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GUIDANCE OF BUSINESS DOCUMENTS

FOR STUDENTS

PROFESSIONAL HIGH SCHOOL OF ECONOMICS

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TYPES OF BUSINESS DOCUMENTS

A company uses documents to communicate, transact business and analyze its productivity. Since documents provide proof of an organization's dealings and may be referred to for years to come, it is important that they be well written. Business documents range from brief email messages to complex legal agreements. Some documents are prepared by employees and business owners, while others are drafted by professionals from outside of the company, such as accountants and lawyers.

Emails and Memorandums

Co-workers typically use email to convey information to each other. Before email became prevalent, memorandums were used for intraoffice messages. Memos are still used in situations where a message is meant to accompany a specific file and in cases that require more privacy than an email. Both a memo and an email identify the sender and recipient and contain a subject line. The text is formatted in one or more paragraphs.

Letters

Business letters are used to communicate with individuals outside of the office. Recipients may include customers, colleagues in other businesses, service providers, professionals who advise the business, government officials and job applicants. A business letter is usually formatted in block style, in which all of the elements of the letter, except the letterhead, are aligned with the left margin. It can be emailed or delivered by mail. If a letter is sent in the text of an email, the sender includes his name, job title and contact information at the bottom of the email.

Reports

Business reports convey information in a format that is more formal and usually longer than a letter. Reports cover a variety of topics, such as safety compliance, sales figures, financial data,

feasibility studies and marketing plans. They may include statistics, charts, graphs, images, case studies and survey results. Some reports are published for the benefit of investors. If a report is periodic, such as a monthly sales report, a template is used for convenience and to enable comparison with previous reports.

Transactional Documents

A company uses documents to transact business with its clients. To save time, these documents may be formatted as a form, such as an order form, transmittal page, invoice or receipt. The types of transactional documents used vary somewhat by the nature of a business. An insurance agent, for example, generates insurance applications and policies, while a lender uses loan applications and mortgage documents. In some fields, businesses enter into agreements and contracts with others; these documents might be drafted by the company's lawyer.

Financial Documents

A business uses financial documents to stay within its budget, prepare budget proposals and file tax returns. These documents include receipt records, payroll reports, paid bills, bank statements, income statements, balance sheets and tax reporting forms. These documents may be prepared by the company's accountant. A business owner uses these documents to determine the financial success of the company and to identify areas that are unproductive. A department head might use financial documents to prepare a budget proposal.

1. Emails and Memorandums / Letters¹

1.1. Structure

- In general, it's wise to keep the body of your business letter direct and brief.
- Explain why you are writing in your first paragraph,
- Provide more specifics in the next paragraph, and
- Use your closing paragraph to reiterate your reason for writing
- Thank the recipient for reading, and possibly mention follow-up plans

¹ <https://www.myenglishteacher.eu/blog/formal-and-informal-email-phrases/>

1.2.Greetings

- *Dear Sir/ Madam,*
- *Dear Sir or Madam,*
- *To whom it may concern: (especially AmE)*
- *Dear Mr/ Ms Ivanova,*
- *Dear Dr Ivanov,*

(note: First names are NOT used. Using Miss or Mrs to address a woman is not appropriate, as you don't know whether she's married or not)

1.3. Reasons for writing/replying

- *I am writing to apply for the position of.../ to confirm my booking/ to ask for further information about ...*
- *I am writing **with regard to** the sale of .../ to the complaint you made on 27th January*
- *Thank you for your e-mail of 27th January regarding the sale of... / concerning the conference in Sofia.*
- *With reference to our telephone conversation on Monday, I would like to let you know that...*

1.4.Making a request/asking for information AKING

- ***Could you please let me know if you can** attend ... / if you are available for a meeting on 12th December?*
- ***I would appreciate it if you could please** send me a brochure/ if you could please reply within two days.*
- ***Could you possibly** arrange a meeting with the Logistics Manager?*
- ***I would also like to know if there are any** swimming pools in your area.*
- ***Please let me know** how much the tickets cost.*

1.5.Offering help/giving information

- *We are happy to let you know that your offer has been approved.*

- *I am glad to inform you that we will be holding our annual conference in Sofia on 15 October 2020.*
- *We regret to inform you that the show has been cancelled due to bad weather conditions.*
- *We are willing to arrange another meeting with the Director.*
- *We would be glad to send you another information if necessary.*
- *Please do let me know if I can be of further assistance.*
- *Should you need any further information/assistance, please do not hesitate to contact us.*

1.6.Complaining

- *I am writing to express my dissatisfaction with... / to complain about...*
- *I regret to say that I was not completely satisfied with*
- *We regret to inform you that your payment is considerably overdue.*
- *I would like to receive a full refund and compensation for the damages.*
- *I am interested to hear how your company can compensate us for the distress we suffered.*

1.7.Apologizing

- *We would like to apologize for any inconvenience caused.*
- *Please accept our apologies for the delay.*
- *Please let us know what we can do to compensate you for the damages caused.*
- *We will make sure that this will not happen again in the future.*
- *I am afraid I will not be able to attend the conference.*

