GoToWebinar Housekeeping

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).

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FRIENDS GRASSROOTS NETWORK

CONSERVATION LANDS FOUNDATION

Grassroots Advocacy Program

Filling the GAP for Conservation

Harnessing the collective knowledge and passion of the Friends Grassroots Network and providing resources to build capacity and future success on our National Conservation Lands.

Modules of Learning

Grassroots Advocacy	Community Engagement	Leadership & Management
Enhance organizational knowledge and capacity in policy and legal work.	Enhance partners’ abilities to communicate and interact with their communities in culturally relevant ways.	Invest in individuals to develop and refine their leadership capacity and organizational effectiveness.

Intended Outcomes

- Stronger, more capable, confident and diverse leaders working to protect National Conservation Lands
- A more powerful and resilient network of leaders
- A pipeline of effective, diverse, well-trained leaders in the conservation movement
- Individualized coaching of community-based, skillful change makers

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Training Resources for the Environmental Community Presents:

Non-Profit Accounting 101

Presented by: Joe Golinveaux

TREC Financial Manager

February 2, 2021

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Benefits of Accurate Books

Let’s stay engaged

Ask questions- specifics ok!

Ask for clarity

Use question box

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Bookkeeping and Accounting 101?

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Bookkeeping and Accounting 101

- Legal
- Strategy
- Reporting
- Risk Management

- Software
- Documentation
- Data Entry and Reconciliation
- Restricted Funds
- Cost Centers

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

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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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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. Finger on the pulse, make changes as needed
4. Program planning based on income/expense

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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

Statement of Financial Position (balance sheet)

Assets: What you have

Liabilities: What you owe

Equity: What's left

Sample Group	9:05 AM
Balance Sheet	10/31/2015
As of September 30, 2015	Accrual Basis
	Sep 30, 15
ASSETS	
Current Assets	
Checking/Savings	
Checking	19,321
Savings	42,105
CDs	55,000
Total Checking/Savings	116,426
Other Current Assets	
Prepaid Expenses	7,630
Total Other Current Assets	7,630
Total Current Assets	124,056
Fixed Assets	
Equipment	12,543
Accum. Deprec-Equipment	-8,765
Total Fixed Assets	3,778
TOTAL ASSETS	127,834
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable-Vendors	26,664
Total Accounts Payable	26,664
Other Current Liabilities	
Vacation Payable	27,174
Total Other Current Liabilities	27,174
Total Current Liabilities	53,838
Total Liabilities	53,838
Equity	
Net Assets-Restricted	12,500
Net Assets-Unrestricted	32,349
Net Assets-Board Reserve	55,000
Net Assets-Fixed Asset Value	3,778
Net Income	-33,460
Total Equity	57,667
TOTAL LIABILITIES & EQUITY	127,834

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1. Benefits of Accurate Books

Statement of Activity (profit and loss)

Budget to Actual

Sample Group

Profit & Loss Statement

January through September 2015 75%

What's come in

What's gone out

What's Left

	ACTUAL YEAR -TO-DATE
Income	
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	
Salaries and Wages	482,388
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 Subscriptons	487
Staff Recruitment	1,750
Insurance	2,450
Licenses, Taxes, Dues, Fees	50
Equipment Purchases	4,872
Opportunity/Contingency/Misc	0
Total Expense	699,351
Net Income	-33,460

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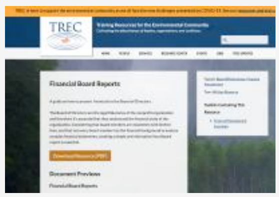
1. Benefits of Accurate Books

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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1. Benefits of Accurate Books

Manage Risk

1. Control over spending
2. Aware of shortfalls and changes
3. Fiscal Controls

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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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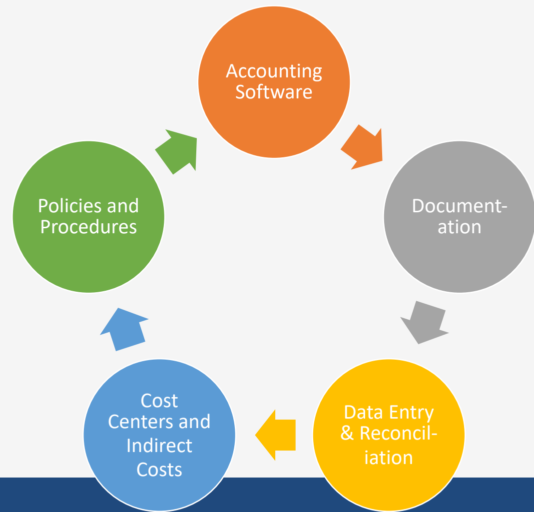

