

SMACNA Executive Education Series

An Association's Books and Records

Presented by Dawn M. Minemier, Partner, CPA

May 17, 2023



Bonadio & Co., LLP
Certified Public Accountants

Agenda

- The Bonadio Group Overview
- Budgets
- Balance Sheet
- Profit and Loss
- Form 990
- Internal Control Considerations
- Auditing Standards Update
- Bonadio Outsourced Accounting
- Questions

Bonadio & Co., LLP
Certified Public Accountants





This presentation is intended for general educational and/or informational purposes only and does not replace specific, independent professional advice. This presentation is based on Bonadio & Co., LLP's current interpretations of the law. These interpretations may ultimately, after further IRS or other guidance be changed.

Statements and opinions expressed are those of the presenter or participants individually and, unless expressly stated to the contrary, are not the opinion or position of Bonadio & Co., LLP. Bonadio & Co., LLP assumes no responsibility for the content, accuracy or completeness of the information presented. Attendees should note that sessions may be audio-recorded and published in various media, including print, audio and video formats without further notice.



Bonadio Overview

- Founded in 1978
- 9 locations in New York, Vermont and Texas
- Union and benefit plan clients, as well as employer trade organizations, across the country with concentrations in Michigan, Ohio, New York, and California
- Approximately 900 employees
- 175+ partners/principals; 130+ managers
- Ranked 43rd largest CPA firm in Public Accounting Report's Top 100 firms in U.S.
- Named by Accounting Today as one of the “Best Accounting Firms to Work For” for five consecutive years.
- Significant experience with Taft-Hartley Funds, Unions and employer trade organizations

While we are the 43rd largest firm in the U.S., we continue our focus on client service and providing every bit of the *‘Big Firm Capability with the Small Firm Personality.’*



Budgets

- Why create a budget?
 - Projection of your operating revenues and expenses over a period of time
 - Helps you run your organization in a fiscally responsible manner – do not wait for annual audit to know what you spent and what you brought in

- How do you prepare a budget
 - History
 - Future projections

- Budgets are not static

**SMACNA ASSOCIATION
2021 BUDGET**

ACCOUNT #	DESCRIPTION	Budgeted 2020	2020 % of Total	Budgeted 2021	2021 % of Total
Revenues:					
4010	Industry Fund - Programs	\$742,747.00	93.12%	\$705,610.00	97.69%
4012	Industry Fund - Administration	\$0.00	0.00%	\$0.00	0.00%
4110	Member Dues	\$9,500.00	1.19%	\$9,500.00	1.32%
4120	Associate Member Dues	\$7,200.00	0.90%	\$7,200.00	1.00%
4310	Interest Income	\$0.00	0.00%	\$0.00	0.00%
4500	Other Income	\$38,178.00	4.79%	\$0.00	0.00%
TOTAL REVEUNE		\$797,625.00	100.00%	\$722,310.00	100.00%
Administrative & General Expenses:					
5010	Payroll	\$185,917.00	21.59%	\$185,917.00	22.68%
5020	Payroll Taxes	\$13,275.00	1.73%	\$13,275.00	1.81%
5030	Health Insurance	\$25,177.00	3.28%	\$28,040.98	3.56%
5040	Retirement	\$2,800.00	0.36%	\$2,800.00	0.38%
5050	Mileage	\$750.00	0.10%	\$750.00	0.10%
5110	Insurance	\$4,773.00	0.62%	\$5,438.00	0.74%
5210	Rent	\$29,820.00	3.89%	\$30,874.82	4.19%
5212	Parking	\$3,900.00	0.51%	\$3,900.00	0.53%
5410	Accounting & Auditing	\$19,000.00	2.47%	\$20,000.00	2.73%
5420	Legal Fees	\$3,000.00	0.39%	\$2,500.00	0.34%
5430	Payroll Processing Fees	\$0.00	0.00%	\$0.00	0.00%
5510	Office Expenses	\$13,360.00	1.74%	\$14,850.00	2.03%
5520	Postage / Postage meter lease	\$450.00	0.06%	\$450.00	0.06%
5530	Bank Fees	\$200.00	0.03%	\$200.00	0.03%
5550	Telephone	\$4,800.00	0.62%	\$3,800.00	0.52%
5800	Other Expenses	\$2,500.00	0.33%	\$2,500.00	0.34%
TOTAL ADMINISTRATIVE & GENERAL EXPENSES		\$289,822.00		\$293,095.58	
Industry Programs:					
6000	Safety	\$8,000.00	0.78%	\$8,000.00	0.82%
6015	Contract Safety Manager	\$73,152.00	9.52%	\$73,152.00	10.00%
6050	SMACNA National	\$28,200.00	3.67%	\$18,700.00	2.56%
6100	SMACNA Somewhere	\$4,000.00	0.52%	\$4,000.00	0.55%
6150	Education	\$5,000.00	0.65%	\$7,500.00	1.03%
6200	Marketing	\$42,800.00	5.54%	\$42,600.00	5.82%
6250	Legislative	\$2,535.00	0.33%	\$2,535.00	0.35%
6300	Labor Relations	\$12,350.00	1.61%	\$15,350.00	2.10%
6350	Drug Testing	\$10,000.00	1.30%	\$8,000.00	1.09%
6400	Membership	\$8,375.00	1.09%	\$8,735.00	1.19%
TOTAL INDUSTRY PROGRAMS		\$192,212.00		\$186,572.00	
Committees:					
6800	Committee Expenses	\$12,000.00	1.56%	\$12,000.00	1.64%
TOTAL COMMITTEES		\$12,000.00		\$12,000.00	
Payments to National:					
6900	Man Hour Payments	\$225,315.00	29.31%	\$195,000.00	26.86%
TOTAL MAN HOUR PAYMENTS TO NATIONAL		\$225,315.00		\$195,000.00	
ALL INDUSTRY EXPENSES		\$719,349.00		\$686,667.58	
Association/Membership:					
7000	National Convention & Annual Event	\$40,000.00	5.20%	\$35,500.00	4.85%
7200	Meeting Expenses	\$700.00	0.09%	\$700.00	0.10%
7300	SMACNA Members' National Dues	\$7,600.00	0.99%	\$7,600.00	1.04%
7900	Other Expenses	\$1,000.00	0.13%	\$1,000.00	0.14%
TOTAL MEMBERSHIP EXPENSES		\$49,300.00		\$44,800.00	
MEMBERSHIP & INDUSTRY EXPENSES TOTAL		\$768,649.00	100.00%	\$731,467.58	100.00%
TOTAL REVENUE		\$797,625.00		\$722,310.00	
TOTAL EXPENSES		\$768,649.00		\$731,467.58	
Revenue over/under total budget		\$28,976.00		-\$9,157.58	





