Treasurer Training

Welcome to the

Lodge Treasurer Training Seminar

January 14, 2024
Auburn, MA No. 2118

Treasurer Training

THIS ENTIRE PRESENTATION WILL BE MADE AVAILABLE ON www.maelks.org

Treasurer Training

Agenda

- Statutory Duties
- Chart of Accounts
- Lodge Funds Defined
- Bills Against the Lodge / Invoices
- Debit / Credit Cards
- Financial Records / Budgets
- Year End Dates and Duties
- Training Materials Available
- Questions & Answers

Treasurer Training

Treasurer Statutory Duties

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Statutory Duties (Section 12.060)

- Receive ***all*** monies from Lodge Secretary
- Pay ***all*** approved bills against the Lodge
  - Payment of recurring bills after approval of the Board without Lodge approval if in By-Laws. Payment to be reported at next Lodge meeting.
- ***Only*** Member of the Lodge authorized to make electronic fund transfers or payments by debit card
- Must maintain accurate record of receipts and disbursements
- Treasurer of ***all*** Committees unless otherwise provided by the By-Laws

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Statutory Duties (Section 12.060) (continued)

- Sign ***all*** checks unless By-Laws also provide for a member of the Board of Directors/Trustees or a chair Officer designated and approved by the Lodge
- If By-Laws permit, establish and replenish a checking account, not to exceed $5,000 for sole purpose of paying for Club supplies and inventory
- Notify Board of Directors/Trustees when unappropriated cash in Treasurer's possession exceeds the amount specified in the By-Laws
- Attend all District Deputy Clinics (Effective August 2023)

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Duties per Grand Lodge Auditing and Accounting Manual

- Understand the Financial Reporting System (FRS) and see that the financial records of the Lodge are transmitted by the required due dates
- Provide accurate monthly financial statements to the Lodge, Board of Directors and House Committee

Chart of Accounts

Account Numbers

- Use of Approved Uniform Chart of Accounts mandated by Grand Lodge Statutes (Section 4.330)
- Chapter 4 of the Grand Lodge Auditing and Accounting Manual (March 2022) contains complete listing
- Must be five digit account – Parent Account (first 5 digits)
- 2 character subaccounts allowed (alpha/numeric); subaccount must start with related parent account five digits; 1,296 possible subaccounts
- Recommend no decimal points (counts as a character) and will limit number of subaccounts to 36
- Consider use of “Classes” instead of sub accounts for Profit & Loss items

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Account Number Ranges

- Balance Sheet Account number range
  - 10101 through 29900
- Revenue and Expense Account number range
  - 30310 through 99002
  - Departments designated by first two digits
    - 30XXX – Lodge; 40XXX – Bar; 50XXX – Food Service
    - Other Operations 61XXX through 72XXX
    - Restricted Funds 9XXXX

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Subaccount Examples

Valid		Invalid	
Parent	Subaccount	Parent	Subaccount
10201 Checking Lodge General	1020101 Checking Lodge General	10201 Checking Lodge General	1010001 Checking Lodge General
30010 Members Dues Regular	3001001 Members Dues Regular	30010 Members Dues Regular	3001502 Members Dues Regular
40100 Liquor Sales	4010003 Liquor Sales Gin	40100 Liquor Sales	4001103 Liquor Sales Gin

- For Subaccounts in QuickBooks descriptions must be unique; QuickBooks uses the description to distinguish accounts
- Subaccounts must be used for the same purpose as the parent account
- It is possible to have a subaccount of a subaccount; only requirement is the first five digits must match the ultimate parent account

