

ACC-9 Help Guide 'M'

for Completion

This Help Guide supports the Multi-bank/financial accounts (with 'float' or 'petty cash') 'electronic' self-calculating Excel spreadsheet version ACC9M of the ACL ACC9 series, for use starting 1 September 2007.

Alternatively, Treasurers may use the single-bank account 'electronic' self-calculating Excel spreadsheet version (ACC9S), or the hand written (or 'paper') version (ACC9P). The 'electronic self-calculating' versions produce the respective ACC9S or ACC9P from included accounting journals. They are highly recommended for a Treasurer who has access to a computer.

General – The **Cash Method** of accounting, vice the Accrual Method, is highly recommended. If you must use the Accrual Method, consult your Provincial Committee (PC) to confirm your requirement and expertise to do so.

General – The actual ACC9M (pages 1 to 5) is supplemented by linked and self-calculating **worksheets and journals**. Along with your PC you'll have to decide from the options of printing the finalized ACC9M and submitting it as a hard copy, or submitting the entire Excel folder electronically with electronic signatures or alternatively with a mailed hard copy of the page(s) containing signatures.

General – There are **instructions** imbedded in the ACC9M Excel folder. These will likely suffice once you become acquainted with the process. This Help Guide offers more comprehensive instructions in the sequence they are likely required.

CAUTION - DO NOT ENTER data directly into any of the **YELLOW cells** (i.e. those that show a formula when clicked on) anywhere in the Excel Folder (or use 'delete' in those cells). For example, that includes, but not at all limited to, yellow cells on pages 2, 3 and 4 of the ACC9M itself as cells in those pages get their amounts mostly from the revenue or the expense journal worksheets. If you key in directly in any of the yellow cells anywhere in the ACC9M Excel folder, your ACC9M will not balance.

Let's get started!

a) ACC9M Page 1 – ID

Page 1 is self-explanatory. Do fill it out completely.

- For 'Jurisdiction', click on the box and select from the 'drop list of PCs' that appears.
- For 'Year Ending August 31', click on the box and select the appropriate year from the 'drop list'. The selected year will propagate automatically to other pages.
- The Squadron Sponsoring Committee name to be entered is the official, ACL-approved SSC name.
- The SSC mailing address to be used here is that to which ACC-9 correspondence is to be sent – perhaps the treasurer's address.
- The Registered Charity number consists of a five-number group, followed by a four-number group, followed by 'RR' and four numbers – eg 00000 0000 RR0000. Usually SSCs that acquired their Registered Charities status through the Air Cadet League will have a 12559 3657 RR---- number, the last 4 digits being unique to your Squadron SSC.

b) ACC9M Page 5 - 'Fixed Asset Inventory'

- Fill out this list next. If required, change the category titles in the green areas. **Do not** enter data in the yellow cells.
- This page is otherwise self-explanatory.

c) 'Data Set Up' page (first tab at bottom of the Excel window)

- You'll need data information from your previous year ACC9 for this page.
- Key in Sqn Number and SSC Official Name in cells C4 and C5.
- For cell E3, click on the year and select the correct year from the drop down menu.
- Fill out cells J7 and J11 to J14 from last year's ACC9. Cell J15 will self-calculate. Cells J7 and J15 must match. If they don't, an error message will show in the yellow Line 16.
- Enter in cell F20 the (pre-reconciliation) Main Account Bank Balance from midnight on 1 September (i.e. the start of the current fiscal year). It is equivalent to the amount in cell F24 for the previous year's ACC-9 (or cell M8, being Line 1B, of last year's ACC-9 Balance Sheet).
- Next, IF YOU ARE AT YEAR END (or any other time you want a reconciliation), proceed with the reconciliation of the main bank account section. Fill in cells J19, L20, H/I/J 23 to 31 and H/I/J 35 to 41.
- If you run a Petty Cash system or Float at the squadron, enter the Opening Balance in green cell D49. This should be \$0 if you closed out the previous year's petty cash or float to your main account by depositing the then remaining petty cash or float to the main account. Otherwise if you did not close out the petty cash or float, it should be the prior year's remaining petty cash.
- Enter the Opening Balance for all other accounts the SSC has in green cells D55, 61, 67, 73, 79 and J49, 55, 61 and 67. (You may change account names – e.g. in cell B48 – to suit your situation.)

