

GOOD ACCOUNTING, GOOD ACCOUNTANTS – A MUST FOR ELK LODGES


Grand Lodge Auditing and Accounting
Committee Seminar

July 4, 2016

Presented by Ronald J. Celeste – Area 7



CLUB OPERATION

- Bartenders should NOT Z out cash register or count money
 - Club Managers and/or Bartenders should NOT take physical inventories.
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- A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.

CASH RECEIPTS FROM MANY SOURCES:

RESTRICTED FUND REVENUE

OUTSIDE PARTIES

DUES AND FEES

LODGE ACTIVITIES

CLUB RECEIPTS

RV PARK INCOME

LOTTERY INCOME

INVESTMENT INCOME

RENTAL INCOME



CASH RECEIPT PROCEDURE:

LODGE SECRETARY...

- Receives cash receipts and prepares daily Cash Receipts Journal
- Remits funds to...

LODGE TREASURER...

- Reviews cash receipts and prepares bank deposits
- Makes deposits
- Receipts Journal is remitted to...

LODGE BOOKKEEPER...

- Records Journal to accounting system
- Should have no access to cash and checks received

PERSON MAKING DEPOSITS SHOULD NOT BE DOING THE BANK RECONCILIATIONS!

VOUCHER SYSTEM

- ✓ The Exalted Ruler and Lodge Secretary generate vouchers
- ✓ Vouchers are reviewed by the Trustees and Club Governing Body
- ✓ Lodge Bookkeeper prepares the check
- ✓ Lodge Treasurer pays the bill after approval on the floor of the Lodge
- ✓ Checks should require two signatures for sound internal control
- ✓ Lodge Treasurer and a Board Member sign checks


ACCOUNTING FOR ELKS PREPARED ON ACCRUAL BASIS OF ACCOUNTING

- Income is recorded when earned and expenses are booked when incurred
- Prepaid Dues and Fees are those collected thru March 31st
- These amounts are booked as deferred revenue on the balance sheet and booked to income in the succeeding year on a prorated basis
- Ticket sales for future events are considered deferred revenue, and not booked as income until the event takes place
- Expenses for future events are booked as Prepaid expenses until the event takes place.

ACCOUNTING FOR ELKS (cont'd)

- Allocate common overhead expenses to all departments using a reasonable method, reflecting a reasonable expense for each department
- Monthly financial statements should include allocated expenses along with Budget Comparisons.
- Depreciation should be booked each month and included in the budget.
- Board of Directors (Trustees) and Club Governing Body should review monthly financial statements with budget comparisons to assess the financial condition of the Lodge and Club.

INDEPENDENT ACCOUNTANT:

- Selected and engaged by the Lodge Audit & Accounting Committee with Lodge approval
 - Should be familiar with non-Profit accounting, and preferably familiar with Elks accounting
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RESPONSIBILITIES:

- Should review books and records of the Lodge and make journal entries to correct, including those related to:
 - Prepaid Expenses
 - Deferred Revenue
 - Reconciliation of Dues and Fees
 - Reconciliation of Restricted Funds
 - Adjust Depreciation
 - Make adjustments to correct various revenue and Expenditure accounts

RESPONSIBILITIES (cont'd:)

- Prepare Financial Statements and Grand Lodge Reports
- Understand tax law regarding “Unrelated Business Income”
- Prepare Tax Returns for Federal and State agencies
 - Lodges fall under the 501(c)(8) code section of the Internal Revenue Code. Lodges file under the group exemption number 1156.

Be sure to get what you pay for!

IN CONCLUSION

Elks Lodges need:

- A Good Accounting System
- Sound Internal Controls
- Competent Secretary and Treasurer
- A High Level Bookkeeper
- A Competent Independent Accountant (preferably a CPA)

It may be advisable to use your Outside Accountant to assist the Lodge in preparing accurate monthly Financial Statements.

