

Accounting

Four Creeks Unincorporated Area Council Treasurer

OVERVIEW

The FCUAC Treasurer is a very important officer position because it handles many of the organization's assets and keeps the organization's books.

The purpose of this document is to describe in detail the FCUAC accounting system used by the Treasurer.

It is supplemented by a document that describes in detail the processes and procedures of the Treasurer position.

Contents

- Accounting
- Bookkeeping
- Transactions

ACCOUNTING

FCUAC Accounting Practices

Chart of Accounts

- FCUAC uses a version of the Universal Chart of Accounts provided by the Urban Institute for non-profits to define the organization's Chart of Accounts (CoA)
 - There are a number of entries in the CoA that are not used by FCUAC
 - For example, since FCUAC does not have employees, payroll accounts are not used.
 - In addition, the Cash Basis for the FCUAC books means accrual accounts would not be used. If there are changes in the FCUAC future, new CoA entries are expected to align to the UCOA.
 - The actual COA used in the FCUAC Accounting system aligns to the UCOA. For example, accounts 1011 Checking and 1012 GRCC Foundation both align to UCOA 1010 Cash in bank – operating.
 - The CoA spreadsheet describes, among other things, the relationship between an account and the IRS Form 990 requirements by 990 line number.
 - Because Form 990 is a dynamic document, the Treasurer should confirm the mapping between the CoA and Form 990 before proceeding with IRS reporting
 - Actual accounts used by FCUAC are all added (i.e. do not use the UCOA accounts ending in "0", or, in some cases "5").
 - For example, 4540 revenue from local government grants is replaced by 4541 revenue from King County CSA grants.

- When a new subaccount is added, the original UCOA account is removed from the CoA used in the accounting system for account data validation.
- For non-profits, expenses can be grouped into Program Activities, Fundraising, and Management & General expenses.
- Because of the possibility for FCUAC to “lobby” legislation and government services, it has added a group for that purpose.
 - M&G would probably include accounting and legal fees, bank charges, organization management salaries, and insurance.

BOOKKEEPING

Bookkeeping Capabilities

From its origin in 1996 until 2001, the bookkeeping system for FCUAC simply recorded income and expenses with only the need to report totals and cash balances.

In 2001, the King County began to provide an appropriation for reimbursing FCUAC expenses which added the accounting complexity of submitting invoices to the county, waiting for the payment from the county, and then, in many cases, reimbursing FCUAC members who paid for the original invoices for services.

This added the need to be able to reconcile expenses against reimbursement requests. Unfortunately, the bookkeeping kept during that period did a reasonable job of doing this but there was nothing built into the “system” used to make this reconciliation easy and consistently done.

In 2011, FCUAC transferred cash to the Green River Community College Foundation where it could be used to provide funding to students when directed by FCUAC. This meant that, in effect, FCUAC operated with two “bank” accounts. The bookkeeping for the GRCC Foundation “account” was done separately from the bookkeeping for the FCUAC primary bank account.

In 2012, King County stopped providing appropriations to the UACs. FCUAC responded by 1) applying for and being recognized as a 501(c)(3) non-profit charitable organization, and 2) beginning the strategy of applying for other funding sources (e.g. grants, agreements, contracts). Since this meant multiple funding sources existed, often with restricted use rules, the accounting system needed to be able to keep track of funding sources and the balances of individual funds.

Starting in March, 2014, all financial transactions were entered into a newly designed bookkeeping spreadsheet with the fields needed to provide required income statement and balance sheet detail. For the most part, the source of the transaction data was the paper kept by the FCUAC treasurers (e.g. bank statements, invoices, treasurer reports). See: Appendix – Bookkeeping system conversion 2014

Bookkeeping System Design

The rules used for the 2014 bookkeeping system design included:

- Include all FCUAC financial transactions in the equivalent of a cash journal
 - Provide the capability of entering notes and other descriptive information in the journal

- Reduce/eliminate the need to go to historical hard copy for financial information
- Build capability to use multiple “bank” accounts
- Provide the ability to calculate bank balances for reconciliation with bank statements
 - For simplicity, the design only required reporting end-of-month balances which, because of statement timing, meant statement and calculated balances might not match for a particular month
- Identify unique fund sources
- Keep unique fund balances
- Move closer to generally accepted accounting practices (GAAP)
- Maintain information for annual tax reporting
- Provide reports in the form of income statements and balance sheets

THE JOURNAL

The core of the bookkeeping system is the Journal. It uses tables to validate data entered in some of its fields and it is the basis for all reporting.

