

Development of administrative cameralistics: An example

Norvald Monsen - Norwegian School of Economics, Norway

norvald.monsen@nhh.no

Abstract

Administrative cameralistics (ACAM), which is a particular accounting model for use by governmental organizations in continental European German-speaking countries, is developed into nonprofit cameralistics (NCAM) and status cameralistics (SCAM). Even though NCAM/SCAM is developed explicitly for use by other nonprofit organizations than governments, it could also be used by the latter organizations as a replacement of ACAM. This is so, because NCAM/SCAM contain precisely the same information as ACAM, but also additional information that might be of interest to politicians, administrative officers and other users of governmental accounts.

Introduction

All organizations incur expenditures that must be covered by revenues. Different types of organizations acquire, however, revenues in different ways. According to Danielsson (1977) we could separate market-linked organizations from budget-linked organizations, precisely based on how they acquire financial resources in the form of revenues. Market-linked organizations acquire revenues through market exchange transactions, where goods and services are exchanged for money. Business enterprises are examples of such organizations. Governmental organizations (i.e., governmental administrations like a city treasury) can, however, be classified as budget-linked organizations, because they primarily acquire revenues through one-way money transactions, as opposed to market-exchange transactions. By this I mean that they receive tax revenues from the inhabitants, without giving a direct service in return. The expenditures (resulting from service delivery to the inhabitants) are incurred in various parts of the administration (like the school department and the health department), while the tax revenues are received by the treasury department. Therefore, the budget is used for allocating the tax revenues to the various departments, so they can finance their expenditures (from this the term 'budget-linked organizations').

In the governmental sector we also find governmental enterprises (like municipal electricity companies and municipal bus companies), in addition to the governmental administration. These enterprises are financed by revenues received in exchange for service delivery (electricity and bus transport) to the inhabitants (the electricity customers and bus passengers). Accordingly, governmental enterprises receive revenues through market-exchange transactions and not through one-way money transactions. Governmental enterprises have therefore more similarities with business enterprises than with the governmental administration with regard to the acquisition of revenues for financing the expenditures incurred.

The term 'nonprofit organizations' refers to other organizations than governmental organizations that do not have profit objectives. Norwegian Red Cross is an example of such an organization. Another example is a Norwegian housing co-operative. This co-operative is established for acquiring and managing the apartments of the unit holders; it is not established for getting involved in any profitable activity (e.g., buying/producing and selling goods/services).

This implies that nonprofit organizations have more similarities with the governmental administration, that also has no profit objective, than with a business enterprise that has such a profit objective for its activities. This indicates that cameral accounting in the form of administrative cameralistics (ACAM), which has been developed for use by governmental administrations (see e.g., Monsen, 2011a), should be of interest for use by nonprofit organizations. As a result, I have earlier used ACAM when preparing the accounts of a Norwegian housing co-operative. When transferring ACAM from the governmental administration to the nonprofit sector, illustrated by a housing co-operative, ACAM was also developed to additional information of interest that is not usually reported within the framework of ACAM. In this connection I developed the terms *nonprofit cameralistics* (NCAM) and *status cameralistics* (SCAM) for the two developed variants of ACAM (see Monsen, 2011a).

The purpose of this article is to illustrate the two developed variants of ACAM: NCAM and SCAM. Even though they are developed for use by nonprofit organizations, they could also be of interest for use by governmental administrations, because they contain precisely the same information as ACAM as well as other information that might be of interest to politicians, administrative officers and other users of governmental accounts (more details will follow).