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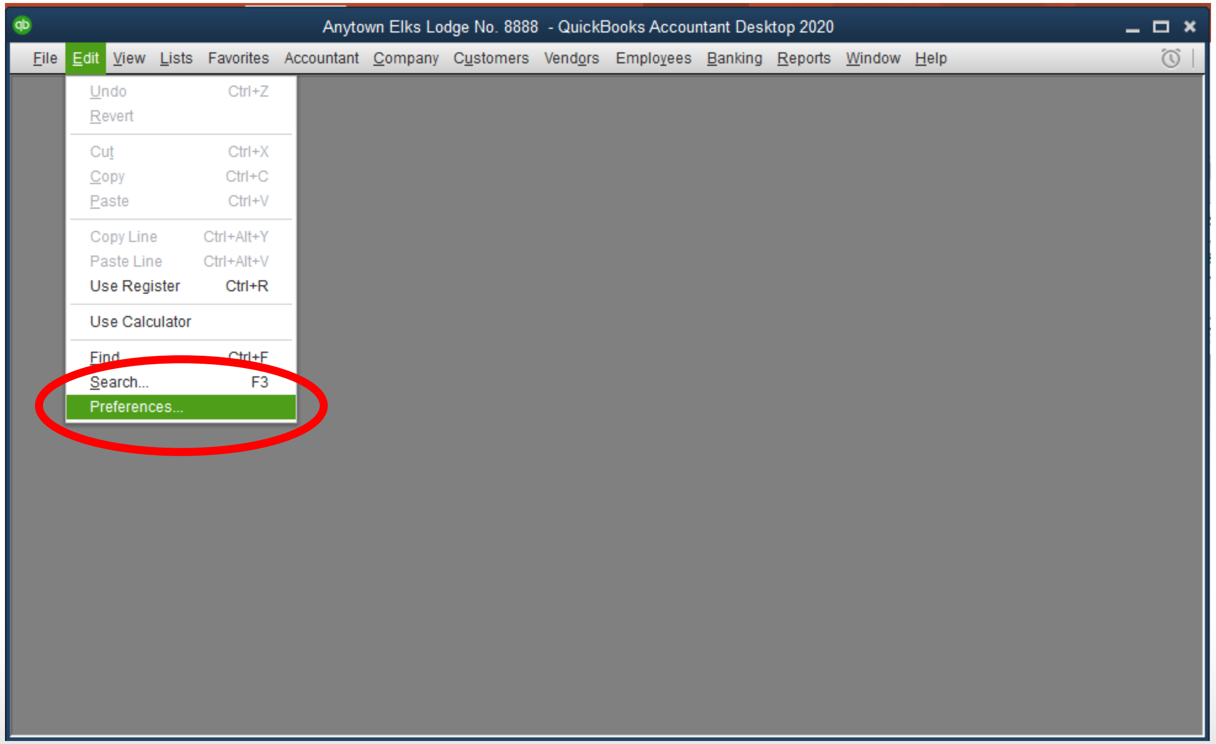
- Lodges should periodically review their Chart of Accounts (COA) and make accounts inactive as needed
- The entire COA is available for download in the Lodge Accounting section of elks.org. The format has been structured to permit uploading directly into QuickBooks.
- Using Account Number in QuickBooks requires a change to the QuickBooks preferences to enable account numbers
- Strongly recommended to change this preference as opposed to adding the account number to the description