1.8.Attaching files

- *I am attaching my CV for your consideration.*
- *I am sending you the brochure as an attachment.*
- *Please see the statement attached.*
- *Please find attached the file you requested.*
- *I am afraid I cannot open the file you have sent me.*
- *Could you send it again in ... format?*

1.9. Ending

- *I look forward to hearing from you.*
- *I look forward to hearing when you are*

1.10. Closing formula

- *Yours faithfully, (when you start with Dear Sir/ Madam,)*
- *Yours sincerely, (when you start with the name e.g. Dear Ms Collins)*
- *Sincerely Yours, (AmE)*
- *Sincerely, (AmE)*
- *Yours Truly, (AmE)*

1.11. Example letter / email

Ivanka Ivanova
5 Stara Planina Str.
Sofia, 1000
Tel.:
email@email.com

February 14, 2019

Petra Petrova
Manager
The Young Company
2 Georgi Mamarchev Str.
Pernik, 2300

Dear Ms. Petrova:

Thank you so much for taking the time to meet with me to discuss selling my handmade event-cards in your wonderful shop.

As I mentioned in our conversation, I've been a customer of your store since I used my third-grade allowance to buy my very first cards. I'm honored that you'd consider selling one of my original creations at The Young Company alongside your own work.

We discussed a trial consignment arrangement in which a portion of the sales would go to the store. This is more than agreeable to me.

Let me know how you want to proceed. I'm available most afternoons at 111-111-1111, or you can email me at email@email.com, and I'll respond to your message ASAP.

Yours sincerely,

Ivanka Ivanova

1.12. Formal widely used abbreviations²

- ASAP - as soon as possible
- attn - attention: to show that a letter is for the attention of a particular person
- BYOB - bring your own bottle: used on invitations to show that you should bring your own beverage to a party or get-together
- cc - used on a business letter or e-mail to indicate that a copy of a given letter is being sent to the person mentioned
- c/o or c/- - care of: used in the address on a letter or parcel that you are sending to someone at another person's house
- encl. - enclosed or enclosure: used at the top or bottom of a letter to show that an attachment has been included in the letter
- FAO - for the attention of: written in front of someone's name on a document, letter, or envelope to show that it is intended for them
- FYI - for your information: written on a business letter or e-mail to show that it is being sent to someone for their information only; they are not expected to reply or take any action
- pp - on behalf of - written in front of someone's name when you are signing a letter for them
- PPS - written before a note at the end of a letter, after the PS note
- PS - postscript: used for introducing some additional information at the end of a letter after you have signed your name
- PTO - please turn over: used at the bottom of a page to indicate that there is a second page (*informal*)
- RE - used in business letters to introduce their subject matter

² <https://managementmania.com/en/abbreviations-in-english-business-correspondence>

- ref. - reference: used in a business letter when you are giving the numbers and letters that show exactly which document or piece of information you are writing about
- RSVP - used on written invitations to ask the invited person to confirm their attendance

1.13. Other often used abbreviations in business letters³

- a/c - account
- appar. - Apparently
- bus. - business
- cf. - compare (Latin: confer)
- comm. - commerce
- Corp. - Corporation
- dt - date
- e.g. - for example (Latin exempli gratia)
- et al. - and other people (Latin et alii)
- etc. - and so forth (Latin et cetera)
- i.e. - in other words (Latin id est)
- ibid. - in the same book, chapter, page, etc. (Latin ibidem)
- Ltd. Limited
- nb. - nota bene
- NOO - not on original
- P&P - postage and packing
- pdd - probable date of delivery
- PIN - postal index number or Personal Identification Number
- SAE - stamped (self-) addressed envelope
- yr - year
- ZIP (code) - Zone Improvement Plan (used in US addresses after the state designation to assure delivery)

2. Reports

2.1. Structure⁴

³ <https://managementmania.com/en/abbreviations-in-english-business-correspondence>

⁴ <https://unilarning.uow.edu.au/report/4b.html>

TITLE PAGE	report title your name submission date
Executive summary Table of content	overview of subject matter methods of analysis findings recommendations
Table of contents	list of numbered sections in report and their page numbers
Introduction	terms of reference outline of report's structure
Body	headings and sub-headings which reflect the contents of each section. Includes information on method of data collection (if applicable), the findings of the report and discussion of findings in light of theory
Conclusion	states the major inferences that can be drawn from the discussion makes recommendations
Reference list	list of reference material consulted during research for report
Appendix	information that supports your analysis but is not essential to its explanation

2.2. Useful Phrases for Report⁵

2.2.1. Introduction

⁵ <http://www.rubenalero.com/english/content/writing-useful-words-and-phrases-fce>

The aim/purpose of this report is to consider/suggest/...

This report is intended to...

I summarise below / Below is a summary of the most important relevant points as well as some recommendations.

2.2.2. Reporting results

Most people seem to feel that...

Several people said/told me/suggested/thought that...

2.2.3. Making recommendations

I would therefore recommend that we expand the library/installing a new coffee machine...