Fields

Date

The Date field contains the date of the transaction or note. It is the practice to use the posting date for bank credits and debits rather than the check date. This is because FCUAC uses cash-basis bookkeeping.

For bank debits (e.g. checks), sometimes a Note is entered to identify the check number and the issue date of the check.

Num

The Num field is used to enter a number for things like checks issued by FCUAC.

Because a check may be issued for multiple purposes or to cover multiple funds or subaccounts, adding a dash number (e.g. “-1”) to the check number is allowed. In some cases, there may be another layer of indenture that needs to be accounted for so additional dash numbers (e.g. “-1-1”) can be created.

The Num field can also contain other values such as “BillPay” which indicates the credit is paid via a bank draw.

The Num field can also contain temporary values such as “Pending” meaning a reimbursement request is pending the issuance of a check. Keep in mind that entries like BillPay or Pending may also have need for indenture (e.g. BillPay-1, Pending-3).

Payee/Source

The Payee/Source has the name of the check payee or income source.

ReimburseID

The ReimburseID field is optional and can be used to aid in reconciling reimbursement requests. When used, it contains a code number unique for every separate reimbursement request. The same ReimburseID code is entered for any transactions related to that reimbursement request. The purpose is to be able to filter (extract) all transactions for a particular reimbursement request to help with reconciliation.

Generally speaking, there are usually two types of reimbursement transactions. One is where someone request reimbursement from FCUAC and the organization pays that reimbursement from existing funds. For example, a member submits a reimbursement request to FCUAC, the Treasurer assigns a unique reimbursement identification number to the request (on the reimbursement request form), and then FCUAC issues a check to cover the request. In this case, the request (possibly a Note entry in the journal if used) and the checking credit are given the same ReimburseID.

The other type of reimbursement transaction is similar except that FCUAC then requests reimbursement from another organization. An example of the latter occurs when FCUAC is receiving some sort of appropriation or grant that requires a reimbursement request from the organization. In this case, all transactions, the original reimbursement request, the reimbursement request of the outside organization, the check issued by the outside organization, and payments for the original reimbursement request are given the same unique ReimburseID.

For example, FCUAC has received an appropriation or grant from King County that will be paid upon submittal of reimbursement requests (with receipts). FCUAC receives reimbursement requests from individuals or organizations which the organization uses to submit a reimbursement request of King County. FCUAC receives a reimbursement check from King County which is deposited and then check(s) are issued to cover the initial reimbursement request(s). Every transaction in this example is assigned the same ReimburseID.

The practice for ReimburseID is to use the format “XXXXX yyyy-n”) where “XXXXX” is the 2-5 characters of the individual or organization making the request, or the organization to which the request is being made, “yyyy” is the year of the request, and “n” is a sequence number starting “1”. This is not a required technique so any changes are acceptable as long as the same ID is used on all related transactions.

Keep in mind that, although the field is titled ReimburseID, entries can be made that don't involve reimbursement. For example, Frank Brown makes a donation of \$100 to the organization in 2010. The ReimburseID entry is “BROW 2010-1”. There may never be another transaction with the same ReimburseID.

The reason a ReimburseID is entered for all transactions even for those that are not really reimbursements, is to make sure all transaction are accounted for. By using an ID for everything, you're assured no transactions that are involved in reimbursements, are omitted. The only circumstances where ReimburseID could be blank would be for voided transaction and some Notes. If a Note helps explain a ReimburseID transaction group, it should also have the ReimburseID of the group of transactions.

As with other fields, the practice is to enter “TBD” in the ReimburseID field when an entry needs to be assigned.

The worksheet rptBalanceReimburseID is used to reconcile ReimburseID.

Account

The Account field contains data from the Chart of Accounts. It is filled in automatically based on what is entered in the Subaccount field. The Subaccount contains the lowest level of account and Account is the next level up.

Subaccount

The Subaccount field contains data from the Chart of Accounts. It is the lowest level account used in FCUAC.

The Subaccount field uses Data Validation to present the list of subaccounts from a field in the tbCoA worksheet.

Program

The Program field contains the name of a major FCUAC program. It uses Data Validation to present the list of programs from a field in the tbProgram worksheet.

Bank

The Bank field contains the name of the major FCUAC bank. It uses Data Validation to present a list of banks from a field in the rbBank worksheet.

Banks are generic so, for example, the bank “Checking” is the organization’s major checking account regardless of where it may be held at any moment in time.

When a Bank is specified in a transaction, actual cash is involved UNLESS an “N” (i.e. No) is specified in the Use field.