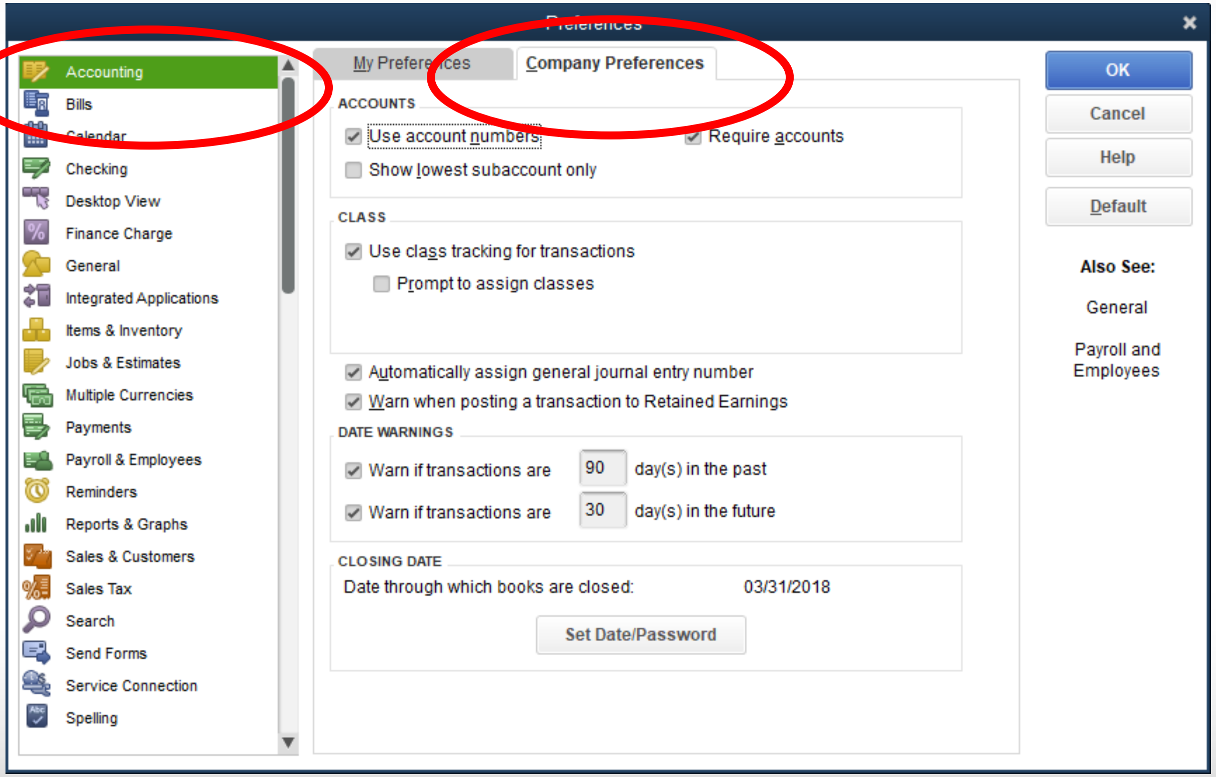
How to Edit Preferences in QuickBooks

From QuickBooks Menu Ribbon select Edit/Preferences



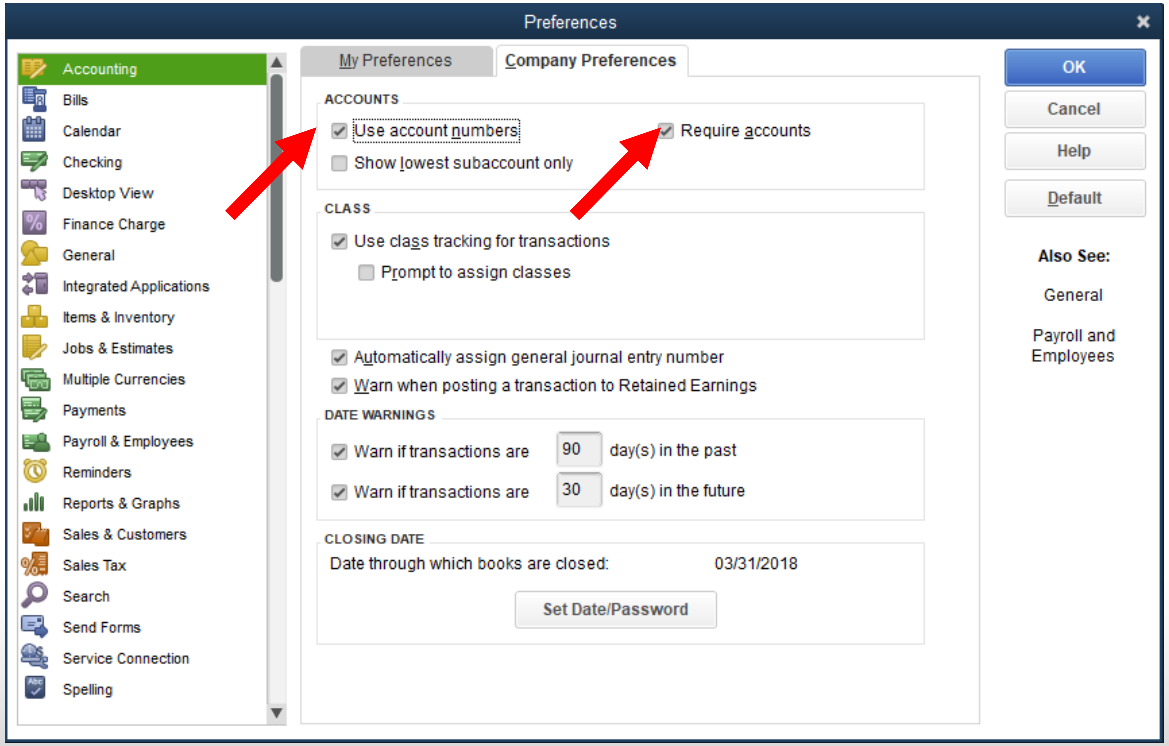
How to Edit Preferences in QuickBooks

