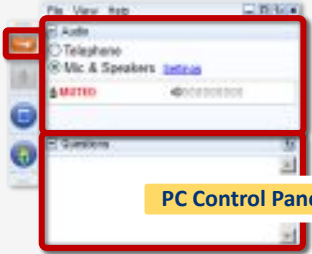
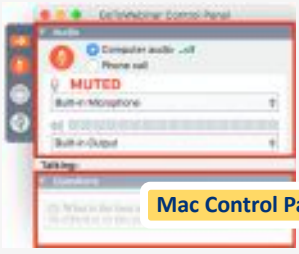




GoToWebinar Housekeeping



PC Control Panel



Mac Control Panel

Attendee Participation

Using your control panel...

Join audio:

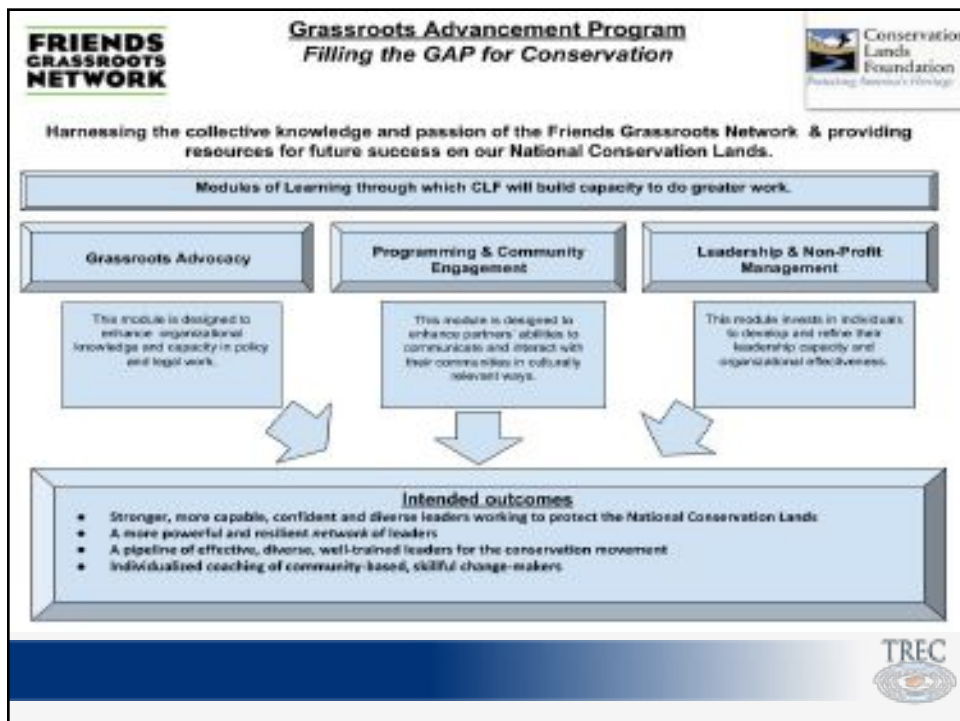
- Choose “Mic & Speakers” or “Computer Audio” to use VoIP
- OR choose “Telephone” or “Phone Call” and dial-in using the information provided

Submit questions and comments via the Questions panel.

Note: Attendees are muted and your webcams are disabled (listen-only mode).



1



2



Training Resources for the Environmental Community
Presents:

Non-Profit Accounting 101



Presented by: Joe Golinveaux

TREC Financial Manager

April 14, 2020

3



**Benefits of
Accurate Books**

Let's stay engaged

Ask questions-
specifics ok!

Ask for
clarity

Use question
box



4

Bookkeeping and Accounting 101?



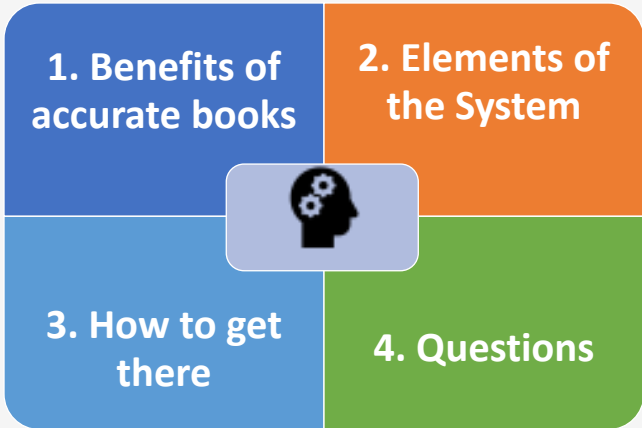
A man with glasses and a beard, wearing a blue t-shirt, stands in front of a chalkboard filled with mathematical equations and symbols. He appears to be speaking or presenting.



