

GSDCA FINANCIAL GUIDE

PURPOSE of GUIDE

This guide has been created to ensure that the GSDCA follows GAAP financial principals. The GSDCA is managed by volunteers voted into the positions by the membership who at times, may not have the financial acumen to financially manage this non-profit organization.

This guide is an aid for all to ensure that the GSDCA remains financially viable, with the necessary controls in place while promoting the German Shepherd Dog, our Membership and the Club.

BOARD OF DIRECTORS RESPONSIBILITES

Board will select an audit firm at the January board meeting to perform an audit according to current US GAAP requirements and issue a report of the prior year results. Any special requests or reports of the audit firm should be decided at this meeting.

Insure the Board understands the Budget presented at the April board meeting by the Budget & Finance Committee and approve the Budget.

Review quarterly actual P&L results to Budget at the BOD meetings to insure Board understands the YTD results. It is likely the Q3 results will not be available at the October board meeting due to time commitments with National Shows.

Review and approve the audit report prepared by the Audit Firm during July board meeting. Review and take action on any recommendations listed in separate letters such as SAS114 and SAS 115.

Approve the placing of the audit report on the club website with access to members only after the July board meeting.

TREASURER QUALIFICATIONS

The Treasurer shall have a minimum of five (5) years of professional public or professional private accounting experience.

OPERATIONAL GUIDELINES

The Treasurer, or a designee, shall collect and receive all monies due or belonging to the GSDCA. He/she or designee shall deposit those monies in a timely manner (generally within 10 days after receipt) the same in a depository satisfactory to the Board, in the name of the GSDCA.

The Treasurer will prepare a revenue voucher for each deposit that will be submitted to the Accounting Firm for entry in QuickBooks shortly after the month ends – generally within 10 days.

Expenditures of funds shall be initiated by the Treasurer after approval from the President and/or Chairperson of Budget and Finance Committee. The Treasurer will prepare an expense voucher or provide documentation agreed upon to the Accounting firm for entry in QuickBooks and online payment processing by the Accounting Firm.

The Accounting Firm will take steps to close the GSDCA records each month; including bank reconciliations, posting all revenue, expenses and adjusting items. It will send the monthly results to the President, Treasurer and Chairperson of Budget & Finance Committee.

The Accounting Firm will work with the Public Accounting Firm that prepares the GSDCA annual tax return to insure timely filings occur.

The GSDCA results for the previous fiscal year and results for the current year to date if deemed necessary by the Board will be presented by the Treasurer at the GSDCA Annual Meeting.

Introduction

The purpose of the remainder of this document is to provide a guide for the Treasurer and the Accounting Firm performing the accounting activities of GSDCA in a manner conforming accepted accounting practices. Each is encouraged to update this section as changes occur without any Board approval required.

General Closing Guidelines

For GSDCA's book closure and reporting purposes, periodic closure is defined as activities or adjustments carried out on a monthly, quarterly and annual basis.

The activities / adjustments required by the Treasurer or Accounting Firm for period end closing of the GSDCA records can be broadly classified as follows:

1. Downloading or printing of bank & investment statements;
2. Preparation of accounting entries necessary to record revenue or deferred revenue from individual counter deposits (obtained from monthly bank statements) using the revenue journal form and credit card deposits processed through the "Store" by updating the month-end file received from WebMaster with the GL accounts;
3. Preparation of accounting entries necessary to record bank fees, credit card fees, and adjustments to revenue from checks/deposits dishonoured (NSF) (obtained from monthly bank statements);
4. Preparation of accounting entries necessary to record bank interest earned, interest earned from investments, and any short/long term gains/losses in investment account(s) (obtained from monthly bank and Morgan Stanley statements) using journal voucher form;
5. Preparation of accounting entries necessary to record credit card statements as accounts payable. The current credit card statement cut-off date with Bank of America is the 16th of month.

6. Preparation of accounting entries necessary to record contract labor payments and USPC mailing fees incurred for Review magazine.
7. Inventory adjustments that reflect sales and cost of goods sold – done with estimates during March, June and September closing and at December based on physical count; and
8. Manual Journal Entries and misc. adjustments as necessary to correct any prior period errors.
9. Regular vendor payments and monthly accounting entries are reviewed and approved by GSDCA President and/or Budget & Finance Chairperson.
10. Purchases or commitments exceeding \$500 require prior approval of the President even if the item(s) in question are budgeted.

Chart of Accounts

1. GSDCA's Chart of Accounts for QuickBooks (QB) is currently structured as shown in the file named "GSDCA chart of accounts".
2. The Treasurer shall have the ability to add / edit GL Accounts in the Chart of Accounts (COA) if deemed necessary after approval from the President or Budget & Finance Chairperson.
3. An annual review of the COA shall be undertaken by the Treasurer and/or Budget & Finance Committee to identify any redundant GL Accounts, example those accounts that have not been used over 24 months.
4. A listing of the GL accounts to be deactivated shall be sent to the accounting firm entering transactions in QB with instructions to 'blocked'.

