



# Bookkeeping

SUPPORTING COMMUNITY LEAGUES

# Signs of a Great Bookkeeper

- ▶ Take the time to understand your business operations
- ▶ Learn the processes of your community league
- ▶ Ask you questions on a regular basis
- ▶ Offer you detailed information from in the accounting system
- ▶ Can read the financial statements to you
- ▶ Meet deadlines
- ▶ Make supporting suggestions

# BOARD OF DIRECTORS/FINANCE COMMITTEES/TREASURERS

Should be actively involved in the financial processes and reporting.

- COMMUNICATION – Have a conversation with your Bookkeeper and discuss expectations and deadlines
- FINANCIAL POLICIES - Develop and review financial policies that meet your business needs – Set review dates
- ACCOUNTING CONTROLS - Create and implement accounting controls
- DETECT ERRORS - Look for easy known financial statement errors
- QUESTIONS - Ask your Bookkeeper for details regarding balances on the financial statements

# Active Involvement

## COMMUNICATION

- Set deadlines that work for both parties (community league and Bookkeeper)
- Make it known how often you require financial statements
- Discuss the process of financial reporting. (who reviews and who reports)
- Determine year end procedures

## FINANCIAL POLICIES

- Signing Authority
- Budgeting
- Credit Cards
- Employee & Board Expenses
- Petty Cash
- Payroll
- Record Keeping
- Capital Purchases
- Year End and Audit

## ACCOUNTING CONTROLS

- Approval Authority
- Access Controls
- Physical Audits
- Segregation of Duties
- Standardized Documents
- Trial Balances
- Periodic Reconciliations

# Active Involvement

## DETECT ERRORS

- Balance Sheet Errors
- Income Statement Errors
- Cash Flow Errors
- Compare against Budget for Errors

## QUESTIONS

- Ask to review the bank reconciliation
- Request subledgers for accounts receivable and accounts payable
- Ask what the balance in prepaids consist of
- Review pieces of the general ledger

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# Accounting Control Examples

2 signers required to sign cheques

2 people to review credit card expenses

Determine who has access to financial records and passwords

Physical Audits can be done with bank deposits, inventory, regular cash counting

Segregation of Duties such as cash management

Double entry accounting – use an accounting system

Sign off on Bank Reconciliations



CHASE

Manage your account online: [www.chase.com/creditcards](http://www.chase.com/creditcards) Customer Service: 1-800-945-2000 Additional contact information on back

ACCOUNT SUMMARY		PAYMENT INFORMATION	
Account Number:		New Balance	\$120.77
Previous Balance	\$741.01	Payment Due Date	09/08/11
Payment, Credits	-\$1,866.01	Minimum Payment Due	\$25.00
Purchases	+\$1,229.24	<b>Late Payment Warning:</b> If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$35.00 and your APR will be subject to increase to a maximum Penalty APR of 29.99%.	
Cash Advances	\$0.00	<b>Minimum Payment Warning:</b> If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:	
Balance Transfers	\$0.00	If you make no additional charges using this card and each month you pay:	You will pay off the balance shown on the statement in about...
Fees Charged	\$0.00	Only the minimum	3 months
Interest Charged	-\$18.53	And you will end up paying an estimated total of...	\$125
New Balance	\$120.77		
Opening/Closing Date	07/12/11 - 08/11/11		
Total Credit Line	\$2,800		
Available Credit	\$2,679		
Cash Access Line	\$2,800		
Available for Cash	\$2,679		

  

**INTEREST CHARGES**

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

Balance Type	Annual Percentage Rate (APR)	Balance Subject To Interest Rate	Interest Charges
<b>PURCHASES</b>			
Purchases	14.24% (v)	\$1,300.93	\$18.53
<b>CASH ADVANCES</b>			
Cash advances	19.24% (v)		
<b>BALANCE TRANSFERS</b>			
Balance transfers	14.24% (v)		

(v) = Variable Rate

Please see Information About Your Account section for the Calculation of Balance Subject to Interest and How to Avoid Interest on Purchases, and other important information, as applicable.

This is my average daily balance.

# Review Bank reconciliations

- The board or finance committee should review the monthly or annual bank reconciliations
- The board or finance committee should sign the bank reconciliations
- The board or finance committee should look for stale dated cheques or uncleared bank deposits

## COMPANY 1

Account Reconciliation with Outstanding Transaction Detail Report 01 Jul, 2018 to 31 Jul, 2018

