

ACC9P Help Guide 'P'

for Completion

This Help Guide supports the hand written, or 'paper', version of the ACL ACC9s, the ACC9P, for use starting 1 September 2007. It also supports the same version in Excel.

Alternatively, Treasurers may use the single-account 'electronic' self-calculating Excel journal spreadsheet version (ACC9S), or again, the multi-account 'electronic' self-calculating Excel journal spreadsheet version (ACC9M). They produce the respective ACC9 from the 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 to confirm your requirement and expertise to do so.

Page 1 – ID

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

- If using on Excel, click on the 'Jurisdiction' box and select from the 'drop list' that appears. If using a 'paper' version, enter in ink.
- If using on Excel, click on the 'Year Ending August 31', box and select the appropriate year. The selected year will propagate automatically to other pages. If using a 'paper' version, enter in ink.
- The Squadron Sponsoring Committee name to be entered is the official, ACL-approved SSC name.
- The SSC mailing address to be used is that to which ACC9P correspondence is to be sent.
- 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 SSC who 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.

Page 2 – Revenues (Statement of Income)

- Page 2 lists the typical SSC income entries in five logical groups. It also provides blank lines where additional unique types of income can be inserted. Please respect the group categories when adding these unique types of income. Respecting categorization as best as you can will allow easier and truer statistical data reduction.
 - Enter all amounts **rounded to the nearest dollar**.
 - In the column showing GL numbers 4010, 4020, 4030, etc., you may substitute your own Chart of Account numbers. If you can, do keep the existing numbers.
 - 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.
 - Line 1a – Official Sponsor(s) is/are the one(s) approved by the ACL.
 - Lines 1a, 1b, 1c, 1d and 1e *may* include, in part, tax-receipted donations depending on the request/need of the donor. So it is not only the amount of Line '1g' that

needs to be reported for 'receipted donations' when completing Form T3010A for Revenue Canada.

- Lines 2a and 2b – 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) on Line 2a in the regular column. Enter the money you turn over to the PC on Line **3c** of the next page (Page 3 – Statement of Expenses) along with related expenses (e.g. cost of prizes, penalty for lost tickets, etc.) in the regular column. Enter the 'share or commission' awarded by the PC (i.e. returned to the sqn) on Line 2b (of page 2 again) in the regular column. 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 in the box below is provided for.

- Lines 2c – You might want to show only Gross Revenues, as deposited, in the regular income column and expenses on line 3f or 3g of page 3. Or you may follow instructions in the box below.
- Lines 2d, 2e and 2f – Again, you might want to show only Gross Revenues, as deposited, in the regular income column and expenses on line 3e of page 3. Or you may follow instructions in the box below.

SPECIAL INSTRUCTIONS for Lines 2a, 2c, 2d, 2e, 2f and 4d of Page 2: These Lines make provision for showing/inserting the 'Gross Revenue' minus the 'Directly-Extracted-at-Source Expenses', resulting in the 'Net Income **Deposited**' which you enter in the regular column and which corresponds to the **bank deposit**. If you have no 'Directly-Extracted-at-Source Expenses', show '0' expenses and enter the gross income in the regular column, 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 the 'Gross Revenues' (Net Proceeds plus Expenses), enter 'Expenses', then enter "Net Income' in the regular column, equating to the **bank deposit(s)**. This procedure reflects full transactions and permits display of expenditures in the ACC9P 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.

- Line 3a – Enter Gross Income only. Related Expenses are entered on line 2k on **page 3**.
- Line 5a – Enter Local Support Allocations (Admin) received.
- Line 5b - Enter Local Support Allocations (Optional Training) received.
- Line 5c – Includes recoveries from DND for regular claimed training and activities expenses.
- Line 6a – Enter Total of Lines 1i, 2h, 3f, 4i and 5f. Be sure to double check all your sums and carry forwards.

Page 3 – Expenses [Statement of Expenses & Surplus (Deficit)]

- Page 3 lists the typical SSC expenses entries in four logical groups. It also provides blank lines where additional unique types of expenses can be inserted. Please respect the group categories when adding these unique types of expenses. Respecting categorization as best as you can will allow easier and truer statistical data reduction.