Vendor Payment Processing

1. Invoices are received by the Treasurer via USPS or email from the vendor or Committee Chairperson. The Committee Chairperson gives approval to pay and if possible provides the GL account and class to used when recording the entry in QB.
2. Using discretion, the Treasurer prepares a weekly AP summary including the vendor names, payments with brief comments. Individual pdfs containing the invoices to be paid are emailed to the President and Budget & Finance Chair for approval of accounting and payment. The Accounting firm is copied on this email and approval for use when performing payment processing.

Nationals:

Major time commitments are necessary by the Treasurer in advance of and during the week of the Shows involving Agility, Confirmation, Herding, Performance, SV, and Tracking. Some issues to be aware of are:

1. Prepayment of host hotel(s) – some portion or all in advance is the norm,
2. A listing of individuals whose rooms are being paid should be obtained from the National Show Coordinator to facilitate final settlement of host hotel,
3. Ability to process credit card payments at the show venue,

4. Cashiers to count funds received for Store Products, Catalogs, Reserved Seating, Dinner tickets, etc.,
5. Night deposit availability,
6. Some vendors require advance payment in full – trophies, ribbons, chairs, risers, and sound systems,
7. Most judges expect payment when assignments are complete. It helps if National Show Coordinator provides copies of judge contracts in advance of show to insure judge reimbursements are correct,

SV Shows:

Some time commitment is necessary by the Treasurer in advance of and during the week(s) of the SV Shows. Some issues to be aware of are:

1. Prepayment of host hotel(s) – some portion or all in advance is the norm,
2. A listing of individuals whose rooms are being paid should be obtained from the National Show Coordinator to facilitate final settlement of host hotel,
3. EURs may be needed to pay SV judges if from Europe,
4. Most judges expect payment when assignments are complete. It helps if National Show Coordinator provides copies of judge contracts in advance of show to insure judge reimbursements are correct,
5. Some vendors require advance payment in full – trophies, ribbons, chairs, risers, and sound systems,

Revenue recognition

The revenue recognition process was simplified beginning with 2015 results. The process impacts regional club dues, membership renewals and & Futurity Litter Nominations.

Membership renewals for individuals or regional clubs and Futurity Litter Nominations received from January 1 to September 30 are considered revenue for the current year. This includes multiple year renewals by individuals. Payments received from October 1 to December 31 are considered revenue for the following year.

Funds received during this time are recorded as unearned revenue in the following manner:

- Unearned Rev – Regional Club
- Unearned Rev - Membership
- Unearned Rev - Review
- Unearned Rev - Futurity

Membership renewal funds from individuals are split according to the following table:

Type	Single – online	Single – print	Family – online	Family – print	Lifetime – print	Junior – online
1 yr – total	\$45.00	\$75.00	\$70.00	\$115.00	\$45.00	Free
Review	\$20.00	\$36.00	\$20.00	\$36.00	\$36.00	
Mbrship	\$25.00	\$39.00	\$50.00	\$79.00	\$9.00	
3 yr – total	\$130.00	\$215.00	\$200.00	\$325.00	na	na
Review	\$58.00	\$103.00	\$58.00	\$103.00		
Mbrship	\$72.00	\$112.00	\$142.00	\$222.00		
5 yr – total	\$215.00	\$355.00	\$325.00	\$545.00	na	na
Review	\$96.00	\$170.00	\$96.00	\$170.00		
Mbrship	\$119.00	\$185.00	\$229.00	\$375.00		

Any extra fees collected for specialized mailing are allocated to Review.

Miscellaneous Annual Actions:

1. USPS form 3526 - filing with the USPS is due by Oct 1 each year. Information for the report is obtained from Sutherland Printing invoices. The Excel file named “Form 3526” has been used to complete the form. It must be published in the Review to comply with current regulations.



Form 3526.xlsx



GSDCA 2016 USPS Form 3526.pdf

2. Directors and Officers liability renewal forms are submitted during Q4 of each year. Do not be alarmed when a cancelation notice is received. This is an advance notice that has no meaning once the application is received and approval granted.
3. General liability and excess liability renewal forms are submitted during August/September time period.
 - a) An audit of the prior year member count and events hosted may be received in late October/early November. The average membership count is obtained from the Membership Chairman and number of events hosed from the web site.

IDs and Passwords

A separate file with web sites, user ids and passwords will be sent in a separate, password protected file. This information will be readily available when there is a change in Treasurer for the organization.

Signature cards and Credit Cards:

Signature cards for Bank of America and Morgan Stanley are updated during January board meeting. Extracts from the board minutes that authorize the updating of

signature cards generally must be signed by the President and Recording Secretary to meet the requirements of these institutions.

There are 3 Credit Card in the GSDCA name – Bank of America does not require a personal guarantee. Extracts from the board minutes that authorize the updating of the credit cards with the new Treasurer's name and removal of the outgoing Treasurer generally must be signed by the outgoing Treasurer, President and Recording Secretary to meet the requirements of these institutions.