Report By: Statement end date

	Deposit / Date	Trans. #	Source	Comment	Amount	Total
<b>Account: 1060 Scotia Bank Chequing Account</b>						
Previous Statement Start Date: 01 Jun, 2018						
Previous Statement End Date: 30 Jun, 2018						
Statement start date: 01 Jul, 2018						
Statement end date: 31 Jul, 2018						
Reconciliation date: 10 Sep, 2018						
<b>Reconciled</b>						
<b>Statement End Balance as of 31 Jul, 2018</b>						3,423.73
Add: Outstanding Deposits						0.00
Subtract: Outstanding Withdrawals						-4,062.16
<b>Adjusted Bank Balance as of 31 Jul, 2018</b>						<u>-638.43</u>
<b>Book balance as of 31 Jul, 2018</b>						<u>-638.43</u>
Outstanding Deposits						0.00
Outstanding Withdrawals						
	31 Jul, 2016	J3893	37	John Smith	-674.20	
	15 Jan, 2017	J3895	38	Jane Doe	-1,046.68	
	28 Jan, 2018	J3897	40	Bank Charges	-589.79	
	31 Jul, 2018	J3901	36	One Time Customer	-1,300.11	
	31 Jul, 2018	J3903	39	Heather Gordon	-451.38	
<b>Total Outstanding Withdrawals</b>						<u>-4,062.16</u>

Generated On: 27 Sep, 2018

# 2 similar types of bank reconciliations

- Reconciliation on the right is most important to review

Reconciliation Summary

6:08 AM  
06/08/05

HG's Cheesecake Shop  
Reconciliation Summary  
Checking, Period Ending 05/31/2005

Beginning Balance		Jun 8, 05	1,000.00
<b>Cleared Transactions</b>			
Checks and Payments - 2 Items	-25,010.00		
Deposits and Credits - 6 Items	<u>53,824.00</u>		
<b>Total Cleared Transactions</b>	<u>28,814.00</u>		
<b>Cleared Balance</b>			<b>29,814.00</b>
<b>Uncleared Transactions</b>			
Checks and Payments - 1 Item	-160.00		
Deposits and Credits - 1 Item	<u>1,500.00</u>		
<b>Total Uncleared Transactions</b>	<u>1,340.00</u>		
<b>Register Balance as of 05/31/2005</b>			<b>31,154.00</b>
<b>Ending Balance</b>			<b>31,154.00</b>

COMPANY NAME

Account Reconciliation with Outstanding Transaction Detail Report 01 Jul, 2018 to 31 Jul, 2018  
Report By: Statement end date

Dep Date	Trans #	Source	Comment	Amount	Total	
Reconciled						
Statement End Balance as of 31 Jul, 2018					3,423.73	
Add: Outstanding Deposits					0.00	
Subtract: Outstanding Withdrawals					<u>-4,062.16</u>	
Adjusted Bank Balance as of 31 Jul, 2018					<u>-638.43</u>	
Book balance as of 31 Jul, 2018					<u>-638.43</u>	
Outstanding Deposits						0.00
Outstanding Withdrawals						
31 Jul 2018	J3993	37	John Smith	-674.20		
15 Jan 2017	J3866	38	Jane Doe	-1,046.68		
28 Jan 2018	J3857	40	Kan Smith	-589.79		
31 Jul 2018	J3901	36	One time Customer	-1,300.11		
31 Jul 2018	J3903	39	Jennifer Ornel	-451.38		
Total Outstanding Withdrawals					-4,062.16	

Generated On: 27 Sep, 2018



# Balance sheet

- Question accounts that seem high/low or haven't changed from prior periods.
- Review capital assets for simple errors
- Confirm the net income matches to the profit and loss net income
- \*\*note: system errors occur and data is not always accurately presented.

## COMPANY #1 Balance Sheet

	ERRORS		CONFIRMATIONS	
	December 31, 2018		December 31, 2017	
<b>Assets</b>				
<b>Cash</b>				
Petty Cash	\$	100	\$	100
Chequing		335,911		275,245
Savings		12,855		24,869
<b>Total Cash</b>		<b>348,766</b>		<b>300,114</b>
				Cash balance needs to match Cash Flow Statement balar
<b>Receivables &amp; Prepaids</b>				
Accounts Receivable		100,000		4,000
GST Receivable		7,634		5,049
Prepaid expenses		10,000		-
Prepaid Insurance		1,606		434
<b>Total Receivables &amp; Prepaids</b>		<b>119,240</b>		<b>9,483</b>
				Request to see outstanding receivables
				- Request details
<b>Fixed Assets</b>				
Signage		819		819
Depreciation	-	759	-	759
<b>Total Signage</b>		<b>60</b>		<b>60</b>
Sports Equipment		14,978		12,083
Depreciation	-	16,978	-	8,209
<b>Total Sports Equipment</b>		<b>2,000</b>		<b>3,853</b>
				Cannot depreciate more than the value of the asset
Equipment - Camp		2,306		2,306
Depreciation	-	2,306	-	2,306
<b>Total Soccer Equipment - Camp</b>		<b>-</b>		<b>-</b>
Website - Camp		12,000		12,000
Depreciation	-	9,000	-	9,000
<b>Total Website - Camp</b>		<b>3,000</b>		<b>3,000</b>
<b>Total Fixed Assets</b>		<b>1,060</b>		<b>6,913</b>
<b>Total Non Current Assets</b>		<b>1,060</b>		<b>6,913</b>
<b>Total Assets</b>		<b>469,066</b>		<b>316,511</b>
				Total assets match total liabilities & equity
<b>Liabilities and Equity</b>				
<b>Current Liabilities</b>				
Accounts Payable		16,584		33,652
Accrued Liabilities		-		1,200
<b>Total Current Liabilities</b>		<b>16,584</b>		<b>34,852</b>
<b>Total Liabilities</b>		<b>16,584</b>		<b>34,852</b>
<b>Equity</b>				
Retained Earnings		281,659		279,335
Net Income		170,823		2,324
<b>Total Equity</b>		<b>452,482</b>		<b>281,659</b>
				Net Income matches P&L
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>469,066</b>	<b>\$</b>	<b>316,511</b>
				Total assets match total liabilities & equity