SMACNA-SOMEWHERE

Budget vs. Actuals: FY 2021 - FY21 P&L
January - December 2021

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Revenue				
4010 Industry Fund - Programs	672,920.46	705,610.00	(32,689.54)	95.37 %
4110 Member Dues	9,154.87	9,500.00	(345.13)	96.37 %
4120 Associate Member Dues	6,450.00	7,200.00	(750.00)	89.58 %
4310 Dividend/Interest Income	51,897.08		51,897.08	
4320 Unrealized Gain/Loss	204,293.68		204,293.68	
4590 Other Income	80.26		80.26	
Total Revenue	944,796.35	722,310.00	222,486.35	130.80 %
Total Income	\$944,796.35	\$722,310.00	\$222,486.35	130.80 %
GROSS PROFIT	\$944,796.35	\$722,310.00	\$222,486.35	130.80 %
Expenses				
Administrative & General				
5010 Payroll	182,322.69	165,917.00	16,405.69	109.89 %
5020 Payroll Taxes	13,901.69	13,275.00	626.69	104.72 %
5030 Health Insurance	26,040.96	25,177.00	863.96	103.43 %
5040 Retirement	2,685.29	2,800.00	(114.71)	95.90 %
5050 Mileage	262.68	750.00	(487.32)	35.02 %
5110 Insurance	5,354.00	4,773.00	581.00	112.17 %
5210 Rent	29,507.96	29,920.00	(412.04)	98.62 %
5212 Parking	3,702.00	3,900.00	(198.00)	94.92 %
5410 Accounting & Auditing	19,627.25	19,000.00	627.25	103.30 %
5420 Legal Fees	568.74	3,000.00	(2,431.26)	18.96 %
5510 Office Expenses	19,639.34	13,360.00	6,279.34	147.00 %
5520 Postage	711.29	450.00	261.29	158.06 %
5530 Bank Fees	319.40	200.00	119.40	159.70 %
5540 Investment Fees	20,557.16		20,557.16	
5550 Telephone	3,842.04	4,800.00	(957.96)	80.04 %
5890 Other Expenses Administration	1,920.46	2,500.00	(579.54)	76.82 %
Total Administrative & General	330,962.95	289,822.00	41,140.95	114.20 %
Association/Membership				
7000 National Convention/Annual Event	35,490.05	40,000.00	(4,509.95)	88.73 %
7200 Meeting Expenses	597.52	700.00	(102.48)	85.36 %
7300 SMACNA Members' National Dues	7,566.00	7,600.00	(34.00)	99.55 %
7900 Other Expenses Association	1,021.50	1,000.00	21.50	102.15 %
Total Association/Membership	44,675.07	49,300.00	(4,624.93)	90.62 %
Committees				
6800 Committee Expenses	15,188.88	12,000.00	3,188.88	126.57 %
Total Committees	15,188.88	12,000.00	3,188.88	126.57 %
Industry Programs				
6000 Safety	4,061.52	6,000.00	(1,938.48)	67.69 %
6015 Contract Safety Manager	47,895.00	73,152.00	(25,257.00)	65.47 %