d) 'Other Reconciliation(s)' page (second tab at bottom of the Excel window)

- IF YOU ARE AT YEAR END (or any other time you want a reconciliation), proceed on this page to reconcile accounts other than the main account (e.g. in this case the Nevada Account).

e) 'Investments Worksheets' page (third tab at bottom of the Excel Window)

- Proceed as desired with the Investments worksheets as per instructions on the page and do a reconciliation. Do not miss scrolling down the page for the second sheet.

f) 'Revenue Journal' and 'Expenses Journal' (fourth & fifth tabs at bottom of the Excel window)

- i. You will note that columns 'A' to 'O' are fixed columns, while the columns further right are scrolled via the bar at the bottom of the page. Depending on the size of your screen you may have to squeeze the fixed columns towards the left to be able to view two or three of the scrolling columns.

- ii. In the 'A' column of the 'Revenue' Journal, if not already there, enter a sequential number and in the 'A' column of the 'Expenses' Journal, enter the sequential cheque number of the expense or disbursement.
- iii. In the 'B' column, enter the date of the bank deposit ('Revenue' Journal) and the date of the cheque ('Expenses Journal').
- iv. In the 'C' column, enter the 'who' and 'what'.
- v. In the 'D' column, enter the amount of the Revenue or Cheque if it relates to the Main Account. If it relates to another account, enter in the appropriate column ('E' to 'N').
- vi. The amount you enter in one of the columns 'D' to 'N' will automatically show in column 'O', the **'Proof'** column. You then need to assign that amount to a column from 'P' to 'AV' (Revenue Journal) or from 'P' to 'BE' (Expenses Journal). You may in fact divide the amount into two or more columns (e.g. the bank deposit included monies belonging to several categories of revenues. Or the cheque included expenses belonging to two or more categories). When you have assigned the entire amount to appropriate column(s), column 'O' will go down to ZERO. It MUST! If it does not, an ERROR message will appear in cells A1 and A6 (revenues) (or A5 for expenses). You must then take corrective action to eliminate the error.
- vii. **Petty Cash or Float Entries:** When dealing with these entries, you are in fact transferring money from one account to another (i.e. main account and petty cash accounts).

Initial funding of the Petty Cash Account:

- Expense journal entry - As funding of the petty cash is by means of a cheque payable to the CO, enter the cheque in the expense journal, column main/operating account. Regarding the 'Categories' columns, as this is not yet an expense, enter the cheque amount in the 'Transfer' column at the extreme right hand of the journal. The proof column will then become \$0.00
- Revenue journal entry - To reflect the transfer of the amount of the cheque to the petty cash, you now need to enter a deposit for the same funding amount. In the Revenue journal, enter the deposit (for the same amount as you entered in the expense journal described above) in the Petty cash column, AND in the extreme right hand "Transfers between accounts" 'Categories' column.

Recording Expenses out of the Petty Cash Account:

- Recording of expenses out of the petty cash should be done upon the surrender of receipts. You record the total of all the receipts in the Expense journal, under the Petty Cash account column, AND split the total into various amounts entered under the appropriate 'Categories' columns until the Proof column shows \$0.00.

Replenishing the Petty Cash:

- Your next step, presumably required, will be to replenish the Petty cash. Simply repeat the initial funding steps but for the same amount as the total of the receipts submitted and accounted for in the foregoing.

Year End Petty Cash Closing:

- At the year-end (or anytime you want to 'zero' the Petty Cash account), the unspent funds are returned to the bank account. At that point you record the expenses for the outstanding receipts, as indicated above in "Recording Expenses out of the Petty Cash account", then transfer the remaining book balance shown on the "Data Set Up" page in cell D52, by following the methodology above in 'Initial Funding', but **in reverse**, namely in the Expense journal enter the balance of the petty cash as a withdrawal under the "Petty Cash" column, and the same amount in the "Transfer" column. Then enter the amount as a deposit to the main account in the Revenue journal column "Main account", and in "Transfer between accounts". If the petty Cash is not returned/closed at year-end, enter the outstanding amount in cell D49 of the "Data Set Up" page to start the Next Year's ACC9.