Amount

The Amount field is the dollar amount of the transaction or note.

DC

The DC field contains a code that describes the type of transaction for the record. The DC stands for “DebitCredit” and is just a reminder. The actual codes that can be used include A=Adjustment, N=Note, T=Transfer, and V=Void along with D=Debit and C=Credit.

The field uses Data Validation to present a list of codes from a field in the tbTranType worksheet.

Source

The Source field is the “fund” that is the subject of the transaction. It can be useful to think of funds as Ledgers.

For example, “FCUAC” is the organization’s general fund; “NNO 2013” is the grant fund for the 2013 National Night Out event; “Atlas 2010” is the fund created in 2010 using appropriated dollars. Debits and credits will increase or decrease the amount in these funds.

Note that transactions involving Source funds do not increase or decrease cash unless the transaction also specifies a Bank (e.g. checking). This means that amounts can be transferred between funds if no Bank is specified for the debit and credit transactions.

The Source field uses Data Validation to present a list of funds from a field in the tbSource worksheet.

Type

The Type field contains the type of funding. For example, funds can come from appropriations, contracts, donations, grants, agreements, etc. The field is used only to allow for summary reports to be built that describe these funding types.

The Type field uses Data Validation to present a list of types from a field in the tbType worksheet.

Notes

The Note field is free-form and can contain any information. Generally it's used to add note information to Journal records.

TRANSACTIONS

Common Transaction Types

Bank Statements

Bank statements are recorded using the statement date and account balance. Other fields contain data that identifies the record as a statement and indicates the data not be used in financial calculations (other than for comparing calculated balances to statement data).

- All fields are blank except
 - Date (bank statement date)
 - Account (“STATEMENT” automatically generated from the Subaccount field)
 - Subaccount (choose “STATEMENT” from chart of account data validation list)
 - Bank (chosen from bank table data validation list)
 - Amount (bank statement ending balance)
 - DC (“N” to indicate not to use the record in financial calculations)
 - Source(select “[STATEMENT]” from the source table data validation list)
 - Type (“Statement” automatically generated from Source field)
 - Program (enter “TBD”, although it may end up there will be no requirement to put any entry in this field)
 - Notes (enter any notes felt needed)

Bank statements are used on the spreadsheet that reports monthly cash balances.

Checks from outside organizations

Journal entries are made for every check (or other media) coming from outside organizations (e.g. King County, King Conservation District). These entries are informational only since FCUAC

uses Cash Basis accounting. The actual dollar amounts coming from these checks show up in the bookkeeping system when a bank statement shows the deposit is posted.

- All fields are blank except
 - Date (check date)
 - Payee/Source (name of the organization and check number)
 - Since checks can cover multiple items, the practice is to add dash-numbers (e.g. nnnnn-1) to the check number in the Payee/Source field. Dash numbers can be continued to as many “levels” as needed (e.g. nnnnn-1-1, nnnnn-1-2).
 - Account (“N/A” automatically generated from the Subaccount field)
 - Subaccount (choose “N/A” from chart of account data validation list)
 - Amount (check amount)
 - DC (“N” to indicate not to use the record in financial calculations)
 - Source(select “Notes” from the source table data validation list)
 - Type (“Notes” automatically generated from Source field)
 - Program (enter “TBD”, although it may end up there will be no requirement to put any entry in this field)
 - Notes (enter any notes felt needed)

* Since checks can cover multiple items, the practice is to add dash-numbers (e.g. nnnnn-1) to the check number in the Payee/Source field. Dash numbers can be continued to as many “levels” as needed (e.g. nnnnn-1-1, nnnnn-1-2).

Check records are not currently used for reports, although creating a capability to reconcile checks to deposits is desirable.

Invoices from outside organizations

Invoices from outside organizations are not separately entered into the journal, however, the invoice number and invoice date are entered in the Payee/Source field of the transaction that pays the invoice.

Like checks from outside organizations, dash numbers can be added to the transaction Num field to account for multiple Subaccounts that may be used on a single invoice. For example, printing companies may invoice printing and mailing separately on an invoice.

Invoice data is currently not used on the bookkeeping calculations and are entered primarily for reference if needed.