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Bookkeeping and Accounting 101



1. Benefits of accurate books

2. Elements of the System

3. How to get there

4. Questions



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- Fiduciary Responsibility
- Filing Taxes
- Yes and...

1. Benefits of Accurate Books



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Benefits of
Accurate
Books



Legal



Tied to
Strategy



Better
Reporting



Manage
Risk

1. Benefits of Accurate Books



8



1. Benefits of Accurate Books

Legal Requirements

1. Compliance with Generally Accepted Accounting Principles (GAAP)
2. File 990
3. Payroll taxes
4. State Filings



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Benefits of
Accurate
Books



Legal



Tied to
Strategy



Better
Reporting



Manage
Risk

1. Benefits of Accurate Books



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1. Benefits of Accurate Books

Tied to Strategy

1. Finances are where strategy becomes implementation
2. Strategic Plan—Annual Plan—Budget: Budget to actual is tracking the strategy
3. Program planning based on income/expense
4. Finger on the pulse, make changes as needed



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Benefits of
Accurate
Books



Legal



Tied to
Strategy



Better
Reporting



Manage
Risk

1. Benefits of Accurate Books



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1. Benefits of Accurate Books

Better Reporting

1. Basics of Nonprofit Bookkeeping
 - a) How much you have: Statement of Financial Position (Balance Sheet)
 - b) What's coming in and going out: Statement of Activity (Profit and Loss Statement)
 - c) Are things going according to plan: Budget vs. Actual



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1. Benefits of Accurate Books

Double Entry Bookkeeping

1. Petty cash purchase of stamps
 - a) Lowers the balance in petty cash (balance sheet)
 - b) Increases expenses in postage expense account (profit and loss)

Every entry affects two accounts



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 1. Benefits of Accurate Books		Sample Group Balance Sheet As of September 30, 2015	9:05 AM 10/31/2015 Accrual Basis Sep 30, 15
Statement of Financial Position		ASSETS	
Assets: What you have		Current Assets	
		Checking/Savings	
		Checking	
		Savings	
		CDs	
		Total Checking/Savings	
		Other Current Assets	
		Prepaid Expenses	
		Total Other Current Assets	
		Total Current Assets	
		Fixed Assets	
		Equipment	
		Accum. Deprec-Equipment	
		Total Fixed Assets	
		TOTAL ASSETS	
		LIABILITIES & EQUITY	
		Liabilities	
		Current Liabilities	
		Accounts Payable	
		Accounts Payable-Vendors	
		Total Accounts Payable	
		Other Current Liabilities	
		Vacation Payable	
		Total Other Current Liabilities	
		Total Current Liabilities	
		Total Liabilities	
		Equity	
		Net Assets-Restricted	
		Net Assets-Unrestricted	
		Net Assets-Board Reserve	
		Net Assets-Fixed Asset Value	
		Net Income	
		Total Equity	
		TOTAL LIABILITIES & EQUITY	

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 1. Benefits of Accurate Books		Statement of Activity	
Profit & Loss Statement		Budget to Actual	
January through September 2015		What's Left	
Income		What's come in	
Foundation Grants		643,888	
Contribution Income		13,500	
Event Income		1,969	
Miscellaneous Income		2,542	
Interest Income		3,992	
Total Income		665,891	
Expense		What's gone out	
Salaries and Wages		482,398	
Payroll Taxes		42,233	
Retirement		47,199	
Medical, Dental, Life Benefits		47,810	
Contract Labor		17,243	
Professional Services		6,060	
Payroll Expenses		974	
Staff Travel		6,572	
Supplies		4,305	
Telephone		4,275	
Telecommunications		789	
Postage		4,310	
Office Rent		11,450	
Equip Repair/Maint.		1,587	
Printing		12,547	
Dues and Subscriptions		487	
Staff Recruitment		1,750	
Insurance		2,450	
Licenses, Taxes, Dues, Fees		50	
Equipment Purchaes		4,872	
Opportunity/Contingency/Misc		0	
Total Expense		699,351	
Net Income		-33,460	

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1. Benefits of Accurate Books

Better Reporting cont.

