

HOUSE No. 2252

By Mr. Wetherbee of Pepperell, petition of Bruce E. Wetherbee and Raymond A. Jordan, Jr., relative to raising the initial amount of damages claimed in small claims actions from four hundred dollars or less to seven hundred and fifty dollars or less. The Judiciary.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Seven.

AN ACT RELATIVE TO RAISING THE INITIAL AMOUNT OF DAMAGES CLAIMED IN SMALL CLAIMS ACTIONS FROM FOUR HUNDRED DOLLARS OR LESS TO SEVEN HUNDRED AND FIFTY DOLLARS OR LESS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 21 of chapter 218 of the General Laws, as most recently
2 amended by chapter 377 of the Acts of 1975, is hereby further
3 amended by striking in the last sentence of said section the
4 following words:— “four hundred dollars or less”— and
5 inserting in place thereof the following words:— seven hundred
6 and fifty dollars or less.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This section also covers the proper handling of cash and the need for regular reconciliation of bank statements.

Accounting Principles

The following principles are essential for the preparation of financial statements:

- 1. **Consistency:** Once a method is adopted, it should be followed consistently from year to year.
- 2. **Objectivity:** Financial statements should be based on objective evidence and not influenced by personal bias.
- 3. **Prudence:** Uncertainties should be dealt with by exercising caution, not optimism.
- 4. **Full Disclosure:** All material facts should be disclosed in the financial statements.

The second part of the document details the various types of accounts used in the accounting system. It explains the difference between debit and credit entries and how they affect the balance of an account. It also discusses the process of closing the books at the end of an accounting period.

The final section provides a summary of the key points discussed in the document. It reiterates the importance of accuracy and transparency in financial reporting and offers some practical tips for managing the accounting process effectively.