Select Accounting from list on left and then the Company Preferences tab



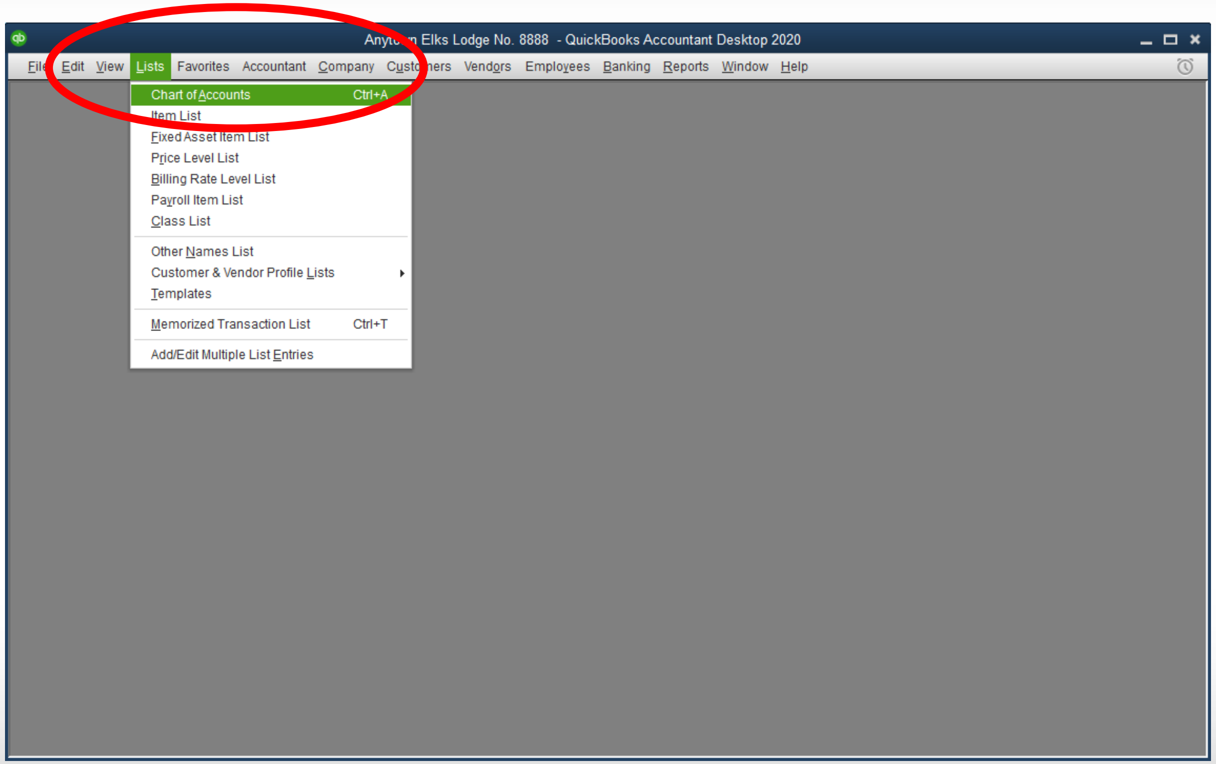
How to Edit Preferences in QuickBooks

In the Preferences window make sure that the Use account numbers and Require accounts checkboxes are both checked. Click OK