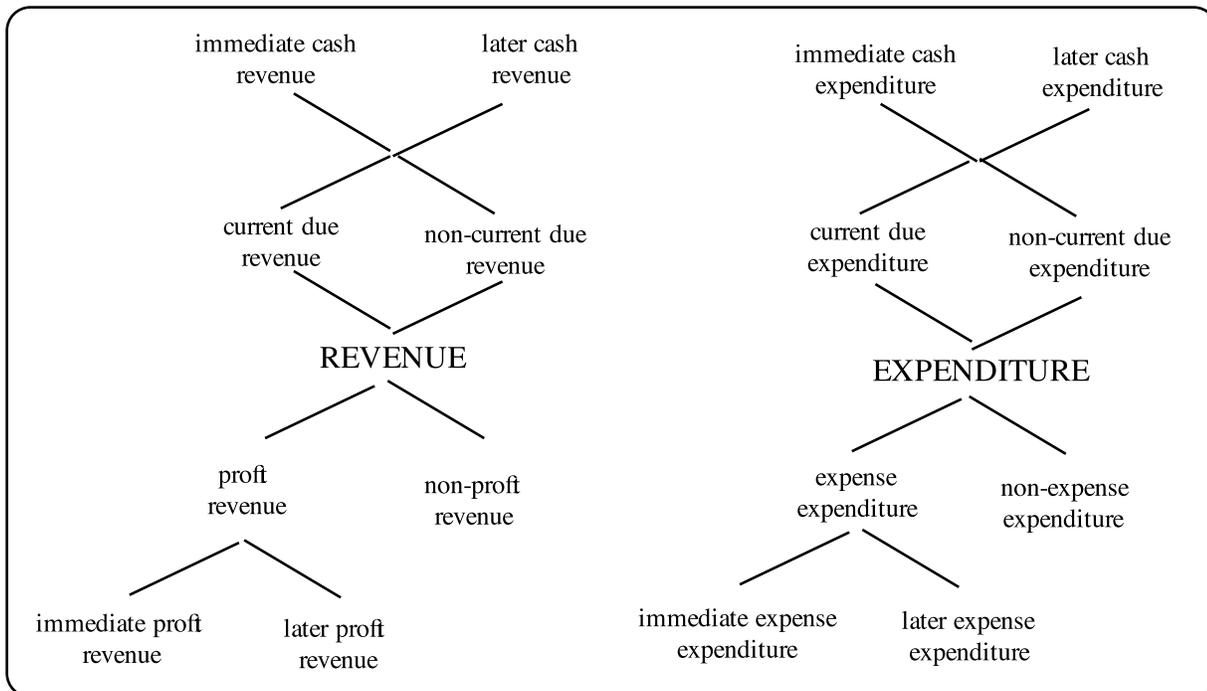
The article is structured like this: In the next section the concepts of revenues and expenditures are explained, followed by an introduction to ACAM. Thereafter, a numerical example is presented, which in the two following sections is used for illustrating NCAM and SCAM. Based on these two new variants of cameral accounting, the two following financial statements are thereafter prepared: Statement of revenues and expenditures and Statement of financial status. Then a discussion follows, before a conclusion ends the article.

Revenues and Expenditures

According to Mülhaupt (1987), the two main accounting concepts are 'revenue' and 'expenditure'. *Revenue* represent claim on cash receipts, whereas *expenditure* represent obligation for cash payments. Accordingly, the revenues and expenditures will always have money effects, which influence the money deposit of an organization in the form of monetary assets minus liabilities. Furthermore, the revenues and expenditures may also have an additional effect, a profit effect that influences the equity of the organization in the form of monetary and non-monetary assets minus liabilities. When explaining the money and profit effects of the revenues and expenditures in more detail below, Figure 1 will be used as a reference.

Figure 1: The concepts of 'revenue' and 'expenditure'

(Source: Monsen 2011b, Figure 2.1, p. 11).



When preparing the accounts for a specific period, the revenues and expenditures may be accrued with a view to their respective money effects or profit effects. We therefore face two different accrual principles: a *money accrual principle* and a *profit accrual principle*.

The money accrual principle of accounting

In Figure 1, the concepts of 'revenue' and 'expenditure' refer to revenues incurred and expenditures incurred. Those parts of the revenues and expenditures that have been authorised for cash receipt and cash payment are referred to as 'current due revenue' and 'current due expenditure'. The remaining parts of the revenues and expenditures that have not been authorised for cash receipt and cash payment are referred to as 'non-current due revenue' and 'non-current due expenditure'. The concepts of 'immediate cash revenue' and 'immediate cash expenditure' refer to those parts of the revenues and expenditures that have been received in cash and paid in cash immediately (i.e., during the accounting period in question). The concepts of 'later cash revenue' and 'later cash expenditure' refer to those parts of the revenues and expenditures that are to be received in cash and paid in cash later (i.e., during later accounting periods).

In the public sector, at least in continental European countries and Norway, there is a basic principle saying that authorisation of cash receipts and cash payments are to be issued by an actor with receipt and payment authorisation authority, such as the chief municipal administrative officer. Then cash may be received and cash may be paid by another actor with cash receipt and cash payment execution authority, such as the municipal cashier. This is, however, not a principle in the business sector, where cash is exchanged for goods and services without first issuing cash receipt and cash payment authorisations. In any case, independent of whether authorisations of cash receipts and cash payments have or have not

been/will not be given, revenues may be received in cash and expenditures may be paid in cash (referred to as 'immediate cash revenue' and 'immediate cash expenditure'), something that appears in Figure 1.

The explanation above implies that we face three alternatives for how to accrue the revenues and expenditures with regard to their respective money effects. That is, the revenues and expenditures may be accrued with a view to whether they have been incurred, have been authorised for cash receipt and cash payment, or have been received in cash and paid in cash. These three alternatives are reflected in the three concepts of the 'incurred principle', the 'current due principle' and finally, the 'cash principle'.