Notes

The journal has the capability of containing Note records. Some examples of Notes already in the system include:

- Recording appropriation statements from King County
- Changes in bank accounts

- WA State events like when the UAC received their UBI number
- IRS events like when the UAC were approved as a 501(c)(3)
- The creation of service agreements
- 1099-MISC statements
- When a federal EIN was received
- 1099-INT statements
- Voided checks
- Student/other W-9 receipt
- When federal tax returns are submitted

Any fields can be used as long as the following are entered

- Date
- Subaccount (usually set to “N/A” although “TBD” can be used temporarily to highlight a transaction that may need additional research or information)
- DC (“N” to indicate not to use the record in financial calculations or “V” if a voided check)
- Source(select “Notes” from the source table data validation list)
- Type (“Notes” automatically generated from Source field)
- Program (enter “TBD”, although it may end up there will be no requirement to put any entry in this field)
- Notes (enter any notes felt needed)

Moving money between fund Sources

Infrequently it becomes necessary to move money from one Source fund to another without any financial change or change in the original Source fund. The example was the initial funding of the Atlas program in late 2010. The funds came from a King County Appropriation, so the transaction needed to show that fact so the balance sheet for the appropriation was accurate. However, the funds became part of the Atlas Source fund which created the need to increase that fund amount without impacting the appropriation fund.

Another example of where this transaction would be used is to support the policy that a percentage of some/all grants, etc. go to FCUAC for overhead, etc. In practice, there would be two transactions: one to credit the fund balance in one source (the grant, etc.) and the other to debit the fund balance (FCUAC) in another source.

- Date
- Payee/Source (good practice is to enter the same data from the original bank deposit of the funds)
- Subaccount (usually set to “N/A” although “TBD” can be used temporarily to highlight a transaction that may need additional research or information)
- Bank (important to leave this field blank)

- DC (“D” to indicate an increase in the fund)
- Source (select the appropriate fund (e.g. Atlas) from the source table data validation list)
- Type (“Notes” automatically generated from Source field)
- Use (automatically generated from Source field)
- Program (enter “TBD”, although it may end up there will be no requirement to put any entry in this field)
- Notes (enter any notes felt needed)

Moving money between funds

Unlike moving money between fund Sources in the earlier example, it is sometimes necessary to move money between actual funds. One common example is the practice of moving a percentage of a grant or other funding to an overhead fund.

To accomplish this, a credit and a debit transaction for the same amount is entered in the Journal with the Bank field blank in both (since no physical fund transfer occurs). The credit specifies the grant (e.g.) Source and Program. The debit specifies the overhead fund Source and the overhead Program.

To maintain the ability to extract all transactions for a particular effort, including these fund transfers, the practice is to keep the SourceID field for the transfers the same as for all other transactions involving the fund Source.

As an example, assume the need is to transfer \$100 from the KCD 2013 fund into the FCUAC general fund. Assume also that the SourceID being used for all normal KCD 2013 transactions is “KCD 2013”.

The credit transaction would include

- Date
- ReburseID (KCD 2013)
- Subaccount (N/A)
- Program (KCD)
- Bank (important to leave this field blank)
- Amount (amount being moved)
- DC (“C” to indicate an decrease in the fund)
- Source (KCD 2013)
- Notes (enter any notes felt needed)

All the debit transaction fields are the same as the credit transaction except

- Program (FCUAC)
- DC (“D” to indicate an increase in the fund)
- Source (FCUAC)

- Notes (enter any notes felt needed)

Error: Reimbursement request was too low

If a reimbursement request is made to an outside organization, but an error is made and the reimbursed amount is too low to cover credits, adjustment need to be made in the books.

This assumes that there is no intent to resubmit the reimbursement request. This could occur because the error is too small to bother with or enough time has passed to make it impractical.

This exact situation has occurred a couple times and was noticed when the FCUAC books were being reconciled in 2014.

To use a real example, in 2004 a reimbursement request was made that included a \$13.50 item but a mistake was made and that expense was actually \$14.80, a difference of \$1.30. The organization will receive \$13.50 and write a check for \$14.80.

The bank account (checking) will reconcile, although the \$1.30 will have to come from a source other than the reimbursement request.

The issue is how the appropriation reconciles. The \$13.50 request is appropriately assigned to the Source "Appropriation 2004", however only \$13.50 of the \$14.80 expense will come from this fund otherwise Appropriation 2004 would be overdrawn by \$1.30.

The Treasurer could assign the entire \$14.80 expense to Appropriation 2004, letting the imbalance exist and simply making note of why there's a delta in the books. However, the preferred practice is to reconcile appropriations to zero, which means only the \$13.50 can be "charged" to the appropriation and show the \$1.30 coming from another fund source.

There are a number of ways to do this. One would be to split the \$14.80 transaction into two transactions assigning the \$13.50 to Appropriation 2004 and the \$1.30 to another fund source (e.g. the FCUAC general fund). This is the method actually used in the Journal since it's judged simpler to understand.