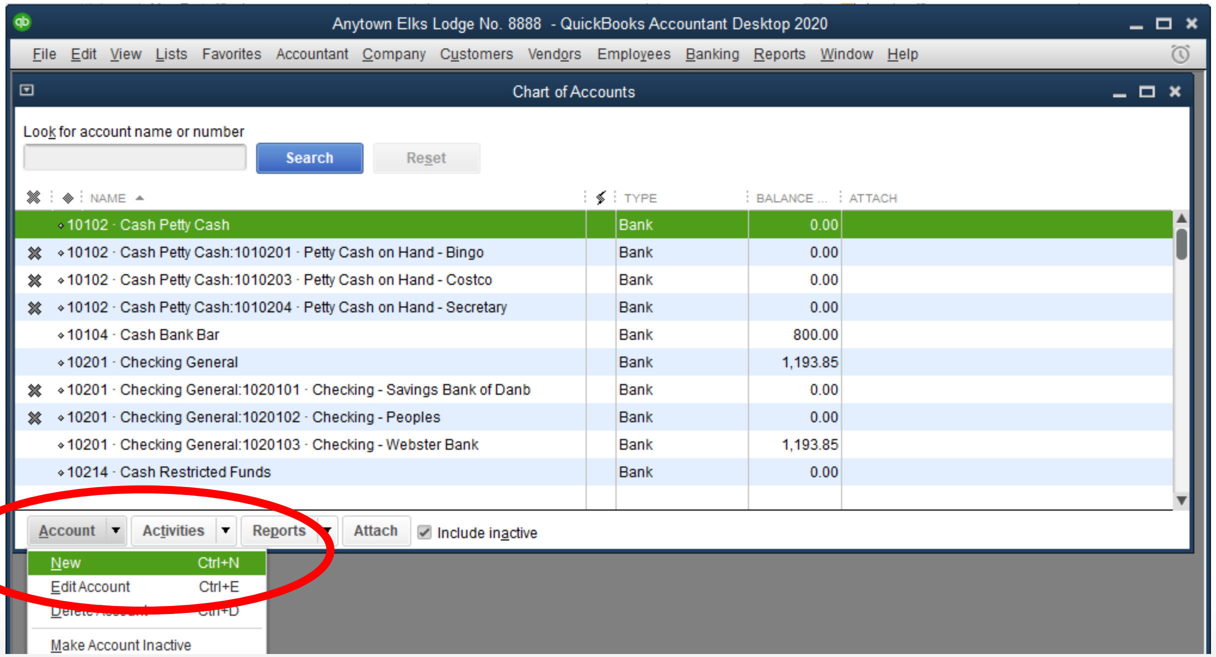
How to Setup an Account in QuickBooks

From QuickBooks Menu Ribbon select Lists/Chart of Accounts



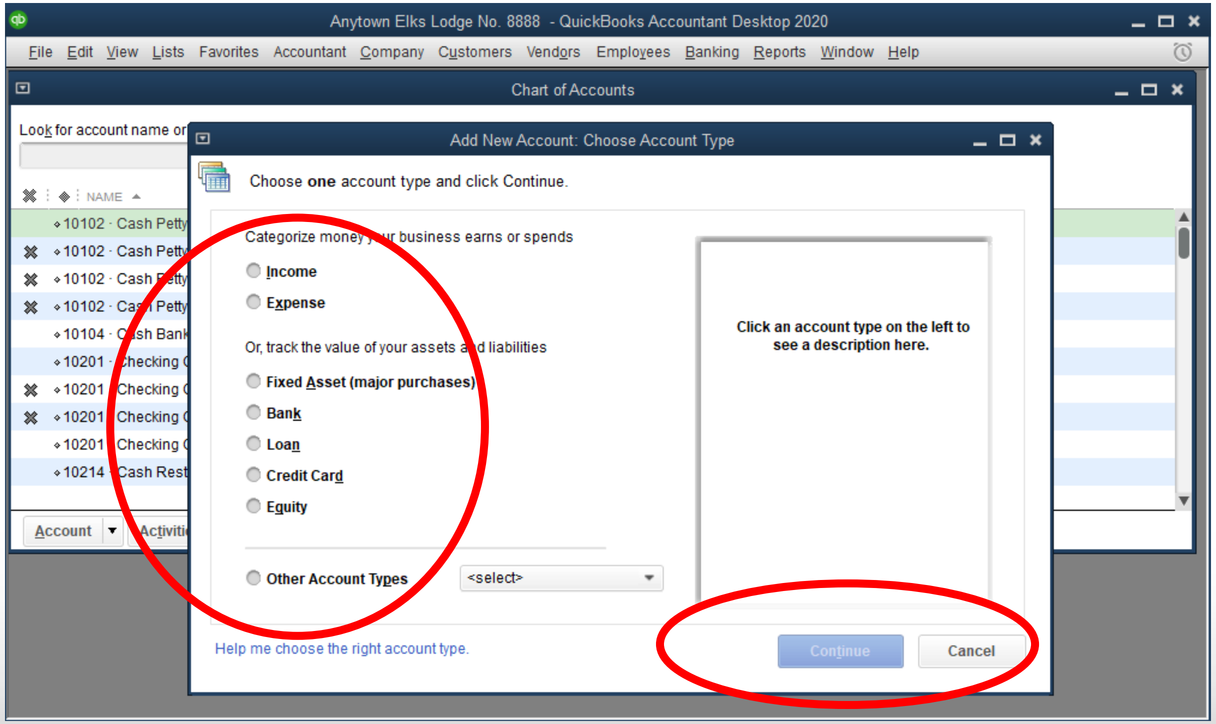
How to Setup an Account in QuickBooks

Select Account then New from dropdown box on lower left



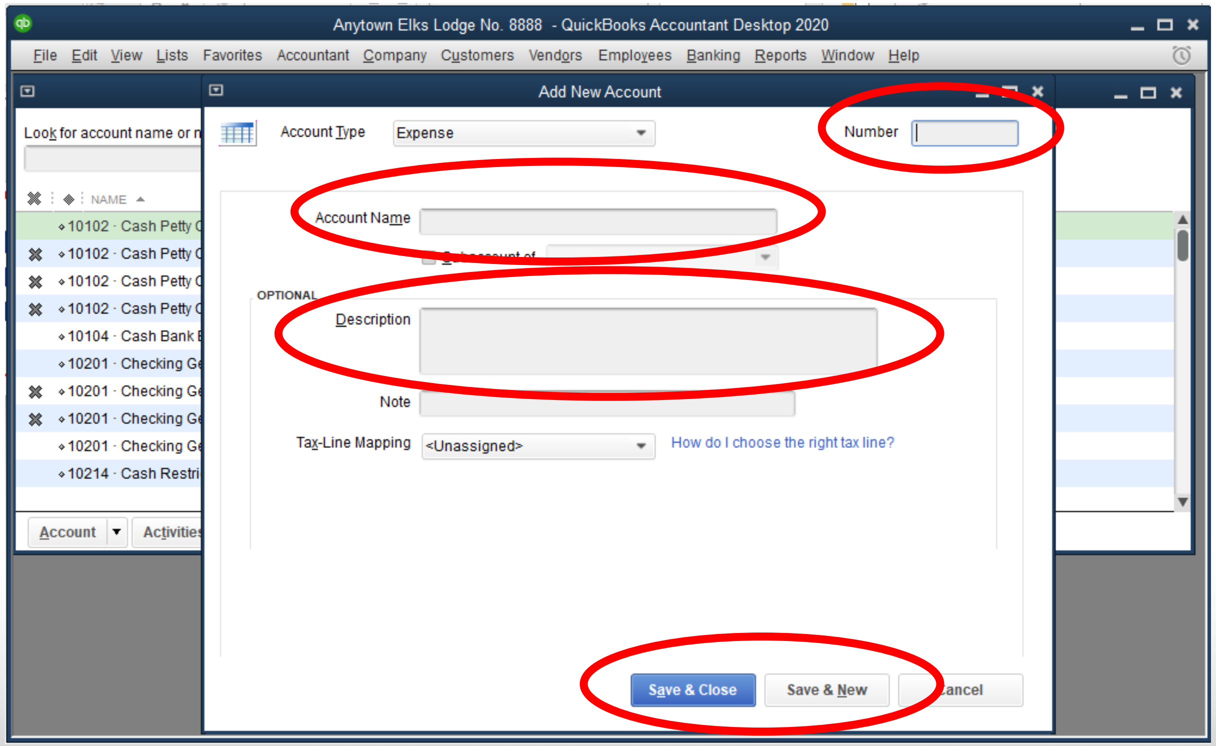
How to Setup an Account in QuickBooks

On the Add New Account: Choose Account Type popup select the Type, then continue



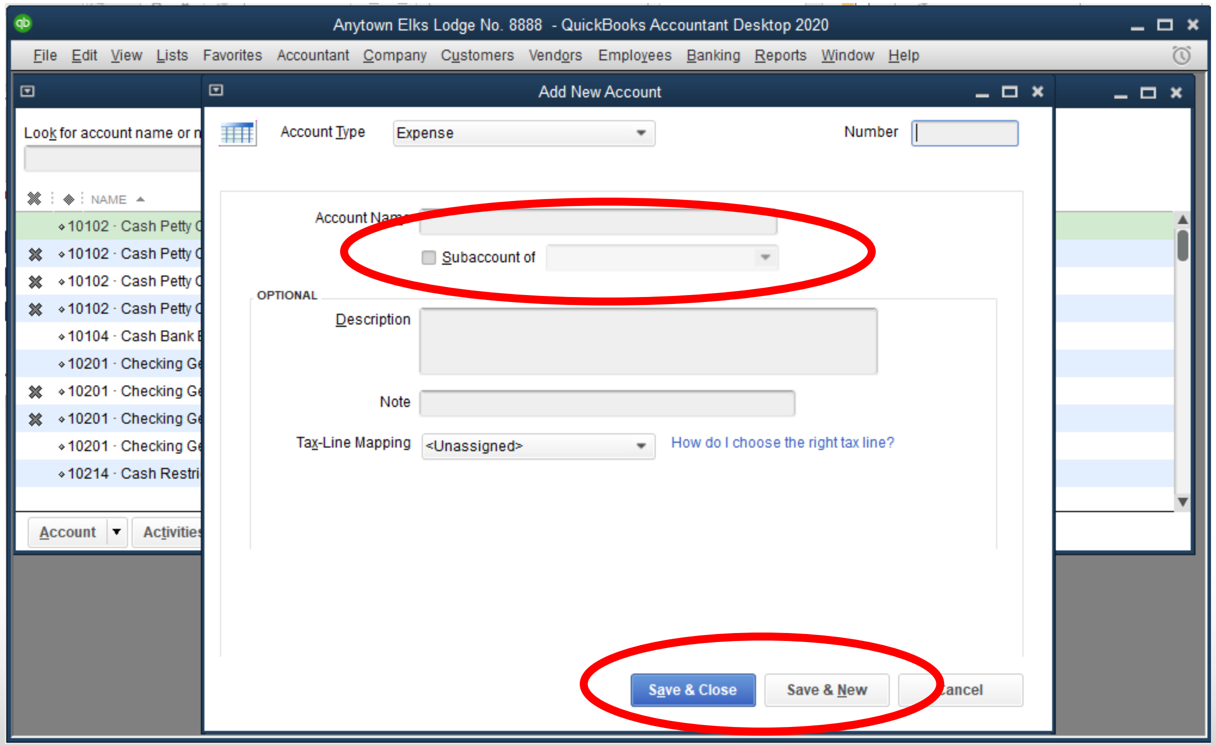
How to Setup an Account in QuickBooks

On the Add New Account popup enter an account Number, Account Name and description if desired. Then select Save & Close or Save & New.



How to Setup an Account in QuickBooks

If creating a subaccount check the checkbox for subaccount and enter the parent account. Then select Save & Close or Save & New.



Editing Accounts in QuickBooks

- Once a Lodge has established a ***reconciled*** “beginning balance” in the FRS – ***DO NOT EDIT ANY EXISTING BALANCE SHEET ACCOUNT NUMBER***
- Doing so will create an “orphan” account in the FRS.
  - Since the editing of the account number does not create a transaction it will not be reflected in the FRS.
  - This will result in two accounts that will not reconcile to the Lodge’s QuickBooks file
- Editing of Revenue and Expense Accounts is OK. Make sure that the next submission is from April 1st. This will ensure that the change is properly reflected