The profit accrual principle of accounting

As distinct from the upper part of Figure 1, which focuses on the money effects of the revenues and expenditures, the lower part of the figure focuses on their profit effects, if any. Given such a profit effect, we may first split the revenues and expenditures into two groups: revenues and expenditures having profit effects and revenues and expenditures not having such effects. Revenues with positive profit effects are referred to as 'profit revenue', while expenditures with negative profit effects are referred to as 'expense expenditure'. Revenues and expenditures without profit effects are referred to as 'non-profit revenue' and 'non-expense expenditure'. Examples may be loan revenues and instalment expenditures.

The part of the revenues with a positive profit effect immediately (i.e., during the accounting period in question) is referred to as 'immediate profit revenue', while the part of the expenditures with a negative profit effect during this period is referred to as 'immediate expense expenditure'. Examples may be revenues from sale of pens and expenditures for raw materials used during the period in question for producing the pens. Revenues and expenditures with profit effects later (i.e., during later accounting periods) are referred to as 'later profit revenue' and 'later expense expenditure'. Examples may be revenues in the form of prepayment from customers that will have positive profit effects in later accounting periods and investment expenditures that will have negative profit effects (in the form of depreciation expense) in later accounting periods.

Administrative Cameralistics

The main objective of ACAM is to report information to be used for democratic (political) control of expenditure from tax revenues in the governmental administration (see e.g., Monsen, 2011b). This means that ACAM aims at reporting information, showing if the revenues have been raised in line with the budget and have been used to finance politically adopted expenditures, as detailed in the budget. A *money accrual principle* (in form of the *current due principle*) is therefore used for accruing the revenues and expenditures with a view to their respective money effects (see the upper part of Figure 1; also see below for further explanation). ACAM thus represents *money accounts in the form of current due accounts*.

Bookkeeping

The principle of single-entry bookkeeping and the cameral single-sided account with a revenues side and an expenditures side (see Table 1) is used for ACAM. This implies that one or more single entries are entered on the cameral account. On each side of this account we find the following four columns: Balances or residual dues brought forward (BD), Current dues (CD), Actuals (A) and Balances or residual dues carried forward (B). Within ACAM, revenues authorised for cash receipt (see 'current due revenue' in Figure 1) are entered in the CD-column on the revenues side, while expenditures authorised

for cash payment (see 'current due expenditure' in Figure 1) are entered in the CD-column on the expenditures side. When a current due revenue is received in cash (see 'immediate cash revenue' in Figure 1), the cash receipt is entered in the A-column on the revenues side. Similarly, a cash payment of a current due expenditure (see 'immediate cash expenditure' in Figure 1) is entered in the A-column on the expenditures side. In this way bookkeeping rule (1) is followed, which says that no A-entry can be carried out without an earlier or a simultaneous CD-entry. Bookkeeping rule (2) says that the balance (rest) amount at the end of the period that is to be transferred to the following period, appears as follows: Balances or residual dues carried forward = Balances or residual dues brought forward + current dues – actuals ($B=BD+CD-A$).

Table 1: The cameral account

Since the cameral account consists of a revenues side and an expenditures side, only one of these two sides are used together with the principle of single-entry bookkeeping: revenues are entered on the revenues side and expenditures are entered on the expenditures side. This implies that the two cameral bookkeeping rules that were explained above, apply separately on the revenues side and the expenditures side of the cameral account.

Four tasks

In order to fulfil its main objective (i.e., report information to be used for democratic (political) control of money received from tax revenues), ACAM has four tasks. The first task is to contribute to *budgetary control* in the form of a comparison of accounting figures (extracted from the cameral account) and budgetary figures (extracted from the budget). With regard to the budget, we do not face alternative figures: the budgetary revenues and budgetary expenditures are both intended to represent cash receipt authorisations and cash payment authorisations and intended for being received in cash and paid in cash during the financial year. With regard to the accounting figures used for comparison with the budgetary figures, however, we face two alternatives that result in current due closing and actuals closing (von Wysocki, 1965). *Actuals closing* is based on the use of cash receipts and cash payments (see 'immediate cash revenue' and 'immediate cash expenditure' in Figure 1), extracted from the A-columns of the cameral account (see Table 1). *Current due closing* is, however, based on the use of revenues and expenditures that are authorised for cash receipt and cash payment (see 'current due revenue' and 'current due expenditure' in Figure 1), extracted from the CD-columns of the cameral account (see Table 1). According to von Wysocki (1965), actuals closing has been the tradition in the state sector (p. 35), while current due closing has been the tradition in the municipal sector (p. 36).