SMACNA-SOMEWHERE

Budget vs. Actuals: FY 2021 - FY21 P&L

January - December 2021

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
6050 SMACNA National	1,355.93	28,200.00	(26,844.07)	4.81 %
6100 SMACNA Somewhere	2,873.39	4,000.00	(1,126.61)	71.83 %
6150 Education	1,439.95	5,000.00	(3,560.05)	28.80 %
6200 Marketing Programs	39,706.87	42,600.00	(2,893.13)	93.21 %
6250 Legislative	535.00	2,535.00	(2,000.00)	21.10 %
6300 Labor Relations	11,174.37	12,350.00	(1,175.63)	90.48 %
6350 Drug Testing	3,900.00	10,000.00	(6,100.00)	39.00 %
6400 Membership	8,271.00	8,375.00	(104.00)	98.76 %
Total Industry Programs	121,213.03	192,212.00	(70,998.97)	63.06 %
Mileagege	75.06		75.06	
Payments to National				
6900 Man Hours Payments	196,314.73	225,315.00	(29,000.27)	87.13 %
Total Payments to National	196,314.73	225,315.00	(29,000.27)	87.13 %
Total Expenses	\$708,429.72	\$768,649.00	\$ (60,219.28)	92.17 %
NET OPERATING INCOME	\$236,366.63	\$ (46,339.00)	\$282,705.63	(510.08 %)
NET INCOME	\$236,366.63	\$ (46,339.00)	\$282,705.63	(510.08 %)



Balance Sheet

- Balance sheet represents one moment in time, one day
- Assets: cash, investments, fixed assets, receivables
- Liabilities: accounts payable, accrued payroll, debts
- Net assets: difference between assets and liabilities

- $\text{Assets} - \text{Liabilities} = \text{Net Assets}$



SMACNA-SOMEWHERE

Statement of Assets, Liabilities & Net Assets - Accrual Basis
As of December 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Petty cash	100.00
1020 Cash in Bank	161,311.65
1110 Investments	2,164,652.93
Total Bank Accounts	\$2,326,064.58
Accounts Receivable	
11000 Accounts Receivable	1,195.00
Total Accounts Receivable	\$1,195.00
Other Current Assets	
12000 Undeposited Funds	2,965.00
1910 Security Deposits	5,259.76
Total Other Current Assets	\$8,224.76
Total Current Assets	\$2,335,484.34
Fixed Assets	
1530 Furniture & Fixtures	27,386.35
1540 Office Equipment	1,184.10
1590 Accumulated Depreciation	(28,570.45)
Total Fixed Assets	\$0.00
TOTAL ASSETS	\$2,335,484.34
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 Accounts Payable	2,000.00
Total Accounts Payable	\$2,000.00
Other Current Liabilities	
2011 Accounts Payable - Audit	28,807.16
24000 Payroll Liabilities	430.78
FUTA	84.00
State Withholding	173.34
More taxes	729.41
State withholding	(570.81)
Total 24000 Payroll Liabilities	846.72
Total Other Current Liabilities	\$29,653.88
Total Current Liabilities	\$31,653.88
Total Liabilities	\$31,653.88
Equity	
3010 Net Assets - Unrestricted	2,067,463.83
Net Income	236,366.63
Total Equity	\$2,303,830.46
TOTAL LIABILITIES AND EQUITY	\$2,335,484.34



Profit and Loss Statement

- Profit and Loss shows income and expenses for a period of time
- Usually a one year period that coincides with tax filing
- Revenues – Expenses = Increase or Decrease in Net Assets