Lodge Funds

What are Lodge Funds

- Membership Dues and Fees; Lodge Event receipts
- Bar (Club) Receipts
- Food Service/Dining Room Receipts
- Other Entity Receipts
- Rents

In other words all funds taken in by the Lodge go to the Secretary who turns them over to the Treasurer.

Handling Receipts of the Session

- Recommend Use of Sales Receipts in QuickBooks, allows tracking by day
    - Establish list of sales items – should correspond to register keys or POS categories
- Daily Sales Receipts are summarized into Deposits
- Allows reporting of receipts by categories or individual items

Bills Against the Lodge / Invoices

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Bills Against the Lodge / Invoices

- Use voucher (paper form or stamp on invoice/bill) for obtaining approvals
  - Samples in Section 3-112 of the Auditing and Accounting Manual

Voucher Samples

Anytown Lodge No. XXXX			
Voucher No. ________			
Pay to:		Date of Voucher:	
		Amount:	
		Billing Date:	
		Invoice No.	
Approval for Payment:		Payment (treasurer use only):	
Secretary:		Date to be Voted on:	
Exalted Ruler:		Date Paid:	
Trustee:		Check #:	
		Actual Amount:	
Accounting use only			
Account No.	Amount	Account No.	Amount

Anytown Elks Lodge No. XXX	
Voucher No.	
Date	
Vendor No.	
Account No.	Amount
Voucher Total	
Approvals	
Secretary	
Exalted Ruler	
Trustee	
Date Paid	
Check No.	