Petty Cash Control:

- Periodically, but definitely at year-end, the petty cash should be verified by an actual cash count, and the actual cash on hand reconciled (verified) with the indicated balance in your books as shown in cell D52 on the "Data Set Up" page.

- viii. Any other transfer of funds between accounts can follow the procedures outlined for Petty Cash.
- ix. Returning to general procedures, the amounts assigned to columns 'P' to 'AV' (Revenue Journal) or from 'P' to 'BE' (Expenses Journal) get propagated automatically to the appropriate Lines on pages 2 and 3 of the actual ACC9, as well as other places, including at the bottom of the column on line 73 (Revenue Journal) and 112 (Expenses Journal).
- x. Now for some *specific instructions* regarding the **Revenue Journal** cell categories on Line 7 in the 'scrolling columns' that correspond to line items on 'Page 2 – Revenues' of the actual ACC9M:
- Category 1a (corresponding to Line 1a of Page 2) – Official Sponsor(s) is/are the one(s) approved by the ACL.
 - Categories 1a, 1b, 1c, 1d and 1e (corresponding to Lines 1a, 1b, 1c, 1d and 1e of Page 2) *may* include tax-receipted donations depending on the request/need of the donor. So it is not only the amount of Line '1g' of Page 2 that needs to be reported for 'receipted donations' when completing Form T3010A for Revenue Canada.
 - Categories Lines 2a and 2b (corresponding to Lines 2a and 2b of Page 2) – Typically, a Provincial Committee runs a provincial lottery whereby squadrons sell tickets. All Sales Income must be turned over to the PC (the licensee). A share or commission is then returned to the SSC. All these transactions go through the SSC's bank account and show up on the SSC's

bank statements. Instructions: Enter 'Sales Income' (i.e. collected money from sales) in Category 2a (corresponding to Line 2a. Enter the money you turn over to the PC in Category **3c** (corresponding to Line **3c**) of the Expenses Journal along with related expenses (e.g. cost of prizes, penalty for lost tickets, etc.). Enter the 'share or commission' awarded by the PC (i.e. returned to the sqn) in Category 2b of the Revenue Journal (corresponding to Line 2b on Page 2). That method is the much preferred way!

HOWEVER, sometimes in practice the process is not as transparent – e.g. Prize or feeding/munchies money is taken out of 'Sales Income' and is not reflected in the bank deposit(s). That is why the alternate method explained in the box below is provided for.

- Category 2c or the 'Revenue Journal' (corresponding to Lines 2c of Page 2) – You might want to show only Gross Revenues, as deposited, in the regular income column and expenses in Category 3f or 3g (corresponding to Line 3f or 3g of page 3). Or you may follow instructions in the box below.
- Categories 2d, 2e and 2f (corresponding to Lines 2d, 2e and 2f of Page 2) – Again, you might want to show only Gross Revenues, as deposited, and expenses in Category 3e (corresponding to Line 3e of page 3). Or you may follow instructions in the box below.

SPECIAL INSTRUCTIONS for Categories 2a, 2c, 2d, 2e, 2f and 4d of the 'Revenue Journal' (corresponding to Lines 2a, 2c, 2d, 2e, 2f and 4d of Page 2):

These Categories make provision for showing/inserting the 'Gross Revenue' minus the 'Directly-Extracted-at-Source Expenses' in the column cell at Line 7. The resulting 'Net Income **Deposited**' is then entered in the usual cell in the 'Revenue Journal'. Again, it corresponds to the actual **bank deposit**. If you have no 'Directly-Extracted-at-Source Expenses', show '0' expenses and enter the gross income in the regular cell, equating to the **bank deposit(s)**.