The second task of ACAM is to contribute to *receipt/payment control*. The cameral account with separate columns for receipt and payment authorisations (CD) and actual cash receipts and payments (A), as well as the single-entry bookkeeping method of administrative cameralistics with its two bookkeeping rules (no A-entry without an earlier or a simultaneous CD-entry and $B=BD+CD-A$) have been specifically developed so the receipt/payment control becomes an integrated part of the bookkeeping (Mülhaupt, 1987). This implies that control with the cash receipts (see 'immediate cash

revenue' in Figure 1, reported in the A-column on the revenues side of the cameral account in Table 1) is carried out by comparing them with revenues that have been authorised for cash receipts (see 'current due revenue' in Figure 1, reported in the CD-column on the revenues side of the cameral account in Table 1). In a similar way, control with the cash payments (see 'immediate cash expenditure' in Figure 1, reported in the A-column on the expenditures side of the cameral account in Table 1) is carried out by comparing them with expenditures that have been authorised for cash payment (see 'current due expenditure' in Figure 1, reported in the CD-columns of the cameral account in Table 1). Expressed differently: the receipt/payment control is an integrated part of the bookkeeping within ACAM through a comparison of revenues/expenditures authorised for cash receipt/cash payment (i.e., CD-amounts) and revenues/expenditures being received in cash/paid in cash (i.e., A-amounts). Accordingly, the cameral account is studied horizontally when carrying out the receipt/payment control.

In addition to this receipt/payment control (in form of a comparison of cash receipts/cash payments with receipt authorisations/payment authorisations), it is also important to control the actual cash receipts and cash payments themselves (see 'immediate cash revenue' and 'immediate cash expenditure' in Figure 1), referred to as *cash control*. This is therefore the third task of ACAM and is carried out by a vertical study of the A-columns. In these columns the actual cash receipts and cash payments are entered on the revenues and expenditures sides of the cameral account (see Table 1). Net cash change thus appears as the difference between the total entries in the A-column on the revenues side (i.e., total cash receipts during the period) and the total entries in the A-column on the expenditures side (i.e., total cash payments during the period).

Within ACAM a money accrual principle in form of the current due principle is used for accruing the revenues and expenditures. This implies that revenues and expenditures are entered in the CD-columns of the cameral account in Table 1 (on the revenues and expenditures sides) when they are authorised for cash receipt and cash payment (see 'current due revenue' and 'current due expenditure' in Figure 1). When the CD-columns are studied vertically, a money result thus appears as the difference between current due revenues and current due expenditures. *Reporting of a money result* as the difference between current due revenues and current due expenditures is therefore the fourth task of ACAM. Reporting of such a money result is important, as will now be explained in more detail.

In the introduction, it was pointed out that all organizations incur expenditures (in form of payment obligations) that must be covered by revenues (in form of money claims). A money result appearing as the difference between revenues and expenditures (see 'revenue' and 'expenditure' in Figure 1) will thus show if the organization in question has covered its expenditures by revenues: A positive money result (in form of revenues minus expenditures) will reveal that all expenditures have been covered by revenues. A negative money result will, however, reveal that the expenditures have been higher than the revenues, implying that all the expenditures have not been covered by revenues.

In some countries (like continental European countries and Norway) receipt/payment authorisations must be issued before revenues/expenditures incurred may be received/paid in cash by governmental organizations. As a result, a revenue incurred (see 'revenue' in Figure 1) must be authorised for being received in cash (see 'current due revenue' in Figure 1). Then it may be received in cash (see 'immediate cash revenue' in Figure 1). Now this cash amount may be used – and thus become a cash payment (see 'immediate cash expenditure' in Figure 1) to pay an expenditure incurred (see 'expenditure' in Figure 1) that has been authorised for cash payment (see 'current due expenditure' in Figure 1). And this situation where the issue of receipt/payment authorisations play such an important role in the cash process is precisely the reason why a money accrual principle in form of the current due principle (or in other words, the 'receipt/payment authorisation principle') is used in ACAM. Accordingly, a money result in form of current due revenues minus current due expenditures will report if the expenditures authorised for cash payment have been covered by revenues authorised for cash receipt. Since governmental

organizations, like other organizations, have to pay in cash their expenditures with revenues received in cash, it is of utmost importance to learn (through reporting of a money result) if they have managed to do so.

Numerical Example

An organization has a cash deposit of 2,000 at the beginning of the fiscal period. For this period we have the following information:

	(1)	(2)	(3)	(4)
	Budget	Incurred	Current dues	Received/paid
(1) Operating revenue	16,500	16,000	15,200	14,500
(2) Operating expenditure	10,500	11,000	10,000	9,900
(3) Interest expenditure	20	20	20	20
(4) Loan revenue	2,000	2,000	2,000	2,000
(5) Instalment expenditure	200	200	200	200
(6) Investment expenditure (in a fixed asset)	3,000	3,000	3,000	3,000

Column (1) *Budget* contains budgetary revenues/expenditures. Since the budget relates to a future fiscal period, we have no incurred amounts here. Neither do we have any distinction between receipt/payment authorisations and cash receipts/payments, because the budgetary revenues/expenditures are planned to be received/paid in cash, after the issue of receipt/payment authorisations. The last three columns, however, contain accounting figures. Column (2) *Incurred* contains revenues/expenditures that have been incurred. Column (3) *Current dues* contains revenues/expenditures that have been authorised for cash receipt/payment and thus represent current due amounts. Column (4) *Received/paid* contains revenues/expenditures that have been received/paid in cash.