Another way is to add two transactions that do not specify a Bank and therefore do not involve physical cash. One transaction debits Appropriation 2004 for \$1.30 making it reconcile to zero. The other credits the fund used to pay the \$1.30 (e.g. the FCUAC general fund). To make it easy to see these transactions as a result of the original appropriation request, they would be assigned the same ReimbursementID. Although this is NOT the method used in the Journal, the details for these two transactions are shown here.

It's also a good idea to add an Adjustment transaction (DC = A) to leave notes describing the adjustments.

The credit transaction would include

- Date
- ReimburselD (Use the same as was used with the original inaccurate reimbursement request)
- Subaccount (N/A)
- Program (FCUAC)
- Bank (important to leave this field blank)

- Amount (amount being moved, \$1.30 in this case)
- DC (“C” to indicate a decrease in the fund)
- Source (Appropriation 2004 in this case)
- Notes (enter any notes felt needed)

All the debit transaction fields are the same as the credit transaction except

- Program (FCUAC)
- DC (“D” to indicate an increase in the fund)
- Source (FCUAC)
- Notes (enter any notes felt needed)

Error: Reimbursement request was too high

If a reimbursement request is made to an outside organization, but an error is made and the reimbursed amount is too high, adjustment need to be made in the books.

This assumes that there is no intent to resubmit the reimbursement request. This could occur because the error is too small to bother with or enough time has passed to make it impractical.

This exact situation occurred a couple times and was noticed when the FCUAC books were being reconciled in 2014.

To use a real example, in 2006 a reimbursement request was made for \$1,840.19 but no credit transactions were ever entered against the request.

The bank account (checking) will reconcile. The issue is how Appropriation 2006 reconciles. The \$1,840.19 request is appropriately assigned to the Source “Appropriation 2006”, but until and unless credit transactions are posted, Appropriation 2006 will show a positive balance.

The Treasurer could assign the entire \$1,840.19 revenue to Appropriation 2006, letting the imbalance exist and simply making note of why there’s a delta in the books. However, the preferred practice is to reconcile appropriations to zero, which means eventually credits equal to the \$1,840.19 will have to be entered against Appropriation 2006.

There are a number of ways to do this. One would be to assign new expense transactions to Appropriation 2006 until the total of \$1,840.19 is met. The disadvantage to this approach is that the expenses aren’t actually the ones originally submitted for reimbursement, and there will be some work to know when the \$1,840.19 has been “covered”.

Another way is to add two transactions that do not specify a Bank and therefore do not involve physical cash. One transaction credits Appropriation 2006 for \$1,840.19 making it reconcile to zero. The other debits another fund that can be used to pay future transactions without having to deal with the detail of the first approach. The fund used in the 2006 example coming from the Journal is to debit the FCUAC general fund. To make it easy to see these transactions as a result of the original appropriation request, they would be assigned the same ReimbursementID.

It’s also a good idea to add an Adjustment transaction (DC = A) to leave notes describing the adjustments.

The credit transaction would include

- Date
- ReimburseID (Use the same as was used with the original inaccurate reimbursement request)
- Subaccount (N/A)
- Program (FCUAC)
- Bank (important to leave this field blank)
- Amount (amount being moved, \$1,840.19 in this case)
- DC (“C” to indicate an decrease in the fund)
- Source (Appropriation 2006 in this case)
- Notes (enter any notes felt needed)

The debit transaction fields are the same as the credit transaction except

- Program (FCUAC)
- DC (“D” to indicate an increase in the fund)
- Source (FCUAC)
- Notes (enter any notes felt needed)

BANK STATEMENTS

Entering

Bank statements balances are entered into the journal by inserting a new record (Note the warning in the Excel Techniques section). A good practice would be to find an existing statement in the journal, select the entire row just below it, insert a record, and then copy the fields from the existing statement into the new record (to bring in data validation, formatting, etc).

To do the last step, you can either copy the existing record to the new record or select both records and Fill Down (an Excel technique that is invoked by the keyboard shortcut CNTL-D).

Once the new record is created, replace the amount field with the new statement balance.

These are the fields that are completed in statements in the database.

