

# AccountAble™

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The term 'Travelling expenses' normally means expenses on long-distance travel. Expenses on local travel (within or around the city / town) are normally called 'conveyance expenses'. In this issue, we deal with tracking and recording of travelling expenses.

In one trip, you are likely to spend money on train fare, lodging, food and also on incidental items. These expenses will be made on different dates. Normally people debit 'Travelling Expenses' etc. when they buy the train ticket. Later when the spend money on boarding, lodging etc., they make another voucher for these expenses.

As a result, link between these expenses (fare and stay) is lost. This makes it difficult to find out total expenses for a trip. Also this weakens control over use of train / air tickets<sup>1</sup>.

A better system would be where all these are collected together and accounted through one set of entries.

<sup>1</sup> In one case, the office used to book dozens of train tickets each month. One employee was responsible for this. Gradually, he realized that there was no control over the number of tickets booked and used. He then started keeping the cash received from cancelled train tickets with himself. This racket continued for several months, before he was found out by chance.

This will also help in keeping track of the expenses for each trip.

## Accounting

How does this system work in practice?

When you book the train / air ticket, do not debit 'Travelling Expenses' or any other expense head. You may have reserved the ticket directly by paying cash or you may have used a travel agent. In either case, you can debit the concerned person's advance account (voucher 1):

Later the person may take some advance for boarding and lodging expenses and go on the trip. At this stage, the person's advance account is debited again (voucher 2).

Lok Jagran Manch	Vr.3	20-Apr-05
Dr. Shri Rajendra Advance A/c		2,500
Cr. Cash in hand		2,500
Cash is given to Shri Rajendra Sharma for networking meeting at Udaipur from 21-Apr to 25-Apr-05		

On coming back, he / she will submit a Travel Expense Report<sup>2</sup>. This report will show all expenses related to the trip, including fare as also stay and boarding. All the travelling expenses related to this trip will now be booked into accounts.

<sup>2</sup> See format on pages 2 and 3



**B. Cash Received:**

Date	Voucher Ref.	Particulars	Amount
		Total	

Total Advance (A+B) [I]	
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**II: Credits**

*C. Unused Tickets returned to office:*

Date	Ticket ID	Particulars	Amount
		Total	

*D. Advance Returned to office*

Date	Voucher Ref.	Particulars	Amount
		Total	

*E. Expenses as per Travel Expense Report*

Fares	
Boarding & Lodging / Daily Allowance	
Conveyance Expenses while on tour	
Other Expenses	
Total	

<b>Total Credits (C+D+E) [II]</b>	
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Net balance for this trip due from me / (due to me) [I-II]	
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Dated: \_\_\_\_\_ Prepared by: \_\_\_\_\_ Passed by: \_\_\_\_\_

This entry may look like the following (voucher 3):

Lok Jagran Manch	Vr.3	28-Apr-05
Dr. Traveling Expenses - CRY		2,655
Cr. Shri Rajendra Advance A/c		2,655
Traveling expenses for visit to Udaipur for networking meeting by Shri Rajendra Sharma from 21-Apr to 25-Apr-05		

**Filing the Travel Expense Report**

What is to be done with the Travel Expense Report (TER)? You should attach all the supports to the TER. These may include used train tickets, air-ticket counterfoils, boarding passes, hotel bills, vehicle hire charge bills / receipts, etc. A covering voucher is put on top of the T.E.R.. Then the whole bunch will

be filed normally along with the relevant vouchers.

### Allocating Expenses to different projects

The above procedure is fine if all the expenses of one trip go to the same project. But suppose the expenses are to be shared by 2-3 agencies / projects? In such a case, the covering voucher should be made in a different way as shown below (voucher 3A):

Lok Jagran Manch	Vr.3A	28-May-05
Dr. Traveling Expenses - CRY		2,110
Dr. Traveling Expenses - Oxfam		2,110
Dr. Networking Expenses - Ford		2,110
	Total	6,330
Cr. Shri Rajendra Advance A/c		6,330
Traveling expenses for visit to Jaisalmer for networking meeting by Shri Rajendra Sharma from 20-May to 24-May-05		

The Travel Expense Report can be filed in the same way as discussed earlier.

### Supports

What kind of supporting documents should be attached to the Travel Expense Report?

#### Fares

In all cases of travel, used tickets or ticket counterfoils should be attached to the Travel Expense Report.

In some cases, people find it difficult to produce these, as train tickets are often collected at the station exit. They should be guided properly in this matter. The Ticket Collectors always return the used ticket after punching them, if you ask them for it.

#### Boarding and Lodging

Apart from fares, you also have to pay for boarding (food) and lodging (hotel). Some NGOs reimburse actual ex-

penses for this, subject to some limits. Others provide a fixed Daily Allowance (DA). Some provide DA for food, and actual expenses for stay.

Wherever actual expenses are reimbursed, you should attach the original bills for hotel or for food. However, if a flat allowance is given, then you can simply put down the calculation in the Travel Expense Report.

### Conveyance and Other Expenses

Normally, no support is available for local conveyance. Similarly no support is required for minor expenses such as porter etc. However, bills should be attached for expenses such as STD calls etc.

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