Non-Profit Cameralistics

The revenues and expenditures are entered on the cameral account in Table 2 that contains three accounting sections: Accounting section 1 (AS1: Revenues), Accounting section 2 (AS2: Expenditures) and Accounting section 3 (AS3: Closing). The single-entry bookkeeping method of administrative cameralistics is used in AS1 and AS2, implying that the revenues and expenditures are accrued with a view to their respective money effects by use of the current due principle (in the CD-columns). In AS3, however, the current due principle is not used, because here the cash deposit and net revenue (as opposed to current due revenues and current due expenditures) are entered. Nevertheless, the two cameral bookkeeping rules are applied in AS3 in the same technical ways as they are applied in AS1 and AS2 (no A-entry without an earlier or a simultaneous CD-entry and $B=BD+CD-A$). Accordingly, cameral single-entry bookkeeping is applied in all the three accounting sections in Table 2.

Table 2: Nonprofit cameralistics (NCAM)

	Revenues				Expenditures			
	Bal-ances or residual dues b/f (BD)	Current dues (CD)	Actuals (A)	Bal-ances or residual dues c/f (B)	Bal-ances or residual dues b/f (BD)	Current dues (CD)	Actuals (A)	Bal-ances or residual dues c/f (R)
AS1: REVENUES								
1) Op. revenue		15,200	14,500	700				
4) Loan revenue		2,000	2,000					
Total AS1	0	17,200	16,500	700				
AS2: EXPENDITURES								
2) Op. expenditure						10,000	9,900	100
3) Interest exp.						20	20	
5) Instalment exp.						200	200	
6) Investment exp.						3,000	3,000	
Total AS2					0	13,220	13,120	100
AS3: CLOSING								
Total AS1 and AS2		17,200	16,500	700	0	13,220	13,120	100
Cash deposit	2,000	3,380		5,380		3,380	3,380	
Net revenue						3,980		3,980
TOTAL	2,000	20,580	16,500	6,080	0	20,580	16,500	4,080

AS=accounting section

Table 2 is prepared in the following way: We begin by entering the cash deposit of 2,000 at the beginning of the period on the revenues side of the cameral account in AS3 (Revenues-BD=2,000). Thereafter we enter the revenues on the revenues side of the cameral account in AS1, whereas we enter the expenditures on the expenditures side of the cameral account in AS2.

Operating revenue (1) is incurred with 16,000, and a receipt authorisation of 15,200 of this amount has been given (Revenues-CD=15,200). Of the latter amount, only 14,500 has been received in cash (Revenues-A=14,500), resulting in a rest amount (i.e., accounts receivable for which a receipt authorisation has been given, but is not received in cash) with 700 in the ending balance column of the cameral account (Revenues-B=BD+CD-A=0+15,200-14,500=700). Operating expenditure is incurred with 11,000, and a payment authorisation has been given of 10,000 of this amount (Expenditures-CD=10,000). Of the latter amount only 9,900 has been paid in cash (Expenditures-A=9,900), resulting in a rest amount (i.e., liability for which a payment authorisation has been given, but is not paid) with 100 in the ending balance column of the cameral account (Expenditures-B=BD+CD-A=0+10,000-9,900=100).

Interest expenditure (3) of 20 has been authorised for cash payment (Expenditures-CD=20) and has been paid (Expenditures-A=20). Accordingly, there is no rest amount at the end of the period (Expenditures-B=BD+CD-A=0+20-20=0). Before the loan revenue (i.e., the liability revenue) (4) may be received and

entered on the cameral account with 2,000 ($\text{Revenues-A}=2,000$), a receipt authorisation of this amount must be given and entered on the cameral account on the revenues side ($\text{Revenues-CD}=2,000$). Thus, no rest amount will appear on the revenues side ($\text{Revenues-B}=\text{BD}+\text{CD}-\text{A}=0+2,000-2,000=0$). Instalment expenditure (5) has been authorised for payment and has been paid with 200 ($\text{Expenditures-CD}=200$ and $\text{Expenditures-A}=200$; $\text{Expenditures-B}=\text{BD}+\text{CD}-\text{A}=0+200-200=0$). Furthermore, investment expenditure (6) has been paid with 3,000, after a payment authorisation of this amount has been given. The bookkeeping on the cameral account is as follows: $\text{Expenditures-CD}=3,000$, $\text{Expenditures-A}=3,000$ and $\text{Expenditures-B}=\text{BD}+\text{CD}-\text{A}=0+3,000-3,000=0$.