Bills Against the Lodge / Invoices

- Use voucher (paper form or stamp on invoice/bill) for obtaining approvals
  - Samples in Section 3-112 of the Auditing and Accounting Manual
- Must be approved by the Exalted Ruler and Secretary prior to payment
  - May also require approval of Board of Directors/Trustees dependent on By-Laws
- Must be approved by the Lodge prior to check issuance
  - Exception being recurring bills designated in By-Laws

Using QuickBooks Enter Bills Function

Debit / Credit Cards

Debit / Credit Cards

- Statutes allow for use of Debit Cards only
  - Credit cards have open ended lines of credit and in effect are loans. All loans must be approved in advance by Board of Grand Trustees (Section 16.050 of Statutes hence Credit Cards not permitted)
- Must be in the possession of the Lodge Treasurer
- Used for payment to vendors of any bills incurred by the Lodge
- Use of debit card on Club Account is permitted (per verbal from Judiciary)

Financial Records / Budgets

Financial Records

- Lodge Treasurer is the “Financial Officer” for the Lodge
- Responsible for providing timely accurate financial reports to both the Lodge, House Committee and the Board of Directors/Trustees (ideally Comparative to Prior Year)
  - Profit & Loss Statement with Budget Comparison
  - Balance Sheet
- May share the duties for data entry into the Lodge accounting system with the Lodge Secretary and/or bookkeeper/assistant
- Primary individual in the Lodge responsible for FRS reporting

Budgets

- Required by Statutes (GLS 12.070)
  - Presented no later than last April meting and approved by first meeting in May
- Must cover all operations, even separate corporations
- Must include Depreciation

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Budgets

- Required by Statutes (GLS 12.070)
  - Presented no later than last April meting and approved by first meeting in May
- Must cover all operations, even separate corporations
- Must include Depreciation – establishes reserve for replacement of assets
- Must be breakeven or better on consolidated basis
  - Can use contingency account to balance, but this must be managed
  - Budgets are guides, amend / adjust as required throughout the year
- Must be submitted to the FRS by May due date
  - Carefully follow instructions, use correct year for uploads (always end of year)

Financial Records (continued)

- Should periodically compare the Lodge records to the FRS reports provided by the District Deputy and resolve any differences
- This ensures that the FRS and Lodge records reconcile

Year End Dates and Duties

Year End Dates and Duties

- Review letter from Grand Lodge sent to Exalted Rulers and Lodge Secretaries

Treasurer Training

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FEBRUARY 2024

To All Exalted Rulers and Secretaries:

Section 13.040 of the Statutes Annotated requires each Local Lodge to use the Financial Reporting System (FRS) to report to Grand Lodge the results of its operations for the Lodge Year ending March 31, 2024. The results reported into the FRS are to include all books and financial records of the Lodge, Its Officers and Committees, Home, Club or any separate Corporations of the Lodge. The preliminary data for the year ending March 31st should be submitted into the FRS no later than the third Friday of April, 2024 and the final data for the year ended March 31, 2024 should be submitted by August 15, 2024.

In addition, Section 13.040 requires the Lodge to upload to the Grand Lodge web site its properly completed Federal and State Information and Tax Returns (Form 990 and 990-T, etc.) in pdf format by ***no later than August 1, 2024***. The upload link is available from the home page of elks.org. Make sure that the correct ***year end*** is selected from the dropdown box on the upload page (for 2023 – 2024 forms select 2024). ***Do not email, mail or otherwise send hard copies of these forms to any Area Committee Member or to the Office of the Grand Secretary***. All such hard copies will simply be destroyed.

The link for submission is:

https://www.elks.org/grandlodge/auditing/990forms.cfm

Section 13.040 requires that the Lodge's Federal and State Information and Tax Returns must be prepared and signed as preparer by a Licensed Professional (Certified Public Accountant or Enrolled Agent) who is independent of the preparation of the FRS data. The same financial information used to prepare the FRS must be used in the preparation of the applicable Federal and State Information and Tax returns.

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Year End Dates and Duties

- Review letter from Grand Lodge sent to Exalted Rulers and Lodge Secretaries
- Review Appendix K – Year End Checklist in Auditing and Accounting Manual