- Date (statement date)
- ReimburseID (good practice is to enter the same ID used for every statement for a particular account at a particular bank e.g. “Key 0698” is the ID used for the Key Bank account number ending in 0698.)
- Account (leave blank; will be automatically filled in when the subaccount is selected)
- Subaccount (Select “STATEMENT”)
- Bank (important to fill in this field; it is used on the worksheet that reconciles bank statements)
- Amount (the statement balance)

- DC (“N” to indicate a Note)
- Source (select [STATEMENT])
- Use (enter “N” to indicate not to use the transaction in calculations on the main reports)
- Notes (leave blank or enter any notes felt needed)

Reconciling

The bookkeeping system continually calculates the differences between all statement and calculated balances. This data is displayed on the worksheet rptBalanceMonthly.

It uses the Excel function Sumproduct (see Excel Techniques) to subtract the sum of all credits from the sum of all debits for each major bank account, and Sumproduct to extract the balance from the statement. The date field in the first row of the spreadsheet controls both calculations.

Although the difference between the statement and calculated balance should be zero, it's possible that financial transactions are entered in a particular month but don't get posted to the bank account in the same month. These non-zero differences should be considered OK for one month only with the difference between statement and calculated balances returning to zero the following month.

Maintaining the rptBalanceMonthly worksheet

The only maintenance needed is to copy/past the formulas into the next month's columns and, if needed, create a new bank account.

Note that the calculated balances are the sum of all previous transactions added to this month's transactions. The statement balance just displays the balance on the current bank statement.

The data field on financial transactions

The practice used when the bookkeeping system was first set up was to have the transaction date for bank credits and debits be the date the bank posts the transaction. This was done 1) because FCUAC uses cash-basis bookkeeping, and 2) it increases the odds that bank reconciliation will result in a zero balance.

Keep this practice in mind when reconciling bank statements. Financial transaction that may have already been entered in the journal may need to have their Date field adjusted to the posting date shown on the bank statement.

EXCEL TECHNIQUES

Warning!

A number of Excel functions are used in the accounting spreadsheets. What follows is a brief explanation of the key ones. Refer to the detail documentation available in Excel help or on the internet about each function for more information.

Because of the extensive use of named fields in the bookkeeping spreadsheets, there is a risk that adding and removing data in the named fields or in the journal can make the functions that use the names inaccurate. The most common mistake is to add records to the end of a table.

When doing this, Excel doesn't realize that it needs to adjust the extent of the named area to include the new record(s). It "thinks" you want to add records outside the named area.

To avoid this situation, it should become a habit to enter new records somewhere between the first and last records in a table by inserting a row and, if necessary, copying the content of the record just above the new record into the new record (to copy any data validation, conditional formatting, etc.), and then replacing the data in the cells of the new record with the data for the new record.

When adding to tables that are used for data validation (e.g. tbType), it's a good practice to then sort the table so the data is presented in alphabetical order when data validation is used. However, sorting a table is not required for the data validation to work.

Filtering

Filtering, when applied to a worksheet, allows the user to select (filter) which records are displayed, along with performing data sorts. It's a convenient way to select a subset of the records in a worksheet.

When filtering is applied, the top row of each column in the worksheet has a pull-down menu containing a list of all unique entries in each column (with a check box by each), along with other sort and filter commands.

Controlling which records to display is done by manipulating the check boxes.

Filtering is cumulative, meaning that it can be applied to multiple columns. For example, to see only the debits that are donations, check the "D" in the DC column and "Donations" in the TYPE column.

Filtering also provides the ability to sort columns.

Data Validation

Spreadsheet cells can use DATA VALIDATION to make sure data entered in the cell is correct. One form is the LIST form which presents the user with a list of valid entries. Data Validation is used in a number of Journal columns.

Data Validation

Data validation is used to control what entries are allowed in a cell. This technique is used in a number of columns in the journal. When used, a pull-down menu, which contains a list of all the entries deemed valid for the cell, is displayed when a cell is selected. The cell contents are entered by scrolling through the entries in the pull-down list.

There are a number of techniques that can be used in data validation. In the case of the journal, the technique used is "List" along with the "Name" of the table of valid entries. This technique tells Excel to use a list of valid entries that are defined by naming a group of cells.

The convention used in the journal is to put the lists in separate worksheets (tabs) with the name of the worksheet starting with the letters "tb". Within the "tb" worksheets, the cells that contain the valid entries are selected and a name (also starting with the letters "tb") is defined.

For example, the worksheet "tbType" contains a list of entries (also named "tbType") that include valid entries for the TYPE column in the journal (i.e. Donation, Grant, Appropriation, etc.).

Conditional Formatting

As its name implies, conditional formatting allows specification of the cell formatting to use based on a specified condition. This can be a convenient way to visually draw attention to a cell.

The most frequently used conditional formatting in the journal is to color the cell blue if the cell has no entry (null), and red if the cell does not contain a valid entry (used with data validation).