Net cash change appears as the difference between Revenues-A and Expenditures-A:

Revenues-A (AS1) (14,500+2,000)	16,500
Expenditures-A (AS2) (9,900+20+200+3,000)	<u>-13,120</u>
Net cash change	<u>3,380</u>

We enter this cash increase in the A-column on the expenditures side in AS3 ($\text{Expenditures-A}=3,380$) at the same time as we also enter this amount in the CD-column on the same side of the cameral account in AS3 ($\text{Expenditures-CD}=3,380$) (bookkeeping rule 1). Moreover, we also enter this amount in the CD-column on the revenues side in AS3 ($\text{Revenues-CD}=3,380$). The latter entry has two effects: First, it cancels the influence on the net revenue by the first CD-entry (Revenues-CD minus $\text{Expenditures-CD}=3,380-3,380=0$). Second, it increases the cash deposit ($\text{Revenues-B}=\text{BD}+\text{CD}-\text{A}=2,000+3,380-0=5,380$).

The net revenue appears as the difference between Revenues-CD and Expenditures-CD:

Revenues-CD (AS1+AS3) (15,200+2,000)+(3,380)=(17,200+3,380)	20,580
Expenditures-CD (AS2+AS3) (10,000+20+200+3,000)+(3,380)=(13,220+3,380)	<u>-16,600</u>
Net revenue	<u>3,980</u>

We enter this positive net revenue in the CD-column on the expenditures side in AS3 ($\text{Expenditures-CD}=3,980$), and by use of the second cameral bookkeeping rule (rule 2), this net revenue is transferred to the ending balance column on the expenditures side in AS3 ($\text{Expenditures-B}=\text{BD}+\text{CD}-\text{A}=0+3,980-0=3,980$).

In summary, Table 2 reports the money effects of the revenues and expenditures by use of the current due principle (in AS1 and AS2; ACAM). This implies that the revenues and expenditures are reported in Table 2 (in the CD-columns) when they are authorised for cash receipt and cash payment (see 'current due revenue' and 'current due expenditure' in Figure 1), and not when they are incurred (see 'revenue' and 'expenditure' in Figure 1). Furthermore, the cash deposit (at the beginning and end of the period as well as the cash change during the period) and the net revenue (as the difference between current due revenues and current due expenditures) are reported in AS3. This means that Table 2 represents a developed variant of ACAM and is referred as *nonprofit cameralistics* (NCAM), because it is developed for use by a nonprofit organization. The bookkeeping method used in Table 2, which is a developed variant of the single-entry bookkeeping method of administrative cameralistics, is referred to as the *single-entry bookkeeping method of nonprofit cameralistics*.

Status Cameralistics

Revenues and expenditures that have been incurred but not authorised for cash payment (see 'non-current due revenue' and 'non-current due expenditure' in Figure 1) are entered in the CD-columns on the cameral account in Table 3. Specifically, this applies to the following items (the numbering refers to the numerical example): (1) operating revenue incurred but not authorised for cash receipt (referred to as 'Other operating accounts receivable'), (2) operating expenditure incurred but not authorised for cash payment (referred to as 'Other short-term operating debt'), (3) interest expenditure incurred but not authorised for cash payment (referred to as 'Other interest debt') and (4/5) loan revenue minus instalment expenditure for which no payment authorisation has been given (referred to as 'Long-term debt'). Also, (6) a money amount (book value) representing the fixed asset acquired through the investment expenditure incurred is reported in Table 3. The two cameral bookkeeping rules (no A-entry without an earlier or a simultaneous CD-entry and $B=BD+CD-A$) are also used when preparing Table 3.

Table 3: Status cameralistics (SCAM).

	Revenues				Expenditures			
	Balances or residual dues b/f (RD)	Current dues (CD)	Actuals (A)	Bal-ances or residual dues c/f (R)	Rests or residual dues b/f (RD)	Current dues (CD)	Actuals (A)	Bal-ances or residual dues c/f (R)
Other operating accounts receivable		800		800				
Other short-term operating debt						1,000		1,000
Other interest debt						0		0
Long-term debt						2,000	200	1,800
Fixed asset		3,000	300	2,700				

Table 3 is prepared as follows: Operating revenue (1) is incurred with 16,000, and a receipt authorisation of 15,200 of this amount has been given. Accordingly, operating revenue with 800 ($16,000-15,200=800$) is incurred, but no receipt authorisation has been given for this amount. The amount is entered as other operating accounts receivable on the revenues side of the cameral account (Revenues-CD=800 and Revenues-B=BD+CD-A=0+800-0=800).

Operating expenditure (2) is incurred with 11,000, and a payment authorisation of 10,000 of this amount has been given. Accordingly, operating expenditure with 1,000 ($11,000-10,000=1,000$) is incurred, but no payment authorisation has been given for this amount. The amount is entered as other short-term operating debt on the expenditures side of the cameral account (Expenditures-CD=1,000 and Expenditures-B=BD+CD-A=0+1,000-0=1,000).