2. Elements of the Bookkeeping System

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2. Elements of the Bookkeeping System

Accounting Software

1. Excel is limiting
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

Master Proposed Budget by Project & Function

			Total Proposed Budget
Income			
	Foundation grants		178,000
	Individual contributions		22,000
	Other Income 1		5,000
	Interest		2,000
Total Income			207,000
Expense			
	Personnel Expenses		
		Payroll	139,750
		Payroll tax & work comp	9,310
		Benefits	25,546
	Personnel Expenses		174,606
	Project-specific Expenses		
		Conferences	250
		Travel	650
		Contract Help	4,500
		Communications	2,000
	Project-specific Expenses		7,400
	Shared Operating Expenses		
		Rent	3,450
		Phone	1,762
		Travel	5,263
		Supplies	551
		Bookeeping	1,375
	Shared Operating Expenses		12,401
Total Expenses by Function			194,407
Net Income			$ 12,593

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Conservation Organization

Master Proposed Budget by Project & Function

	Total Proposed Budget	<------------ Projects Protecting Wildlife	Education Program	Stewardship	<---------- Functions Total Program	Fund Raising (& GenSupt Income)	----------> Admin (Mgt & Gen)
Income							
Foundation grants	178,000	45,000	25,000	46,000	136,000	42,000	-
Individual contributions	22,000		-	-		22,000	-
Other Income 1	5,000	5,000	-	-	5,000	-	-
Interest	2,000	-	-	-	-	-	2,000
Total Income	**207,000**	**50,000**	**25,000**	**46,000**	**141,000**	**64,000**	**2,000**
Expense							
Personnel Expenses							
Payroll	139,750	35,000	16,600	33,250	97,300	38,300	4,150
Payroll tax & work comp	9,310	2,500	1,080	2,161	6,550	2,490	270
Benefits	25,546	6,500	3,018	6,045	17,827	6,964	755
Personnel Expenses	**174,606**	**44,000**	**20,698**	**41,456**	**121,677**	**47,754**	**5,175**
Project-specific Expenses							
Conferences	250	250	-	-	250	-	-
Travel	650	250	100	200	650	-	-
Contract Help	4,500	2,000	-	-	4,500	-	-
Communications	2,000	-	1,000	-	2,000	-	-
Project-specific Expenses	**7,400**	**2,500**	**1,100**	**200**	**7,400**	-	-
Shared Operating Expenses							
Rent	3,450	950	333	833	2,366	1,000	83
Phone	1,762	512	166	417	1,220	500	42
Travel	5,263	1,513	500	1,250	3,638	1,500	125
Supplies	551	176	50	125	389	150	13
Bookkeeping	1,375	375	134	333	942	400	33
Shared Operating Expenses	**12,401**	**3,526**	**1,183**	**2,958**	**8,555**	**3,550**	**296**
Total Expenses by Function	**194,407**	**50,026**	**22,981**	**44,614**	**137,632**	**51,304**	**5,471**
Net Income	**$ 12,593**	**$ (26)**	**$ 2,019**	**$ 1,386**	**$ 3,368**	**$ 12,696**	**$ (3,471)**

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2. Elements of the Bookkeeping System

Restricted Fund Tracking

1. Purpose or Time Restriction
2. Must be tracked separately
   a) Not accidently spending on other things
   b) Not double-dipping
   c) Know balances and grant budget vs. actuals
3. Track by customers, classes if very simple

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2. Elements of the Bookkeeping System

Policies and Procedures

1. Builds on Fiscal Controls
2. How are the financial processes handled
3. Who does what and how
4. This is the instruction manual for the bookkeeping and the basis of fiscal controls

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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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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 and functional expense
2. Setup grant tracking by customer, or class if simple
3. Budget by program
4. Reporting: budget vs. actual and board narrative
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. Review scenario planning and program sustainability

3. How to get there

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Bookkeeping and Accounting 101

1. Benefits of accurate books
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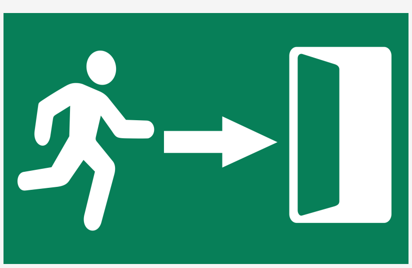
Evaluation of this webinar

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.

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