Aside from the PC Lottery example above, another case in point would be the squadron canteen when it is run from the proceeds and the canteen person turns in the net proceeds at year end, accompanied by purchase receipt slips. Enter in the column cell at Line 7 the 'Gross Revenues' (Net Proceeds plus Expenses), next enter 'Expenses', then enter "Net Income" in the regular cell, equating to the actual **bank deposit(s)**. The totals may have to be cumulative over the Fiscal Year. This procedure reflects full transactions and permits display of expenditures in the ACC-9 to support the GST Rebate claims.

Other examples can be encountered in arrangements for Casinos, Break Open Tickets, Bingo and Squadron-run Lotteries/Raffles, etc.

Again, it is much preferred to use the method described above the box whereby all monies flow through the bank account.

- Category 3a and 3b of the 'Revenue Journal' (corresponding to Line 3a and 3b of Page 2) – Enter Gross Income only. Related Expenses are

entered in Category 2k and 3a of the Expense Journal (corresponding to line 2k and 3a of 'Page 3 - Expenses').

- Categories 5a to 5d of the 'Revenue Journal' (corresponding to Line 5a to 5d of Page 2) – Includes all recoveries from DND for claimed administration, training and activities expenses. Fit on the most appropriate line.
- xi. Now for some *specific instructions* regarding the **Expense Journal cell categories on Line 6 in the 'scrolling columns'** that correspond to line items on 'Page 3' – Expenses' of the actual ACC9M:
- Most Categories are self-explanatory (and some have been explained above).
 - Category 1b (corresponding to Line 1b on Page 3) – Enter purchase costs. Capitalization is not used. Do inventory equipment on the 'Fixed Assets Inventory' (page 5) using the '\$1 Nominal Value Concept'.
 - Category Line 1c (corresponding to Line 1c on Page 3) – Only enter rental and/or mortgage costs (such as fees and the mortgage interest). (Mortgage principal repayments are handled elsewhere – consult your Financial Compliance Officer).
 - Category 1d (corresponding to Line 1d on Page 3) – Enter local headquarters expenses other than rental and other than all mortgage related costs.
 - Category 2a (corresponding to Line 2a on Page 3) – Enter outlays for training, exercises and activities that will result in eventual recoveries from DND to be entered in categories 5a to 5d of the **Revenue Journal**.
 - Category 2e (corresponding to Line 2e on Page 3) – Durable supplies are 'more than office supplies' such as pens, and 'less than significant equipment that can be inventoried'. Examples of 'Durable Supplies' are pots & pans, plastic storage bins and brooms.
 - Category 2k (corresponding to Line 2k on Page 3) – You may want to use blank categories 2m and 2n to show sub-categories separately.
 - Category 3c (corresponding to Line 3c on Page 3) – See explanation for categories 2a and 2b of 'Revenue Journal'.
 - Category 3d (corresponding to Line 3d on Page 3) - See explanation for line 4d of 'Revenue Journal'.
 - Category 3e (corresponding to Line 3e on Page 3) - See explanation for categories 2d, 2e and 2f of 'Revenue Journal'.

g) ACC-9 Page 2 – Revenues (Statement of Income)

Page 2 lists the typical SSC income entries in five logical groups. It also provides 'open categories' lines where additional unique types of income can be inserted. **BUT DO NOT INSERT ANYTHING IN THE YELLOW CELLS OF PAGE 2. ANY INSERTION or CHANGE NEEDS TO BE MADE IN THE 'REVENUE JOURNAL' PAGE ON LINE 6 OF THE CORRESPONDING COLUMN.**

Please respect the group categories when adding unique types of income. Respecting categorization as best as you can will allow easier and truer statistical data reduction.

- In the column showing numbers 4010, 4020, 4030, etc., you may substitute your own Chart of Account numbers. If you do so, you must also manually change the numbers on Line 5 of the corresponding column in the Revenue Journal. If you can, do keep the numbers shown.
- Do not modify the alpha-numeric such as '1(a)', '1(b)', etc. in columns C/D as these are used by the ACL as standard references.

h) ACC-9 Page 3 – Expenses [Statement of Expenses & Surplus (Deficit)]

Page 3 lists the typical SSC expenses entries in four logical groups. It also provides 'open categories' lines where additional unique types of expenses can be inserted.

BUT DO NOT INSERT ANYTHING IN THE YELLOW CELLS OF PAGE 3.