1. Track income and expense by program
2. Track grant income/expense and balance
3. Report consistently and accurately to board



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Benefits of
Accurate
Books



Legal



Tied to
Strategy



Better
Reporting



Manage
Risk

1. Benefits of Accurate Books



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1. Benefits of Accurate Books

Manage Risk

1. Fiscal Controls require
 - a) Receipts
 - b) Clear financial procedures
 - c) Reconciliation reports
 - d) Federal grants have specific policies
2. Control over spending
3. Aware of shortfalls and changes



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Questions?



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Bookkeeping and Accounting 101

1. Benefits of accurate books

2. Elements of the System

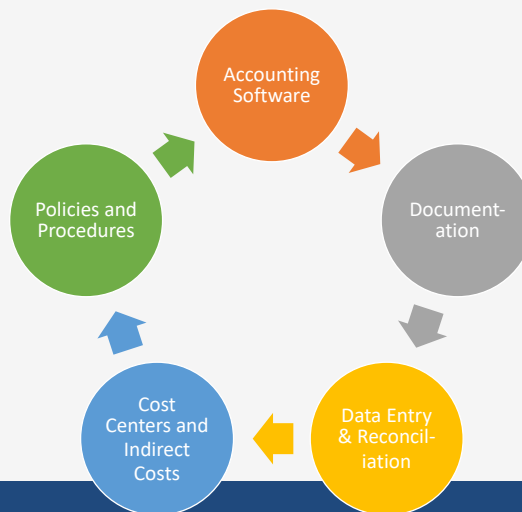


3. How to get there

4. Questions



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2. Elements of the Bookkeeping System



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2. Elements of the Bookkeeping System



Accounting Software

1. Excel won't cut it
2. QuickBooks is industry standard
 - a) Discount through TechSoup
 - b) QuickBooks Online Pros and Cons

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2. Elements of the Bookkeeping System



Documentation

1. Every penny needs documentation
 - a) All expenses and income
2. Receipt organization and file structure
3. Must be on hand for audit

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2. Elements of the Bookkeeping System

Data Entry & Reconciliation

1. Everything entered into QuickBooks
 - a. Every penny for every account
 - b. Income/Expense account and balance sheet account
 - c. Reconcile accounting system against statements



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2. Elements of the Bookkeeping System

Cost Centers

1. Every transaction is linked to an income/expense account and balance sheet account. Can also track by program and grant.



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Conservation Organization		Total
Master Proposed Budget by Project & Function		Proposed Budget
Income		
	Foundation grants	175,800
	Individual contributions	22,900
	Other Income 1	5,900
	(Interest)	2,800
Total Income		207,400
Expense		
	Personnel Expenses	
	Payroll	123,750
	Payroll tax & sick comp	9,370
	Benefits	35,546
	Personnel Expenses	168,666
	Project-specific Expenses	
	Conferences	250
	Travel	650
	Contract Help	4,500
	Communications	2,800
	Project-specific Expenses	7,400
	Shared Operating Expenses	
	Rent	3,450
	Phone	1,702
	Travel	5,203
	Supplies	551
	Business plan	1,375
	Shared Operating Expenses	12,401
Total Expenses by Function		194,407
Net Income		\$ 12,993

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Conservation Organization							
Master Proposed Budget by Project & Function							
		Total	← Projects			← Functions →	
		Proposed Budget	Protecting Wildlife	Education Programs	Stewardship	Total Programs	Fund Raising & Gen Supt Income
							Admin (Mgt. & Gen)
Income	Foundation grants	178,800	45,000	25,000	48,800	118,800	42,000
	Individual contributions	32,800	-	-	-	-	32,800
	Other Income 1	5,800	5,000	-	-	5,800	-
	Interest	2,800	-	-	-	-	2,800
Total Income		219,200	50,000	25,000	48,800	141,800	64,000
Expense							2,800
Personnel Expenses							
Payroll		139,750	35,000	16,000	33,250	84,300	38,300
Payroll tax & work comp		9,310	2,500	1,080	2,150	6,550	2,450
Benefits		25,540	6,500	3,018	6,845	17,827	6,964
Personnel Expenses		174,600	44,000	20,098	41,455	121,677	47,714
Project-specific Expenses							5,175
Conferences		250	250	-	-	250	-
Travel		850	250	700	200	850	-
Contract Help		4,500	2,000	-	-	4,500	-
Communications		2,800	-	1,000	-	2,800	-
Project-specific Expenses		7,400	2,500	1,980	260	7,400	-
Shared Operating Expenses							
Rent		3,450	950	333	833	2,966	1,000
Phone		1,702	513	955	417	1,220	508
Travel		5,203	1,513	500	1,250	3,838	1,508
Supplies		651	176	60	125	389	154
Disposal pig		1,375	375	134	333	862	408
Shared Operating Expenses		12,401	3,526	1,983	2,958	8,555	3,564
Total Expenses by Function		194,407	50,026	22,981	44,614	127,632	51,304
Net Income		\$ 24,793	\$ (26)	\$ 2,019	\$ 1,386	\$ 3,368	\$ 12,696