# Profit & loss

- Should show comparisons to prior year and budget (if there is one approved)
- Question large differences even if it cannot be explained immediately get answers for next meeting.
- Check net income against net income reported on the balance sheet

## COMPANY #1 Profit and Loss

	JAN - AUG 2018	JAN - DEC 2017
<b>REVENUE</b>		
Donation	\$ 122,037	\$ 155,973
Memberships	600	10,888
Facility Rental	-	1,800
Camp Fee	100,000	17,700
Fundraising	-	1,415
Other Revenue	704	-
<b>Total Revenue</b>	<b>223,342</b>	<b>187,756</b>
<b>Grants</b>		
Grant #1	94,460	25,000
City of Edmonton	-	68,680
<b>Total Grants</b>	<b>94,460</b>	<b>93,680</b>
<b>TOTAL REVENUE</b>	<b>317,802</b>	<b>281,436</b>
<b>EXPENSES</b>		
<b>Programming Expenses</b>		
Coaching & Refereeing	6,440	7,840
Child Care	3,412	7,765
Facility Rentals	13,470	9,624
Fundraising	2,434	-
Seniors	92	-
Skating	25,524	50,954
Volunteer Appreciation	43,883	57,703
Walking	-	65
<b>Total Program Expenses</b>	<b>95,256</b>	<b>133,951</b>
<b>Camp Expenses</b>		
Camp	-	-
Advertising - Camp	-	1,818
Contractor Wages - Camp	2,105	45,396
Facilities - Camp	-	9,274
Food - Camp	-	11,087
Supplies - Camp	-	6,578
Transportation - Camp	-	2,368
<b>Total Camp Expenses</b>	<b>2,105</b>	<b>76,522</b>
<b>General &amp; Admin. Expenses</b>		
Advertising/Marketing	1,826	-
Board Development	74	-
Contractor Wages & Benefits	28,473	52,457
Insurance	2,040	2,580
Interest & Bank charges	643	113
Meals/Meetings	452	-
Merchant Fees	395	937
Office	361	905
Rent	-	5,857
Repairs & Maintenance	240	-
Wages	5,458	-
Telephone & Internet	376	-
Travel & Parking	272	-
Website	237	-
Amortization	8,769	5,790
<b>Total General &amp; Admin Expenses</b>	<b>49,618</b>	<b>68,639</b>
<b>Total Expenses</b>	<b>146,979</b>	<b>279,112</b>
<b>NET INCOME</b>	<b>\$ 170,823</b>	<b>\$ 2,324</b>

Net Income to I

# Cash flow statement

- Easiest error to detect is when the cash at end of period does not match cash on balance sheet
- Purpose is to show cash inflows and outflows of the business.
- Is the cash coming in from loan, customer, or sale of assets
- Is the cash going out to purchase equipment, pay suppliers, or payroll

## COMPANY #1 CASH FLOW STATEMENT

	JAN 1 - DEC 31 2018	
<b>OPERATING ACTIVITIES</b>		
Net Income	<b>170,823</b>	Confirm this matches P&L net income
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts Receivable	-96,000	
GST Receivable	-2,585	
Prepaid Expenses	-10,000	
Prepaid Insurance	-1,172	
Accounts Payable	-17,068	
Accrued Liabilities	-1,200	
Net cash provided by Operating Activities	<b>-128,025</b>	
<b>INVESTING ACTIVITIES</b>		
Soccer Equipment	-2,915	
Depreciation	8,769	
Net cash provided by Investing Activities	<b>5,853</b>	
Net cash increase for period	<b>-122,171</b>	
Cash at beginning of period	<b>300,114</b>	Match 2017 ending cash balance
Cash at end of period	<b>348,766</b>	Match 2018 ending cash balance

# Suggested Software

- QUICKBOOKS ONLINE
- QUICKBOOKS DESKTOP
- SAGE 50 DESKTOP
- MICROSOFT OFFICE
- OFFICE CLIP
- SAGENEXT OR SUMMIT HOSTING
- GOOGLE DRIVE OR BOX
- STUDIO TAX



# SOFTWARE WEB ADDRESSES

- <https://www.techsoupcanada.ca/en>
- <https://quickbooks.intuit.com/ca/>
- <https://www.sage.com/ca/sage-50-accounting>
- <https://www.officeclip.com/>
- <https://www.thesagenext.com/>
- <https://app.box.com/>
- <https://www.studiotax.com/en/>