Index/Match

The INDEX function has two arguments: the row number and the column number. The MATCH function has three arguments: the value, the array, and a code indicating whether an exact match is needed. It returns the row or column number where the match is found in the array.

This means MATCH can be used in an INDEX function to create the row and column numbers.

`=INDEX(MATCH(ArrayCol,B$1,0),MATCH(ArrayRow,$A1,0))`

If ArrayCol is the name of the column titles in a table, ArrayRow is the name of the row titles in a table, B\$1 contains a column title, and \$A1 contains a row title, the function will find the column and row numbers for the INDEX function and return the value at the intersection.

Index/Match

Excel has a number of functions that can be used to look up data in a table by searching for content in one column of the table and selecting content in the same row but another column in the table. One is the Index function which selects the content of a cell in a table that is located in a specified column and specified row.

The Match function returns the row or column number that matches the data specified. For example, if you have a table that contains three rows with the values "a", "b", and "c", a Match(tablename,"c") will return the value "3" (i.e. the third row).

In the journal, the two functions (Index and Match) are combined in formulas that return the content of a cell in a table based on the value of a cell somewhere else in the table. For example, records in the Chart of Accounts (CoA) have, among other data, have the account name (subaccount field) and the account group to which the account belongs. The account (which is selected using Data Validation) is entered in a journal record and Excel, using Index/Match, retrieves the account group the account belongs to and automatically enters it in another column in the journal.

Sumproduct

SUMPRODUCT has a list of arrays as its argument. It multiplies the components of each array and then adds the products to get a sum.

One technique used in the spreadsheets takes a form like this:

`=(SUMPRODUCT((qDate>=G$1)*(qDate<=H$1)*(qAccount=$B9)*(qDebit))`

qDate, qAccount, and qDebit and names defined for columns in a table.

G\$1 and H\$1 have low and high dates. \$B9 has an account name.

The result of the function is that the debit entries for all records that match the account specified between the dates specified will be added together.

For example, say you want to get the sum of all debits to a checking account for the year 2010. G\$1 would be 1/1/10, H\$1 would be 12/31/10, and \$B9 would be "checking".

SUMPRODUCT allows you to set up reports and then just manipulate the start and end dates to produce a period report.

Sumproduct

Sumproduct is an Excel function that normally multiplies every cell in a table by the content of a cell in the same relative position in another table and then returns the sum of those products. There is a technique where Sumproduct can be used to create the sum of data that is filtered (i.e. selected based on content values). This technique is used extensively in the reports (e.g. income/expense, balance sheet).

For example, in the Income/Expense Statement, the cell contents are the sum of the amounts for a particular time period (e.g. year) and for a particular account. The report uses Sumproduct in each cell to specify the "filters" to be used when selecting which records to use in summing the amounts.

=SUMPRODUCT((dbJournalAccount=\$A39)(YEAR(dbJournalDate)=C\$1)*(dbJournalBank="Checking")*(dbJournalTranType="C")*(dbJournalUse="Y")*(dbJournalAmount))*

This function selects any journal records that match the account specified in cell A39, and records that match the year specified in cell C1, that have "Checking" entered in the bank field, have a "C" (credit) in the transaction type field, and a "Y" (yes) in the Use field, and then adds together all the amounts in the selected records.

POLICIES AND PRACTICES

Encourage expense payers to submit for reimbursement

An individual or group that pays a program expense is encouraged to submit the expense for reimbursement, even if they would like to donate the value they paid.

How would the bookkeeping be done if they do?

Normal debit and credit entries would be made. The individual or group would then write a check for the amount they paid and the transaction would be treated like any other donation.

How would the bookkeeping be done if they didn't?

A credit entry without a bank would be made against the fund/program. A debit entry without a bank would be made against the fund/program shown as a donation. [Is this right?]

GLOSSARY

IRS Form 990: The form used by non-profits to report federal tax information. The e990 is an electronic postcard used when revenues are under \$50,000, the 990-EZ is used when revenues are under \$100,000, and the 990 is used when revenues are \$100,000 or higher.

W-9: The form used to request taxpayer identification information and certification that the information provided is correct.

1099-MISC: The form used to report income paid to an employee or contractor. In the case of non-profits, payments totaling over \$600 in a calendar year to an individual require that a 1099-MISC be sent before February 15th of the year following when the payment(s) are made.

RECORD LAYOUT AND USE

Record layouts are stored with the accounting system spreadsheet(s) to make them accessible while working with the bookkeeping system. What's included here is a snapshot of the record layouts. Check the spreadsheet for current record layouts.