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Conservation Organizations Protecting Wildlife Budget	Total	Grants		
	Protecting Wildlife Budget	Grant 1	Grant 2	New Grant
Income				
Grants Foundation	225,000	150,000	75,000	-
Individual Contributions	-	-	-	-
Barred Income	-	-	-	-
Other Income	-	-	-	-
Interest	-	-	-	-
Total Income	225,000	150,000	75,000	-
Expense				
Personnel Expenses				
Payroll	160,000	96,000	48,000	-
Payroll tax & work comp	13,000	7,000	6,000	-
Benefits	28,250	16,000	8,000	-
Personnel Expenses	201,250	121,000	62,500	-
Project-specific Expenses				
Communication	1,000	-	-	-
Conferences	4,000	1,000	100	-
Contractors	5,000	2,500	1,500	-
Supplies	500	300	200	-
Travel	20,000	10,000	5,000	-
Project-specific Expenses	30,500	13,700	6,900	-
Share of Operating Expenses				
Rent	11,700	6,200	2,300	-
Utilities	2,800	1,200	500	-
Online Services	8,800	4,500	1,700	-
Interest	685	360	130	-
Insurance	3,685	1,800	700	-
Bank Charges and Fees	200	-	-	-
Printing	1,225	600	200	-
Supplies	735	400	150	-
Share of Operating Expenses	29,600	16,360	5,700	-
Total Expenses by Function	262,592	156,060	75,900	-
Net Income	\$ (37,592)	\$ -	\$ -	\$ -

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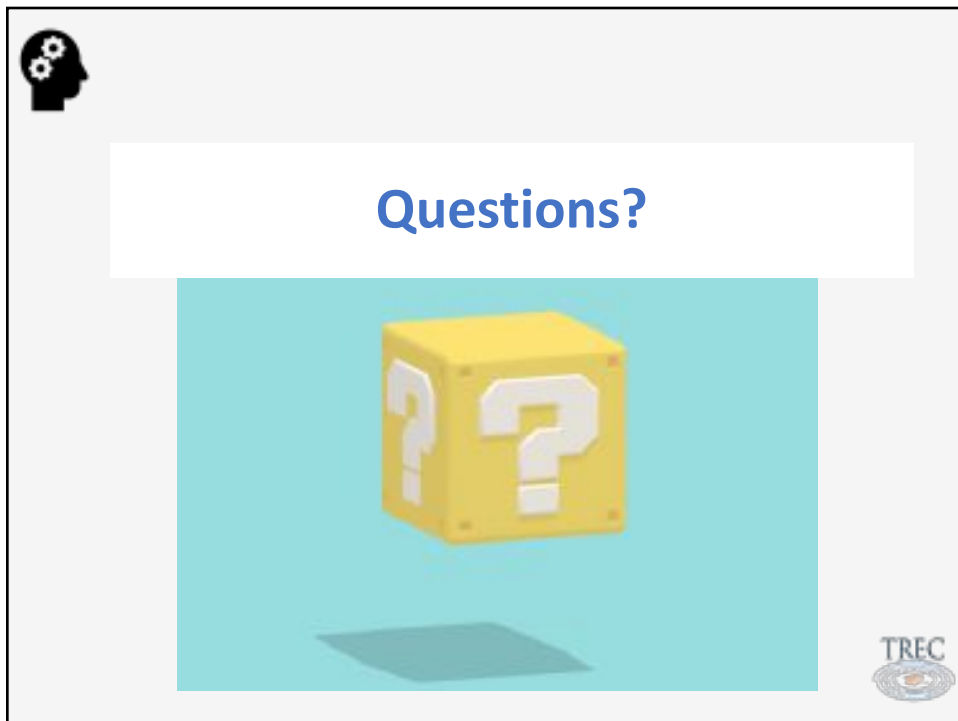
2. Elements of the Bookkeeping System