Interest expenditure (3) is incurred with 20, and a payment authorisation has been given for this amount. Accordingly, there is no incurred interest expenditure for which a payment authorisation has not been given ($20-20=0$). No bookkeeping is therefore to be carried out on the expenditures side of the cameral account (Expenditures-CD=0 and Expenditures-B=BD+CD-A=0+0-0=0).

Loan revenue (4) is incurred with 2,000 and instalment expenditure (5) is incurred with 200, implying a rest amount for long-term debt incurred with 1,800 ($2,000-200=1,800$) at the end of the period. Since no payment authorisation has been given for this amount, we carry out the following bookkeeping entries for long-term debt on the expenditures side of the cameral account: Expenditures-CD=2,000, Expenditures-A=200 and Expenditures-B=BD+CD-A=0+2,000-200=1.800.

Investment revenue (6) is incurred with 3,000. Based on the assumption that the fixed asset acquired through this investment expenditure has an expected life-time of 10 years, resulting in an annual depreciation of 300, we undertake the following bookkeeping entries on the revenues side of the cameral account: Revenues-CD=3,000, Revenues-A=300 and Revenues-B=BD+CD-A=0+3,000-300=2,700.

In summary, Table 3 reports rest amounts, or in other words status amounts, for selected items and is referred to as *status cameralistics* (SCAM). The bookkeeping method used in Table 3, which is a developed variant of the single-entry bookkeeping method of administrative cameralistics, is referred to as the *single-entry bookkeeping method of status cameralistics*.

Statement of Revenues and Expenditures

Departing from NCAM (accounting figures; see Table 2) and the budget (budgetary figures; see column (1) in the numerical example), a statement of revenues and expenditures is prepared. This financial statement reports revenues/expenditures that have been authorised for cash receipt/payment (accounting figures; see 'current due revenue' and 'current due expenditure' in Figure 1), budgetary revenues/expenditures and variances, if any (see Table 4 below).

Table 4: Statement of revenues and expenditures.**Statement of revenues and expenditures**

	Accounts	Budget	Variance
Operating activities:			
Operating revenue	15,200	16,500	-1,300
Operating expenditure	-10,000	-10,500	500
Interest expenditure	-20	-20	0
A. Net operating revenue	5,180	5,980	-800
Investment activities:			
Investment revenue	0	0	0
Investment expenditure	-3,000	-3,000	0
B. Net investment expenditure	-3,000	-3,000	0
Financing activities:			
Loan revenue	2,000	2,000	0
Instalment expenditure	-200	-200	0
C. Net financing revenue	1,800	1,800	0
Net revenue (A+B+C)	3,980	4,780	-800
Change of cash deposit:			
Net revenue	3,980		
Increase of operating accounts receivable	-700		
Increase of short-term operating debt	100		
Change of cash deposit	3,380		

The statement of revenues and expenditures is prepared based on NCAM and the budget. The following procedure has been applied: Accounting figures for revenues/expenditures (in the form of current due revenues/expenditures) are extracted from the current dues (CD) columns on the revenues/expenditures sides of the cameral account in Table 2. Budgetary revenues/expenditures are, however, extracted from the budget (see column (1) in the numerical example). Departing from net revenue, the change of cash deposit is reported, after considering changes of operating accounts receivable (i.e., operating revenue rest for which cash receipt authorisation has been given, but is not yet received in cash) and short-term

operating debt (i.e., operating expenditure rest for which payment instruction has been given, but is not yet paid in cash). These changes are extracted from the rest columns in Table 2 (that is, changes from BD to B).

The statement of revenues and expenditures reports, among other things, the net difference between current due revenues and current due expenditures (3,980 in the numerical example; see Table 4). This net revenue is also reported in the statement of financial status and explains net change of the money deposit (in the form of cash deposit and accounts receivable minus short-term debt) during the same period (3,980 in the numerical example; see Table 5).

Statement of Financial Status

Departing from NCAM (see Table 2), a statement of financial status is prepared. This financial statement reports the money status in the form of cash deposit and accounts receivable (i.e., operating revenue rest for which cash receipt authorisation has been given, but is not yet received in cash) minus short-term operating debt (i.e., operating expenditure rest for which cash payment authorisation has been given, but is not yet paid in cash). Furthermore, departing from SCAM (see Table 3) supplementary information is given about other accounts receivable (i.e., operating revenue incurred but not yet authorised for cash receipt), other short-term operating debt (i.e., operating expenditure incurred but not yet authorised for cash payment) and long-term debt (i.e., loan revenue minus instalment expenditure for which no payment authorisation has been given). Also, a money amount (book value) representing the fixed asset (after depreciation) acquired through the investment expenditure is reported as supplementary information.