SMACNA – SOMEWHERE

Revenue & Expenses - Accrual Basis

January through December 2021

	TOTAL
Income	
Revenue	
4010 Industry Fund - Programs	54,002.78
4310 Dividend/Interest Income	29,162.07
4320 Unrealized Gain/Loss	37,624.84
Total Revenue	120,789.69
Total Income	\$120,789.69
GROSS PROFIT	\$120,789.69
Expenses	
Administrative & General	
5010 Payroll	12,805.20
5020 Payroll Taxes	965.60
5030 Health Insurance	2,206.08
5210 Rent	2,547.43
5212 Parking	354.00
5510 Office Expenses	1,826.47
5530 Bank Fees	10.50
5550 Telephone	299.77
5890 Other Expenses Administration	93.76
Total Administrative & General	21,108.81
Association/Membership	
7000 National Convention/Annual Event	3,921.70
7900 Other Expenses Association	422.50
Total Association/Membership	4,344.20
Committees	
6800 Committee Expenses	1,721.66
Total Committees	1,721.66
Industry Programs	
6050 SMACNA National	1,355.93
6100 SMACNA Somewhere	1,379.64
6150 Education	1,300.00
6200 Marketing Programs	19,771.87
6300 Labor Relations	222.70
Total Industry Programs	24,030.14
Mileage	26.57
Payments to National	
6900 Man Hours Payments	28,937.45
Total Payments to National	28,937.45
Total Expenses	\$80,168.83
NET OPERATING INCOME	\$40,620.86
NET INCOME	\$40,620.86



Form 990

- Required annual filing with the Internal Revenue Service
- Due 4½ months after year end
- Extension for an additional 6 months is the norm
 - Extension is NOT a red flag to IRS
- File 990, 990-EZ, 990N (postcard)
- Everything will be filed electronically

- Form 990 is Recap of the audited financials in the IRS prescribed format
- You are responsible for reviewing and accepting
- Auditor is preparing as non-attest service



Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2022

Open to Public Inspection

Department of the Treasury
 Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2022 calendar year, or tax year beginning , 2022, and ending , 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization
 Doing business as
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
 City or town, state or province, country, and ZIP or foreign postal code

D Employer identification number
E Telephone number
G Gross receipts \$

F Name and address of principal officer:
H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. See instructions.
H(c) Group exemption number

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website:
K Form of organization: Corporation Trust Association Other
L Year of formation:
M State of legal domicile:

Part I Summary

1 Briefly describe the organization's mission or most significant activities:			
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5 Total number of individuals employed in calendar year 2022 (Part V, line 2a)	5	
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	
7b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)		
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)		
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12		
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)		
22 Net assets or fund balances. Subtract line 21 from line 20			

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer _____ Date _____
 Type or print name and title _____

Paid Preparer Use Only
 Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTIN _____
 Firm's name _____ Firm's EIN _____
 Firm's address _____ Phone no. _____

May the IRS discuss this return with the preparer shown above? See instructions Yes No



Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									



Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants, and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f	1g \$				
	h Total. Add lines 1a-1f					
			Business Code			
Program Service Revenue	2a _____					
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue					
g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)					
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross rents	6a	(i) Real	(ii) Personal		
	b Less: rental expenses	6b				
	c Rental income or (loss)	6c				
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	7a	(i) Securities	(ii) Other		
	b Less: cost or other basis and sales expenses	7b				
	c Gain or (loss)	7c				
d Net gain or (loss)						
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a					
b Less: direct expenses	8b					
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities. See Part IV, line 19	9a					
b Less: direct expenses	9b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	10a					
b Less: cost of goods sold	10b					
c Net income or (loss) from sales of inventory						
		Business Code				
Miscellaneous Revenue	11a _____					
	b _____					
	c _____					
	d All other revenue					
	e Total. Add lines 11a-11d					
12 Total revenue. See instructions						



Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a _____				
b _____				
c _____				
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e				
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				



Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A)	(B)
		Beginning of year	End of year
Assets	1 Cash—non-interest-bearing		1
	2 Savings and temporary cash investments		2
	3 Pledges and grants receivable, net		3
	4 Accounts receivable, net		4
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6
	7 Notes and loans receivable, net		7
	8 Inventories for sale or use		8
	9 Prepaid expenses and deferred charges		9
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	
	b Less: accumulated depreciation	10b	10c
	11 Investments—publicly traded securities		11
	12 Investments—other securities. See Part IV, line 11		12
	13 Investments—program-related. See Part IV, line 11		13
	14 Intangible assets		14
	15 Other assets. See Part IV, line 11		15
16 Total assets. Add lines 1 through 15 (must equal line 33)		16	
Liabilities	17 Accounts payable and accrued expenses		17
	18 Grants payable		18
	19 Deferred revenue		19
	20 Tax-exempt bond liabilities		20
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22
	23 Secured mortgages and notes payable to unrelated third parties		23
	24 Unsecured notes and loans payable to unrelated third parties		24
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17–24). Complete Part X of Schedule D		25
	26 Total liabilities. Add lines 17 through 25		26
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 27, 28, 32, and 33.		
	27 Net assets without donor restrictions		27
	28 Net assets with donor restrictions		28
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.		
	29 Capital stock or trust principal, or current funds		29
	30 Paid-in or capital surplus, or land, building, or equipment fund		30
	31 Retained earnings, endowment, accumulated income, or other funds		31
32 Total net assets or fund balances		32	
33 Total liabilities and net assets/fund balances		33	



Internal Control Considerations

- ACH transactions
 - Segregation of duties
 - Information security over the transactions
 - Payee verification process
 - Monitor!!!

- Venmo
 - Use charity account – for NFP
 - New tax rule in 2023 – 1099K for anyone who receives \$600 or more for goods or services



Internal Control Considerations

- Investment SOC report
 - System & Organization Controls report
 - Independent auditor performs control testing over the controls over investments – purchases, sales, fees, IT security
- FDIC insurance
 - Make sure your accounts are covered
 - Consider amounts in excess of \$250,000 in an account be moved to another institution
- IT Security
 - Make sure your office is locked down! Literally and figuratively.



New Auditing Standards

- ASC 842: Leases
 - Leases payable are now on balance sheet at present value of the lease
 - Includes subleases
 - Includes copies, postage meters, cars, etc.
 - This is applicable to all entities
 - There are exceptions and you should talk to your auditor now



New Auditing Standards

- ASU 2020-07: Not-For-Profit
 - Value, record and disclose contributed nonfinancial assets
 - Fixed assets – land, building
 - Use of facilities
 - Donated time
 - Effective for annual period beginning after June 15, 2021



Discover Outsourced Accounting

01

**Accounting
Made Easy**

02

**Reduced Cost
Savings**

03

**Real Time
Decisions**

04

**Metrics That
Matter**

05

**Cloud Based
Technology**

06

**No Staff
Turnover**



About Bonadio Outsource Accounting & Finance

Your Organization. Our Business Solutions. One Goal.

Our Outsource Accounting & Finance team provides customized financial reporting solutions across a variety of sectors. Utilizing the latest cloud-based accounting technology, our team delivers real-time visibility of financial data to key stakeholders around the clock that enables you to more effectively run your Organization.

We listen to your needs and collaborate with you to establish and maintain external financial resources for your Organization ensuring stability, providing cost benefits and allowing you to focus on what you do best.

Accounting Starts at \$1,500/Month	Controller Starts at \$3,500/ month	CFO Starts at \$6,000/ month
Good fit for small businesses with basic accounting needs, covering essential tasks like bill pay, bank reconciliations, & financial reporting.	For businesses with more complex accounting needs. Examples are multiple entities, additional balance sheet, account reconciliations or additional business processes to be managed.	Full service accounting, utilizing a team of professional, handling of complex processes and procedures, preparation and management of audited financial reporting, allowing management more detailed view into finance.
<ul style="list-style-type: none">• Bank reconciliations• Accounts payable processing and payments• Credit card reconciliation• Payroll entry• General ledger accounting• Standard financial statements	<p><i>Includes all Accounting services</i></p> <ul style="list-style-type: none">• Month-end close• Customer Invoicing• Variance analysis• Purchase order processing• Cash flow management and planning• Sales tax filing• Annual 1099 preparation• Dashboard - basic• Custom management reports	<p><i>Includes all Controller & Accounting services</i></p> <ul style="list-style-type: none">• Dashboards - advanced, customized, metrics• Statistical reporting• Budget and forecasting• Strategic planning• Develop key performance indicators (KPI's)• Board of Directors/ Committee Presentations• Year end audit assistance• Grant management• Internal controls• Manage banking relationship• Recommend growth initiatives

Questions?



Thank you!!!



Dawn Minemier, Partner, CPA
dminemier@bonadio.com
585-249-2875, office
585-749-1872, cell
www.Bonadio.com