Policies and Procedures

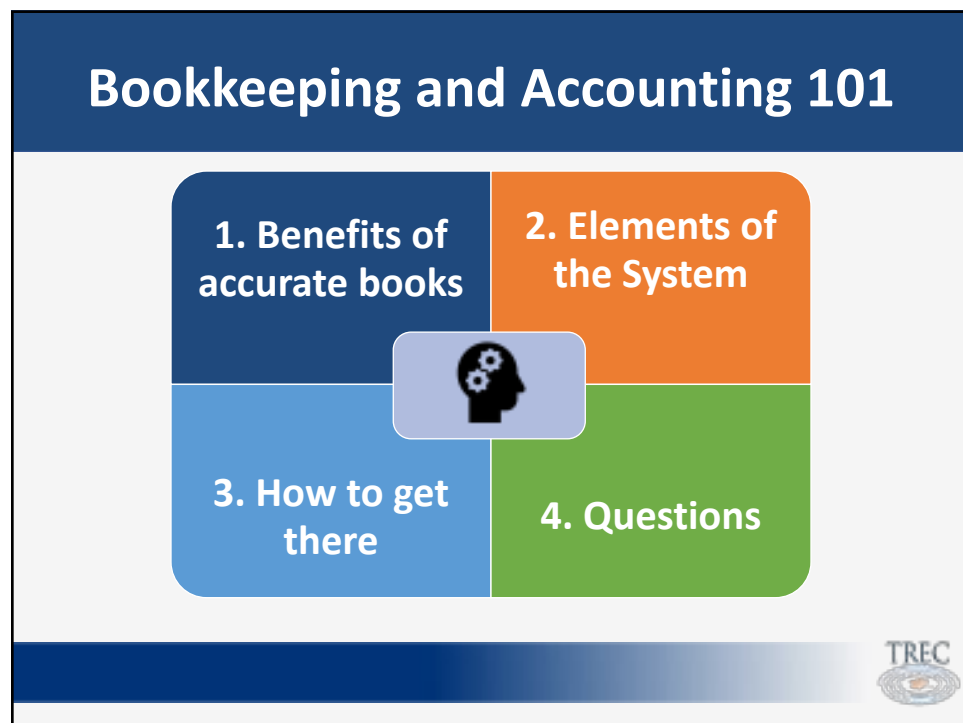
1. How are the financial processes handled
2. Who does what and how
3. This is the instruction manual for the bookkeeping and the basis of fiscal controls
4. Many organizations don't have this yet

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Start where you're at

Still using Excel

- Haven't yet set up an accounting system

Using QuickBooks but basic

- Using QuickBooks, but not tracking programs or grants accurately

Using QuickBooks well

- Tracking by programs and grants well. Running budget to actual reports.

3. How to get there



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Still using Excel

- Haven't yet set up an accounting system

1. Get & Setup QuickBooks
2. Get help to set up chart of accounts and class structure
3. Review Fiscal Controls
4. Produce basic reports

3. How to get there



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Using QB but
basic

- Using QuickBooks, but not tracking programs or grants accurately

1. Setup class system for tracking income/expense by program
2. Setup grant tracking by class, location, or customer
3. Budget by program
4. Run budget to actual reports
5. Review fiscal policies and procedures

3. How to get there



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Using
QuickBooks well

- Tracking by programs and grants well. Running budget to actual reports.

1. Review and update fiscal policies and procedures to ensure compliance with GAAP
2. Implement indirect (shared) costs for programs and write into grants
3. Run scenario planning for dealing with current crisis

3. How to get there



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Bookkeeping and Accounting 101

1. Benefits of accurate books

2. Elements of the System



3. How to get there

4. Questions



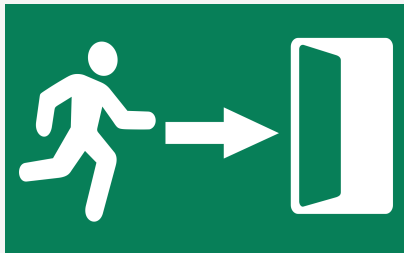
37



Evaluation of this webinar

As you exit the webinar...

Please fill out our brief survey!



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Questions?



How to Participate

Using your control panel...

- **RAISE YOUR HAND** if you would like to be unmuted to speak your question
- OR continue to submit questions and comments via the **Questions** panel.

Thank you for attending today's webinar! We will stay after to answer your questions, but feel free to exit the webinar if you need to go.