Table 5: Statement of financial status.

Statement of financial status		
	Beginning	End
	of the period	of the period
Cash deposit and accounts receivable:		
Cash deposit	2,000	5,380
Operating accounts receivable	0	700
Total (A)	2,000	6,080
Short-term debt:		
Short-term operating debt	0	100
Total (B)	0	100
Money deposit:		
Cash deposit 01.01. (A-B)		2,000
Net revenue		3,980
Money deposit 31.12. (A-B)		5,980
SUPPLEMENTARY INFORMATION:		
Other operating accounts receivable	0	800
Other short-term operating debt	0	1,000
Long-term debt	0	1,800
Fixed asset	0	2,700

The statement of financial status is prepared based on NCAM and SCAM. The following procedure has been applied: Cash deposit and accounts receivable as well as short-term debt are extracted from the balance columns (BD and B) in Table 2. In a similar way, the supplementary information (about other operating accounts receivable, other short-term debt, long-term debt and fixed asset) is extracted from the balance columns (BD and B) in Table 3.

Discussion

Profit organizations (like business enterprises) enter into market-exchange transactions (in the form of buying/producing and selling goods/services) with profit objectives. Accordingly, they need information about the profit effects of the revenues and expenditures being incurred in these market-exchange transactions (see the lower part of Figure 1, especially ‘immediate profit revenue’ and ‘immediate

expense expenditure' that relate to the fiscal period in question), On the other hand, nonprofit organizations that *per se* do not have profit objectives have no need for information about the profit effects of the incurred revenues and expenditures. In fact, it may even be questioned if it is possible – or meaningful – with a profit focus when the revenues and expenditures are incurred in independent one-way transactions, as opposed to being incurred in market exchange transactions (see introduction).

Governmental organizations are examples of nonprofit organizations, because they do not have profit objectives. And as pointed out earlier in the article, ACAM has been developed for use by such organizations in continental European German-speaking countries, for fulfilling four tasks: budgetary control, receipt/payment control, cash control and reporting of a money result. Given use of a money accrual principle in form of the current due principle, however, some types of information that might be of interest to politicians, administrative officers and others are missing in ACAM: accounts receivables that have not been authorised for cash receipt, liability that have not been authorised for cash payment and fixed assets.

Inspired by a study of another type of nonprofit organization than a governmental organization (i.e., a Norwegian housing co-operative), a numerical example has been used in this article, developing ACAM. This development has consisted of the following steps: First, AS3 has been added to AS1 and AS2 in Table 2, where AS1 and AS2 represent ACAM, so the cash account and the net revenue become an integrated part of the bookkeeping, instead of having to be added to the bookkeeping such as the case is when using ACAM. Second, the missing pieces of information that were mentioned above, resulting from use of the current due principle, have been entered on a separate cameral account (see Table 3). Third, the concepts of *nonprofit cameralistics* (NCAM) and *status cameralistics* (SCAM) have been generated to refer to Table 2 and Table 3, respectively. Fourth, the terms the *single entry bookkeeping method of nonprofit cameralistics* and the *single-entry bookkeeping method of status cameralistics* have been generated, referring to the bookkeeping methods used for preparing NCAM and SCAM, respectively.

Furthermore, based on NCAM (see Table 2) and SCAM (see Table 3), the two following financial statements have been developed: statement of revenues and expenditures (see Table 4) and statement of financial status (see Table 5). These two financial statements aim at presenting the information in NCAM and SCAM in a way that is more easily understandable to the readers, in a parallel way to the presentation of a statement of profit and loss and a balance sheet statement based on profit result accounts and balance accounts prepared by use of the merchant's double-entry bookkeeping method in the business sector (see e.g., Monsen, 2011a).

Conclusion

NCAM and SCAM (supplemented with a statement of revenues and expenditures and a statement of financial status) represent a development of ACAM. In particular, NCAM reports precisely the same information about the money effects of the revenues and expenditures as ACAM, but added by cash deposit and net revenue: information for budgetary control, receipt/payment control and cash control, supplemented with reporting a money result. In addition, SCAM reports additional information that is not reported in ACAM, but might be of interest to users of governmental accounts: other operating accounts receivable, other short-term operating debt, liability and fixed asset (this list could be extended to the extent desirable).

In conclusion, NCAM/SCAM that have been developed for use by other nonprofit organizations than governmental organizations could also be used by the latter organizations as a replacement of ACAM. This would allow the reporting of additional types of information - in the *status cameralistics* (SCAM) –

that might be desirable today or tomorrow, but will not be reported when the current due principle is used for accruing the revenues incurred and the expenditures incurred with a view to their respective money effects. This principle that plays an important role in the cash process could still be used: in accounting sections 1 and 2 (AS1 and AS 2) in the *nonprofit cameralistics* (NCAM).

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