

10-1956

Idea Exchange

Mildred Swem

Follow this and additional works at: <https://egrove.olemiss.edu/wcpa>



Part of the [Accounting Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Swem, Mildred (1956) "Idea Exchange," *Woman C.P.A.*: Vol. 18 : Iss. 6 , Article 3.

Available at: <https://egrove.olemiss.edu/wcpa/vol18/iss6/3>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Woman C.P.A. by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

IDEA EXCHANGE

By MILDRED SWEM, Los Angeles, California

Tired of comparing totals?

Additions may be checked on an adding machine by putting in the figures and subtracting the total so that the machine total will be zero. Similarly, subtractions may be checked by adding the black figures, subtracting the red figures and subtracting the total, which should clear the machine to zero.

Every figure on a typed statement can be checked or proved in this manner, and all that has to be looked at on the adding machine tape is the total figure for each set of figures, which should be zero. If there is an error, the figure appearing in the total is the amount of the error.

This method of checking figures may be used on columns of figures which have been copied by hand as well as typed figures. Figures which have been copied for which no total is necessary may be proved by adding them in and subtracting the column from which they were copied. If the machine clears it can be reasonably assumed that the figures have been copied correctly.

Stop comparing totals—just look for a zero balance.

—Lurena Deutsch, Los Angeles

Report time saver

In compiling reports which follow regular patterns, you can save time by asking your typist to make an extra copy and return it to you. Then, when you are ready to write up the next report, paste a strip of plain paper over the figures and use this copy for your work paper. Thus, you need only to write in the new figures.

Besides saving you writing time, the work paper will be easier for both you and the typist to follow, reducing the chance of error in copying captions.

—Ruth Hetherington, Cleveland

Tip for your typist

An emery board kept in your desk drawer is just the thing to keep your erasers clean. When the eraser gets dirty from the type and carbon, just give the eraser a few strokes with the emery board, and it's nice and clean again for further use.

—Ruby M. Crawford, Atlanta

"It was good enough for father"

My grandfather voted for the party, my father voted for the party, and I'll vote for the party. Have YOU, as an accountant, adopted this attitude toward your firm's accounting system? It is hard to be unprejudiced about your own system—especially if you helped set it up. But, systems and procedures can well become outmoded and burdensome. Look over your system with these questions in mind. Are they still necessary? Could they be done more easily? Is there a machine or business form that can do any of them? Are they all doing what they were set up for? These questions if asked honestly can help both you and your employer.

—Leatrice Harpster, District of Columbia

Contributions carry-over

Do you need a helpful tool in keeping a complete and convenient record of contribution carry-overs for corporations?

Maintain a 4x6 card file—a card for each corporation—with the following headings:

<u>YEAR OF</u>	<u>CARRY</u>	<u>YEAR</u>
<u>RETURN</u>	<u>OVER</u>	<u>USED</u>
<u>AMOUNT</u>		

By keeping this file current, you will have a ready reference for use by management and staff to assist them in answering questions as well as a means of checking the accuracy of the "contributions carry-over" section of the corporation tax return.

Freda V. Meyerhoffer, Baltimore

Banks will pre-reconcile bank statements

Let your bank pre-reconcile your bank statement with an estimated time savings of 29 minutes per 1,000 checks. Here's how it works.

- (a) Cancelled checks are sorted into numerical sequence and a continuous sheet is received, listing the checks in sequence and showing the check numbers and amounts.
- (b) The grand total of the checks returned is balanced to the total charged to your account by the bank for the period.
- (c) The number of each outstanding check can be located easily by letter-

symbol placed on the list by the automatic equipment.

- (d) To complete the reconciliation you need only refer to your check register or journal, for the amount of each outstanding check. The total of these, plus the total of the checks returned, should balance to the total of checks issued for the period.

All you have to do is—substitute an IBM card-type check in place of the one currently used. No change or addition to your present check issuing equipment or method is necessary.

Further facilitating your reconciliation, permit the bank to send out paid checks, three or four weeks after the closing of the period during which checks were issued; or have two separate accounts and two separate series of IBM card-checks and use them alternately for predetermined periods.

Contact your Banker, he will be glad to acquaint you with this service.

—Genevieve K. Hayden, Louisville

Sub-contractors' journal

Consider establishing a "Sub-contractors Journal" in setting up books for a general construction contractor who bids jobs for a fixed price and receives monthly payments based on a percentage of completion of items—such as 10% of electrical, 20% of painting—and who in turn sub-contracts to others a number of the items. The new journal would show monthly charges to the job and accrue as a liability the same percentage of completion of each item which is billed to the owner, in determining the amount receivable. The columns across the journal would be headed as shown below, plus as many more columns for additional months as necessary.

JOB No. 5601				
Item	Sub-contractor	Contract Price	%	Jan. Amt.
Electrical	Smith & Co.	\$50,000	10	\$5,000
Painting	Doe Corp.	10,000	20	2,000

The main advantage of this system is that it provides more accurate records and statements. Without this or a similar system, it may be found that a subcontractor may bill the general contractor for say 15% of his contract whereas the general contractor may be billing the owner, in that same month, for 25% of that contract.

On a large job these differences can greatly affect the profit or loss to date.

—Gertrude Kitchen, C.P.A., Baltimore

Consolidate your reports

Accounting departments often prepare reports for many operating departments in which the same basic information is furnished but is presented in different forms. A restudy of the needs of these departments may result in only one report being made which contains all of the information needed by all of the departments. This results in a considerable saving of time for the accounting department, as copies can be distributed to all who need the information. Such a restudy often shows that some of the information furnished is no longer used in current business operations and also that additional information can be furnished with a minimum of effort that can be of great value to these departments.

—Katherine McNamara, Grand Rapids

* * *

(Continued from page 8)

1. The negative approach of considering the losses incurred from lack of control.
2. The positive approach of considering the benefits gained from the use of control.

Under the negative approach, the losses which occur from unfavorable situations and defalcations are compared to the cost of providing for their prevention. In the matter of error, such a loss is usually an estimate; in the matter of fraud it is usually an exact amount. In either case, the data apply to the past, and the control will be applied to the future, where possibly other circumstances may be different.

There are also intangible losses to be considered—customer ill will generated by sloppy, inaccurate handling of accounts; employee dissatisfaction generated by poorly defined authority, conflicting responsibilities, or the partiality which can creep in where regulations are poorly formulated and irregularly followed; and loss in standing generated by slipshod methods or excessive customer turnover.

Under the positive approach, the gains which occur from the prevention of loss or from the use of improved, efficient procedures are compared to the cost of providing such service. This is usually an estimate, but it can be fairly accurate estimate.

As in the negative approach, both the tangible and intangible gains should be considered.

From whichever angle it is evaluated, there are certain fundamentals to be con-

(Continued on page 17)