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— Appendix K —

Year End Checklist

Completed

1. Ensure prepaid dues is entered as a Liability – do not hold until April 1st. ☐
2. Record all invoices dated March 31 or earlier as Accounts Payable (No backdating checks). ☐
3. Take physical inventory for all business activities requiring one (Lodge Supplies, Bar Inventory, Food Inventory and Other Business operations) and prepare adjusting entries. ☐
4. Complete all items in the CLMS Year End Procedure list issued annually by the Grand Secretary's Office. ☐
5. Submit preliminary FRS data by third Friday in April. ☐
6. Reconcile all Bank and Investment accounts, finalize Investment Income and Unrealized Gain/(Loss) adjustments; finalize Inventory adjustments. ☐
7. Set Closing Date password (QuickBooks) or similar feature in other accounting software. This will help prevent any unauthorized changes to the fiscal year data. ☐
8. Submit data to Form 990 preparer. ☐
9. Enter adjusting journal entries into Lodge accounting system. ☐
10. Resubmit prior fiscal year data into FRS that includes all adjusting journal entries. ☐
11. Review Form 990 from preparer for August 1st submission. ☐
12. Complete the Transmittal Checklist by August 1st. This is an online form that is required to be completed prior to the uploading of the Lodge's Form 990. ☐
13. Upload to elks.org one pdf for the Form 990 one for the Form 990-T and one for the State returns by August 1st. Do not password protect the file(s). Submit only the return as filed without any additional worksheets or schedules (***no extensions accepted***). ☐
14. Upload to elks.org final Comparative Balance Sheet report as a pdf from the Lodge's accounting system after all adjusting journal entries are entered (Reports/Company & Financial/Balance Sheet Prev Year Comparison in QuickBooks) by August 15th (***no extensions accepted***). (1) ☐
15. Submit Final FRS data by August 15th (***no extensions accepted***). ☐

(1) For all Lodges that file and upload a Form 990-N (e postcard return) in addition to the uploading a Comparative Balance Sheet the Lodge must also upload a Year-to-Date Profit and Loss Report for the applicable fiscal year (from the Lodge's accounting system).

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Year End Dates and Duties

- Review letter from Grand Lodge sent to Exalted Rulers and Lodge Secretaries
- Review Appendix K – Year End Checklist in Auditing and Accounting Manual
- Due Date Calander available on elks.org under Lodge Accounting/Financial Reporting/Training

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FRS Due Date Calendar – 2024-2025 Lodge Fiscal Year

1st Quarter	Event	Due Date
April	March 2024 PRELIMINARY ACTUAL DATA Submission Due	4/19/2024
May	April 2024 ACTUAL DATA Submission Due	5/17/2024
May	2024 - 2025 Lodge Year BUDGET Submission Due	5/24/2024
June	May 2024 ACTUAL DATA Submission Due	6/21/2024
2nd Quarter	**Event**	**Due Date**
July	June 2024 ACTUAL DATA Submission Due	7/19/2024
August	Forms 990/990-EZ/990-T/State Returns upload to elks.org	8/1/2024
August	March 2024 FINAL ACTUAL DATA Submission Due	8/15/2024
August	July 2024 ACTUAL DATA Submission Due	8/16/2024
September	August 2024 ACTUAL DATA Submission Due	9/20/2024
3rd Quarter	**Event**	**Due Date**
October	September 2024 ACTUAL DATA Submission Due	10/18/2024
November	October 2024 ACTUAL DATA Submission Due	11/15/2024
December	November 2024 ACTUAL DATA Submission Due	12/21/2024
4th Quarter	**Event**	**Due Date**
January	December 2024 ACTUAL DATA Submission Due	1/17/2025
February	January 2025 ACTUAL DATA Submission Due	2/21/2025
March	February 2025 ACTUAL DATA Submission Due	3/21/2025
1st Quarter	**Event**	**Due Date**
April	March 2025 PRELIMINARY ACTUAL DATA Submission Due	4/18/2025

- **The submissions noted above must be successfully accepted in FRS no later than the date listed.**
- **If a correction is made at the Lodge to a month's actuals already sent to FRS, resend the entire month's Actual Data.**
- **If the Lodge amends the budget during the year, update the Budget data and resend the entire year's Budget Data.**

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Year End Dates and Duties

- Review letter from Grand Lodge sent to Exalted Rulers and Lodge Secretaries
- Review Appendix K – Year End Checklist in Auditing and Accounting Manual
- Due Date Calander available on elks.org under Lodge Accounting/Financial Reporting/Training
- Key Dates
  - Form 990/990-T uploaded to elks.org by August 1st
  - Final ***Comparative*** Balance Sheet by August 1st or by date of Form 990 upload
  - Final FRS data submitted by August 15th

Training Materials Available

Treasurer Training

Training Materials

- Grand Lodge Auditing and Accounting Manual and FRS Manual
  - Most recent revisions under Members Only/Manuals on elks.org
- On elks.org – Members Only/Lodge Accounting/Financial Reporting/Training
  - Creating the Actuals File (both QuickBooks Desktop and Online versions)
  - Creating the Budget File (both QuickBooks Desktop and Online versions)
  - Intro to Lodge Accounting for Lodge Officers – presentation from 2023 Convention
- Guide for preparing a Comparative Balance Sheet for year end submission

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Tools in Training Area of elks.org

- Year End Closing for Restricted Accounts – Excel file with instructions for year end closing of the Lodge’s Restricted Accounts
- Excel Formatting Macro and instructions for preparing the monthly submissions to the FRS
- Actual and Budget template files in Excel for creating the monthly csv files

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