It would seem that banning mobile phones is the best idea.

Having considered the options, ...

I would like to suggest/recommend ...

I therefore suggest/recommend ...

You may wish to consider ...

3. Transactional Documents

3.1. Receipt

Receipt		No.	Receipt		No.
Payee Name: Address: City State ZIP:		Payer Name: Address: City State ZIP:		Payer Name: Address: City State ZIP:	
Date	Description	Amount	Amount		
		Subtotal	Subtotal		
		Tax	Tax		
		Total	Total		

In general, the **term** can either **mean** cash **receipt** or goods **receipt**. The cash **receipt** is a document that proves the **receipt** of cash.

A **payee** is the party in an exchange who receives payment. A **payee** is paid by cash, check or other transfer medium by a **payer**.

The **payer** receives goods or services in return.

Amount a quantity of something, especially the total of a thing or things in number, size, value, or extent

3.2. Invoice

Invoice is a document that lists things provided or work done, gives their cost, and asks for payment

INVOICE # DATE: 3/4/2019	Your Company Name	Your Address City, State, Zip	
Customer name			
Address			
City, State, Zip		TOTAL	
Notes Use this space for comments to your client.			
Item Description	Quantity	Price Per	Total
		Subtotal	\$0.00
		Tax - 0%	\$0.00
		TOTAL	\$0.00

4. Financial Documents⁶

4.1. Balance sheet

[Company Name]	
Balance Sheet	
[USD \$ millions]	
Assets	
Current assets:	
Cash	
Accounts Receivable	
Prepaid expenses	
Inventory	
Total current assets	
Property & Equipment	
Goodwill	
Total Assets	
Liabilities	
Current liabilities:	
Accounts Payable	
Accrued expenses	
Unearned revenue	
Total current liabilities	
Long-term debt	
Other long-term liabilities	
Total Liabilities	
Shareholder's Equity	
Equity Capital	
Retained Earnings	
Shareholder's Equity	
Total Liabilities & Shareholder's Equity	

⁶ <https://corporatefinanceinstitute.com>

4.2.Current Assets

4.2.1. Cash and Equivalents

The most liquid of all assets, cash, appears on the first line of the balance sheet. Cash Equivalents are also lumped under this line item and include assets that have short-term maturities under three months or assets that the company can liquidate on short notice, such as marketable securities. Companies will generally disclose what equivalents it includes in the footnotes to the balance sheet.

4.2.2. Accounts Receivable

This account includes the balance of all sales revenue still on credit, net of any allowances for doubtful accounts (which generates a bad debt expense). As companies recover accounts receivables, this account decreases and cash increases by the same amount.

4.2.3. Inventory

Inventory includes amounts for raw materials, work-in-progress goods, and finished goods. The company uses this account when it reports sales of goods, generally under cost of goods sold in the income statement.

4.3.Non-Current Assets

4.3.1. Plant, Property, and Equipment (PP&E)

Property, Plant, and Equipment (also known as PP&E) capture the company's tangible fixed assets. This line item is noted net of depreciation. Some companies will class out their PP&E by the different types of assets, such as Land, Building, and various types of Equipment. All PP&E is depreciable except for Land.

4.3.2. Intangible Assets

This line item will include all of the companies intangible fixed assets, which may or may not be identifiable. Identifiable intangible assets include patents, licenses, and secret formulas. Unidentifiable intangible assets include brand and goodwill.

4.4.Current Liabilities

4.4.1. Accounts Payable

Accounts Payables, or AP, is the amount a company owes suppliers for items or services purchased on credit. As the company pays off their AP, it decreases along with an equal amount decrease to the cash account.

4.4.2. Current Debt/Notes Payable

Includes non-AP obligations that are due within one year time or within one operating cycle for the company (whichever is longest). Notes payable may also have a long-term version, which includes notes with a maturity of more than one year.

4.4.3. Current Portion of Long-Term Debt

This account may or may not be lumped together with the above account, Current Debt. While they may seem similar, the current portion of long-term debt is specifically the portion due within this year of a piece of debt that has a maturity of more than one year. For example, if a company takes on a bank loan to be paid off in 5-years, this account will include the portion of that loan due in the next year.

4.5.Non-Current Liabilities

4.5.1. Bonds Payable

This account includes the amortized amount of any bonds the company has issued.

4.5.2. Long-Term Debt

This account includes the total amount of long-term debt (Excluding the current portion, if that account is present under current liabilities). This account is derived from the debt schedule, which outlines all the companies outstanding debt, the interest expense and the principal repayment for every period.

4.6.Shareholders' Equity

4.6.1. Share Capital

This is the value of funds that shareholders have invested in the company. When a company is first formed, shareholders will typically put in cash. For example, an investor starts a company and seeds it with \$10M. Cash (an asset) rises by \$10M, and Share Capital (an equity account) rises by \$10M, balancing out the balance sheet.

4.6.2. Retained Earnings

This is the total amount of net income the company decides to keep. Every period, a company may pay out dividends from its net income. Any amount remaining (or exceeding) is added to (deducted from) retained earnings.