Worksheets (Excel tabs)

Although there are quite a few worksheets (tabs) in the bookkeeping Excel workbook, the heart of the system is the journal and a number of tables used in the journal for data validation (see Data Validation in the section on Excel Techniques).

The naming convention for the worksheets is to proceed a database with the letters "db" and a table with the letters "tb".

dbJournal

Every transaction is entered in the journal including notes, transfers, statements, etc.

Field	Description	Validation/Fill-in
Date	Transaction date	
Num	Check number or other transaction number	
Payee/Source	The expense payee or source name	
ReimburseID	A unique number for every reimbursement request	
Account	Account from Chart of Accounts	Automatic based on Subaccount
Subaccount	Subaccount from Chart of Accounts	Data validated from tbCoA
Program	Program name	Data validated from tbProgram
Bank	Bank name	Data validated from tbBank
Amount	Transaction amount	
DC	Debit, credit or other identifier	Data validated from tbTranType
Source	Income source	Data validated from tbSource
Type	Income source type	Data validated from tbTpe
Use	Use (Y/N) transaction in calculations	Data validated from tbUse
Notes	Notes	

tbCoA

Contains the complete FCUAC chart of accounts.

Field	Description	Validation/Fill-in
Subaccount	Lowest level account	Used for data validation
Account	Next level account	Automatically retrieved and entered
Natural	Natural account	
Number	Account number	
Group	Account group	
Report	Used on report	
Activity	Activity required	

tbProgram

Contains the list of FCUAC programs.

Field	Description	Validation/Fill-in
Program	FCUAC program name	tbProgramName
Description	FCUAC program description	
Notes	FCUAC program notes	

tbSource

Contains the list of FCUAC sources (funds).

Field	Description	Validation/Fill-in
Source	Funding source	tbSource
Type	Funding source type	
Description	Funding source description	
Restriction	Funding source restriction	

tbBank

Contains list of FCUAC bank accounts.

Field	Description	Validation/Fill-in
Bank	Bank account	tbBank
Type	Bank account type	
Description	Bank account description	

tbTranType

Contains a list of transaction types (e.g. debit, credit)

Field	Description	Validation/Fill-in
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Type	Transaction type (A,C,D,N,T,V)	tbTranType
Description	Transaction type description	

tbType

Contains a list of fund source types (e.g. appropriation, grant)

Field	Description	Validation/Fill-in
Type	Type	tbType

tbUse

Contains (Y)es or (N)o to indicate whether a transaction is to be used in report calculations

Field	Description	Validation/Fill-in
Use	Use (Y,N)	tbUse

APPENDIX – BOOKKEEPING SYSTEM CONVERSION 2014

What follows is a description of the bookkeeping system conversion done in 2014. The core of the system is an Excel spreadsheet along with Word documents that describe the FCUAC accounting system and the treasurer’s processes and procedures.

- Bank account(s) reconcile
 - Transcribe every transaction, including bank statement balances, from the treasurer’s hard copy documents.
 - Add notes to highlight important information/events (e.g. receive non-profit status).
 - Create the capability and reconcile to every bank statement balance.
- Funds reconcile
 - Assign transactions to “funds” (e.g. appropriation, grants, etc.).
 - Create the capability and reconcile to individual funds.
- Source/expense reconcile
 - Assign transactions to a fund source (individual appropriation request, individual grant, etc.).
 - Create the capability and reconcile expenses to sources.
- Chart of Account assignments
 - Assign transactions to chart of account entries.
 - Create the capability and produce a balance sheet.
- Reconcile to IRS forms (e.g. 1099)
 - Transcribe all IRS form amounts.

FCUAC Accounting

- Reconcile fund balances to bank balance(s)
- Review and, if necessary, modify forms and reports.
- Create documentation
 - Bookkeeping system
 - Treasurer processes and procedures

WHAT FOLLOWS COMES FROM AN OLD, UNRELATED DOCUMENT KEPT FOR POSSIBLE FORMAT USE IN THIS DOCUMENT

Checklist

- Receive the spreadsheet
- List the current Employee dictionary
- Validate the Employee Code
- Analyze changes: Add, change, remove
- Determine the impact(s) of the Employee changes
- Produce the plan(s) update workstatement
- Prepare the import file: .csv
- Prepare the FT/PT field in LDRPS (One time only)
- Import the file
- Assign Employees to Plan(s)
- Remove Employee(s)
- Publish and distribute all plans
- Review results and improve the process

Record Layout and Use

Employees and Attributes

