate both sides of the balance sheet.

d) If your red entries are not all checked than you have not paid all your bills for the current month yet. These entries will carry over and become the first entries on the expense column for the following month. The original bill goes in the envelope of the month you received it, while the paid receipt goes in the envelope of the month you actually paid it.

The envelopes are important as when you file your yearly taxes, your accountant can easily sort through the months as you in fact have already arranged the receipts ahead of time!

Following this simple method of bookkeeping you are sure to have a clear monthly picture of your dojo income and expenses.