ANY INSERTION or CHANGE NEEDS TO BE MADE IN THE 'EXPENSE JOURNAL' PAGE ON LINE 6 OF THE CORRESPONDING COLUMN.

Please respect the group categories when adding unique types of expenses.

Respecting categorization as best as you can will allow easier and truer statistical data reduction.

- In the column showing numbers 5010, 5020, 5030, etc., you may substitute your own Chart of Account numbers. If you do so, you must also manually change the numbers on Line 4 of the corresponding column in the 'Expenses Journal'. If you can, do keep the numbers shown.
- Do not modify the columns with alpha-numeric such as '1(a)', '1(b)', etc. in columns C/D as these are used as standard references.

i) ACC-9 Page 4 – Balance Sheet

The '**Current Assets**' and '**Fixed Assets**' sections will have been filled through propagation from other pages.

Proceed to fill in the '**Liabilities and Equity**' part of page 4.

- In the '**Current Liabilities**' section (2000 block), under 'Last year' and 'Current year', enter amounts where applicable on lines 3a to 3e. (If, because of your specific complicated situation, you were approved by your PC to operate with the Accrual Method of Accounting, it would be reflected in this section.)
- Line 3c – If this line is used to reflect and report a short term 'lease', special accounting entries are required. Contact your PC Financial Compliance Officer or an accountant or bookkeeper.
- '**Total Current Liabilities**' Line (3f) – The 'Current Year' amounts of lines 3a, 3b, 3c, 3d and 3e will be automatically summed up and the sum entered in the Far Right column on line 3f.
- '**Long Term Debts**' Section (2200 block) – This should not be an issue as the vast majority of SSCs only have 'current' debt obligations. For the few SSCs that may have 'Long Term Debts' such as Mortgages or a Capital Loan, you need special accounting. Again, contact your PC Financial Compliance Officer or an accountant or bookkeeper.

- **‘Total Long Term Debts’ Line (4d)** – The ‘Current Year’ amounts of lines 4a, 4b and 4c will be automatically summed up and the sum entered in the Far Right column on line 4d.
- **‘Total Liabilities’ Line** – The summed up amounts will be automatically entered in the Far Right column on line 2400.
- **‘Equity’ Section (3000 block)** – All lines (except 5c ‘Current year’) will be filled from propagations from elsewhere in the ACC9M.
- **‘Total Liabilities + Equity’ Line** – The sum in the Far Right column will be automatically shown.

BALANCING – As indicated by the blue/mauve link on page 4, the amounts on lines ‘Total Assets’ and ‘Total Liabilities + Equity’ **must** be equal.

If the amounts are not equal, there is most likely a math, recording or transcribing error. Try to correct the error.

Rounding Adjustment – As the ACC9M (pages 2, 3 and 4) uses integers only (no cents or decimals), you may well show a small difference in the Balancing due to rounding – up to \$8. In such circumstances, you may make a small rounding adjustment on line 5c in the ‘Current Year’ column. You will also have to make adjustment here for the ‘Fixed Assets at Nominal Values of \$1 per Category’.

If Balancing does not occur – In those rare instances when the ACC9M does not balance, it may be due to misappropriation or incorrect reporting in previous years. Thus, if you have exhausted all reviews and ‘retraces’ with due diligence, submit your ACC9M along with an explanatory letter to the PC Financial Compliance Officer requesting assistance and direction. Once satisfied and that further examination deems it appropriate, the FCO may instruct the SSC to pass a resolution to write off the loss or make an adjustment entry to record unexplained income/asset. Should they occur, proven, alleged or suspected fraudulent irregularities need to be pursued by the SSC with guidance, assistance or direction from the PC.

Signatures – In closing, fill in the three signature blocks.

Even though it is expected that the CO will be routinely familiar with the state of the squadron finances, he/she is not signing the ACC9M as a person who is submitting it, but rather to indicate that he/she has seen it and he/she has not, on the surface, detected any abnormalities. On the other hand, if the CO has concerns about the ACC9M as it is being submitted, the concerns should be addressed. If they persist, the CO should annotate the margin and follow up with the chain of command.