- Enter all amounts rounded to the nearest dollar.
- In the column showing numbers 5010, 5020, 5030, etc., you may substitute your own Chart of Account numbers. If you can, do keep the existing numbers.
- Do not modify the columns with alpha-numeric such as ‘1(a)’, ‘1(b)’, etc. as these are used as standard references.
- Most Lines are self-explanatory.
- Line 1b – Enter purchase costs. (As we do not use or apply depreciation, capitalization is not used.) Enter equipment in the ‘Fixed Assets Inventory’ pages using the ‘\$1 Nominal Value (per category of assets) Concept’.
- Line 1c – 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).
- Line 1d – Enter quarters (for training, storage, etc.) expenses other than rental and other than all mortgage related costs.
- Line 2a – Enter outlays for training, exercises and activities that will result in eventual recoveries from DND to be entered on line 5d on page 2.
- Line 2e – 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.
- Line 2k – You may want to use blank lines 2m and 2n to show sub-categories separately.
- Line 3c – See explanation for lines 2a and 2b of page 2.
- Lines 3d - See explanation for line 4d of page 2.
- Line 3e - See explanation for lines 2d, 2e and 2f of page 2.
- Line 5a – Enter Total of Lines 1m, 2o, 3h and 4i. Be sure to double check all your sums and ‘carry forwards’.
- Line 6a – Enter amount from line 6a of page 2.
- Do the ‘sum’ of Lines 5a and 6a. If expenses exceed income, place the resultant in brackets.
- Transfer the resultant Surplus or Deficit to Line 5b of Page 4 in Column ‘Current Year’.

Page 5 - 'Fixed Asset Inventory'

- Fill out this list next.

Page 4 – Balance Sheet

- In the '**Current Assets**' section, fill out the amounts for each line for 'Last Year'. These are taken from your final and approved ACC9 for the previous year-end. Accuracy is key to balance in the 'Equity' section.
- Next, after **reconciling** all SSC accounts for year-end, enter the resultants on relevant '**Current Assets**' lines (1000 block) in the 'Current Year' column. It is *mandatory* to attach photocopies of bank and investment houses year-end statements with reconciliation sheets as applicable.
- In the '**Fixed Assets**' section (1500 block), enter the Nominal Value of \$1 on each line where you own assets (as listed on page 5), and the 'Estimated Replacement Costs' (e.g. For 25 band instruments bought years ago at purchase prices of \$10,000, enter on Line 2g – 'Nominal Value' of \$1 and 'Estimated Replacement Cost' of \$15,000).
- Enter the sum of 'Nominal Values' in the far box on line 2i (an amount most appropriately between \$1 and \$8).
- Add Lines 1i and 2i and enter sum on the 1700 Line in the far box.
- Now, move to the 'Liabilities and Equity' part of page 4.
- In the '**Current Liabilities**' section (2000 block), under 'last year' and 'this year', enter amounts where applicable. (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) – Add the 'Current Year' amounts of lines 3a, 3b, 3c, 3d and 3e and enter the sum 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) – Add the 'Current Year' amounts of lines 4a, 4b and 4c and enter the sum in the Far Right column on line 4d.
- '**Total Liabilities**' Line – Add the amounts in the Far Right column of lines 3f and 4d and enter the sum in the Far Right column on the 'Total Liabilities' line.
- '**Equity**' Section (3000 block) – To complete this section, proceed sequentially as follows:
 1. 'Last Year' column - Line 5a (Retained Earnings): Enter the amount from Line 5a 'Current Year' of *last year's* ACC9.
 - Line 5b (Excess of Revenues over Expenditures):

Enter the amount from Line 5b 'Current Year' of *last year's* ACC-9.

- Line 5c (Integer Rounding Adjustment):
More on this Line below.

- Line 5d (Total Equity): Add the 'Last Year' entries from Lines 5a and 5b.

2. 'Current Year' column – Line 5a (Retained Earnings): Forward the 'Last Year' Total Equity amount from Line 5d to Line 5a.

- Line 5b (Excess of Revenues over Expenses):
Forward the amount from Line 6 of page 3 (Surplus or Deficit).

- **'Total Equity' Line (5d)** – Add the amounts in the 'Current Year' column for lines 5a, 5b and 5c and enter the sum in the Far Right column on the 'Total Equity' line.
- **'Total Liabilities + Equity' Line** – Add the amounts in the Far Right column for lines 'Total Liabilities' and 'Total Equity' and enter the sum in the Far Right column on the 'Total Liabilities + Equity' line.
- **BALANCING** – As indicated by the blue/mauve link on page 4, the amounts on lines 'Total Assets' (1700) and 'Total Liabilities + Equity' (3700) must be equal. If they are not equal, there is most likely a recording error or a tallying error.
- **Rounding Adjustment** for Integers – As the ACC9P uses integers only (no cents of 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.
- **If Balancing does not occur** – In those rare instances when the ACC9P 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 ACC9P along with an explanatory letter to the PC Financial Compliance Officer requesting assistance and direction. Once satisfied 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. Proven, alleged or suspected fraudulent irregularities need to be pursued by the SSC with guidance, assistance or direction from the PC.