

# Invoice sales salaries

Business



The difference between a fitness club and a fitness equipment retailer mainly stems from the type of activities they undertake. A fitness club provides club services to members and ancillary activities. Therefore its transactions will be based on such activities. On the other hand a fitness equipment retailer is mainly engaged in acquiring and disposing fitness equipment at a profit. In this respect inventory, for example will be a more prominent figure in such division.

Transaction	Source Document	Transaction	Source Document
250 memberships sold	(250) Membership Card	Fitness equipment sales	(850,000) Invoice
Personal trainer services	(400,000) Invoice	Fitness equipment purchases	(500,000) Purchase Invoice
Towel-laundrying services	(2,500) Invoice	CEO Remuneration	Payroll Sheet
Advertising campaign	(1,500) Invoice	Cost of Goods Sold	Purchase Invoices/Stock Sheet
Equipment Repairs	(1,500) Invoice	Sales Salaries	(100,000) Payroll Sheet

Source documents are the paper documents that are considered to initiate the business transaction. These documents are indeed recorded in the books of prime entry when the transaction was initiated. Whenever an expenditure, purchase or sale arises an invoice is issued to provide evidence of such transaction. Therefore the invoice will be the main source document. In a club every member is entitled to a membership card. Such document comprises the date of entry as a member together with the subscription payments when applicable.

Thus when an individual becomes a member or renews the membership this will be the first document to commence the transaction. With respect to payroll, the payroll sheet issued by the financial controller is the first document that substantiates the remuneration paid at the end of the month.

Thus they also act as a source document for salaries. Reference: Randall H. (1999). A Level Accounting. Third Edition. London: Letts Educational.