# 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

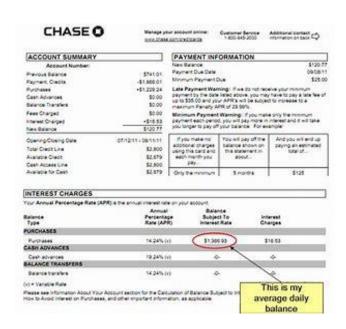
Physical Audits can be done with bank deposits, inventory, regular cash counting

Segregation of Duties such as cash management

Double entry accounting – use an accounting system

Sign off on Bank Reconciliations





# 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

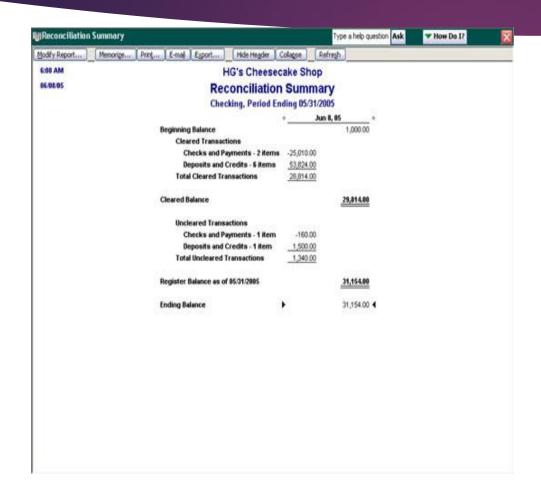
Account Reconciliation with Outstanding Transaction Detail Report 01 Jul, 2018 to 31 Jul, 2018

Report By: Statement end date

Report by. Statement end da		Deposit I Date	Trans. # Source	Comment	Amount	Total
Account: 1060 Scotia Bank C Previous Statement Start Date: Previous Statement End Date: Statement start date: Statement end date: Reconciliation date:	hequing Account 01 Jun, 2018					
Reconciled	Statement End Balance as of 31 Jul, 201 Add: Outstanding Deposits Subtract: Outstanding With Adjusted Bank Balance as of 31 Jul, 201 Book balance as of 31 Jul, 2018	drawals				3,423.73 0.00 -4,062.16 -638.43 -638.43
	Outstanding Deposits Outstanding Withdrawals Total Outstanding Withdray	31 Jul, 2016 15 Jan, 2017 28 Jan, 2018 31 Jul, 2018 31 Jul, 2018	J3897 40 J3901 36	John Smith Jane Doe Bank Charges One Time Customer Heather Gordon	-674.20 -1,046.68 -589.79 -1,300.11 -451.38	0.00 -4.062.16
Generated On: 27 Sep, 2018	i otal Outstanding Withdrav	vais				-4,062.16

## 2 similar types of bank reconciliations

Reconciliation on the right is most important to review



# COMPANY NAME Account Reconciliation with Outstanding Transaction Detail Report 01 Jul, 2018 to 31 Jul, 2018 Report By: Statement and date Account State Scale Bask Chequing Account Previous Statement Bast Date: 01 Anr. 2018 Previous Statement Bast Date: 01 Anr. 2018 Statement Bast Date: 01 Anr. 2018 Statement Bast Date: 01 Anr. 2018 Reconciliation see: 01 Anr. 2018 Act Outstanding Deposits Act Outstanding Deposits Act Outstanding Deposits Adjusted Bask Balance as of 31 Jul, 2018 Book balance as of 31 Jul, 2018 Custanding Deposits Outstanding Deposits

#### 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	
Assets			
Cash			
Petty Cash	\$ 100	\$ 100	
Chequing	335,911	275,245	
Savings	12,855	24.869	
Total Cash	348,766	300,114	Cash balance needs to match Cash Flow Statement bal
Receivables & Prepaids			
Accounts Receivable	100,000	4,000	Request to see outstanding receivables
GST Receivable	7.634	5,049	
Prepaid expenses	10,000		Request details
Prepaid Insurance	1.606	434	
Total Receivables & Prepaids	119.240	9,483	
Fixed Assets			
Signage	819	819	
Depreciation	759	- 759	
Total Signage	60	60	
Sports Equipment	14,978	12.063	
Depreciation	- 16,978	- 8.209	Cannot depreciate more than the value of the asset
Total Sports Equipment	- 2.000	3.853	
Equipment - Camp	2.306	2.306	
Depreciation	- 2.306	- 2 306	
Total Soccer Equipment - Camp	-		
Website - Camp	12.000	12.000	
Depreciation	- 9,000	- 9.000	
Total Website - Camp	3.000	3.000	
Total Fixed Assets	1.060	6,913	
Total Non Current Assets	1,060	6.913	
Total Assets	469,066	316,511	Total assets match total liabilities & equity
Liabilities and Equity			
Current Liabilities			
Accounts Payable	16,584	33,652	
Accrued Liabilities		1,200	
Total Current Liabilities	16,584	34,852	
Total Liabilities	16,584	34,852	
Equity			
Retained Earnings	281,659	279,335	
Net Income	170,823	2,324	Net Income matches P&L
	150 100	281,659	• 0.0, 10.0, 0.0, 0.0, 0.0, 0.0, 0.0, 0.0
Total Equity	452,482	281,659	

#### 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

REVENUE		
Donation	\$ 122,037 \$	155,973
Memberships	600	10,868
Facility Rental	per entre de la companya de la comp	1,800
Camp Fee Fundraising	100,000	17,700
Other Revenue	704	1,410
Total Revenue	223,342	187.756
irants	a.c. 0, 0-7a	107,700
Grant #1	94.460	25.000
City of Edmonton		68,680
Total Grants	94,460	93,680
OTAL REVENUE	317,802	281,436
XPENSES		
Programming Expenses		
Coaching & Refereeing	6,440	7,840
Child Care	3,412	7,765
Facility Rentals	13,470	9,624
Fundraising	2,434	9
Seniors	92	
Skating	25,524	50,954
Volunteer Appreciation	43,883	57,703
Walking Total Program Expenses	95.256	133.951
Total Program Expenses	95,256	133,951
Camp Expenses		
Camp		19
Advertising - Camp		1,818
Contractor Wages - Camp Facilities - Camp	2,105	45,396
Food - Camp		9,274
Supplies - Camp		11,087 6,578
Transportation - Camp		2.368
Total Camp Expenses	2,105	76,522
General & Admin. Expenses		
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 Website	272	-
Website Amortization	237 8.769	
Amortization  Total General & Admin Expenses	8,769 49,618	5,790 68,639
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otal Expenses	146,979	279,112

# 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	JAN	1	-	DEC	31	2018
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s P&L net incom
ash balance
ash 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/