



# The Benevolent and Protective Order of Elks *of the United States of America*

## New Financial Reporting System (FRS) Overview

### **Q. Why is my Lodge obligated to follow this?**

**A.** Resolution 2019-14 to replace the requirement of an Annual Financial Report (audit, review, or compilation) with a standardized on-line financial reporting system was presented at the 2019 Grand Lodge session in St Louis. The lodges voted to accept this resolution.  
Currently, the Auditing and Accounting Manual has been updated to implement the new resolution. The Statutes are being modified as necessary to implement this resolution as well.

### **Q. Why did Grand Lodge propose this new reporting system?**

**A.** The on-line financial reporting system will enable Grand Lodge Area Auditing and Accounting Committee Members to review the financial status of individual lodges throughout the year. Reports built into the system will provide timely alerts of possible financial problems occurring within the lodge. By using these reports and reacting to the alerts, financial concerns can be addressed as they arise rather than waiting until sometime after July.

### **Q. What is the benefit of using the FRS (what's in it for me)?**

**A.** If a lodge is reporting to the FRS as required and if no concerns are noted then the Annual Financial Report will not be required, a potential savings of thousands of dollars. Note: *"At any time the FRS indicates mismanagement, financial inconsistencies, of failure to follow standard accounting principle, the Grand Lodge Audit and Accounting Committeeman, with approval of the State Sponsor(s), may require an Audit or Review."*

### **Q. How changes are required to work with the FRS?**

**A.** An updated chart of accounts was released in July with the new Auditing and Accounting manual. All lodges must convert to using this chart of accounts.  
The lodge will be required to provide two files at the beginning of each year to start using the system. Updates to these initial files will be required if the lodge changes its chart of accounts or budget. The lodge will be required to provide a file each month showing the financial activity during the previous month.



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## **Q. What stays the same once we are working with the FRS?**

**A.** Other than the requirement to update the chart of accounts and send the initial and monthly files, nothing else changes. Lodges will continue to use their same bookkeeper/accountant, their same financial software (QuickBooks or other), their same Treasurer, Secretary, and Auditing and Accounting Committee. Lodge operations will stay the same.

## **Q. What is the timeline?**

**A. Mid-July 2019:**

- New Auditing and Accounting Manuals (A&A manual) with new Grand Lodge Chart of Accounts (GL CoA) released

### **Late July / Early August 2019:**

- Small number of selected lodges begin using FRS
- ALL lodges begin transitioning to new Chart of Accounts
- FRS information available on [elks.org](http://elks.org) website

### **April 1, 2020:**

- ALL lodges use FRS

### **May 15, 2020:**

- Deadline for ALL lodges to submit first monthly activity file

## **Q. What does my lodge need to do to prepare for using the FRS?**

**A.** The most important first step is to convert to the new GL CoA. This is available today in the Auditing and Accounting Manual. As converting takes some time, lodges should start this process immediately. The lodge should also review the FRS materials now available on the [elks.org](http://elks.org) website (search for keyword FRS). The lodge will need to produce the mapping and budget files by early April and the activity file by mid-May. Lodges should start now to understand the format of these files and how to generate them.



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## **Q. What does my lodge need to do to begin using the FRS? (mapping file, budget file, balance file)**

**A.** Instructions for creating these files will be available in the FRS section of the [elks.org](http://elks.org) website. . There are three files required:

### **Initial Mapping file:**

- This file maps the account numbers used by the local lodge to the corresponding account number in the Grand Lodge Chart of Accounts
- If a lodge has converted to the Grand Lodge accounts then this file is a simple one-to-one mapping
- If a lodge is using sub-accounts or other lodge-defined accounts, then it is important that these are mapped properly to GL CoA numbers

### **Balance file (also referred to as Actuals):**

- For lodges starting with the FRS during the lodge year (not on April 1) it will be necessary to provide the initial balances
- Note: This file may be required for all lodges since balance sheet accounts do not go to zero on 1 April
- This file is similar to an activity file

### **Budget file:**

- After providing the mapping file, the lodge needs to provide their budget in the specified format

## **Q. What are the recurring requirements of the FRS? (activity file)**

**A.** The Lodge is required to forward an activity file by the third Friday of the month. This file provides the monthly financial activity in the lodge. Total monthly activity, if any, is reported for each row of the lodge's chart of accounts.

Instructions for creating this file will be available in the FRS section of the [elks.org](http://elks.org) website.

## **Q. My Lodge doesn't use QuickBooks, what do I do?**

**A.** QuickBooks is not a requirement for the FRS. The required files are not specific to QuickBooks in any way. Any accounting package should be able to generate reports similar to what is required then manipulated by spreadsheet software such as Excel to create the final file.

Since QuickBooks is a commonly used package, instructions for generating the files from QuickBooks reports are part of the instructions in FRS section of the [elks.org](http://elks.org) site.

## **Q. My lodge uses an outside accountant, how do I work with the FRS?**



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**A.** The requirements to forward files monthly remains the same. The financial package the outside accountant uses will be able to generate reports that can then be converted into the required files. It is possible the outside accountant may be able to generate the files for you.

**Q.** **An Audit or Review is mentioned but not a Compilation; why is a compilation no longer an option?**

**A.** A compilation simply takes the numbers present in the lodge's financial software and formats them in the desired report. When you provided your final P&L or QuickBooks company file to your accountant, he copied the numbers found there into the Annual Financial Audit form. There was little or no analysis done to determine whether the numbers were correct.

The FRS performs the same function – it is a compilation. The FRS takes the numbers directly from your financial system and formats them for the FRS software. No analysis is done to determine where the numbers came from or if they are correct, they are simply copied.

If inconsistencies or problems are indicated by FRS then it is a sign that a compilation is not sufficient to understand what is occurring with the financials in the lodge. Since the FRS is not sufficient, a compilation is not sufficient, and a Review or Audit will be necessary.

**Q.** **What is a CSV file?**

**A.** A .csv file is a standard format for storing data. This is not QuickBooks specific, it is not a financial format, and it is not unique to Excel. The format consists of rows of data with a comma separating individual fields. The format is simple enough that it can be created by hand if desired.

The files required by the FRS have a very strict structure. Each row has the same fields in the same order. A .csv file can easily store this information and the processing software can easily read it.



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## **Q. My lodge has a cost center (Bingo, Ballroom, etc.) that isn't represented in the GL Chart of Accounts, what do I do?**

**A.** Not everything that every lodge does can be represented separately in the GL CoA, there aren't enough line numbers for all of that. If your lodge has a grouping like this, there are a few options for making it fit.

### **Use a 6xxxx section that is close to what you have**

- Maybe your activity isn't specifically listed but requires income and expense lines that are similar to those listed under 63xxx Motorcycle Club. You might find it acceptable to think of your activity as a Motorcycle Club and use the 63xxx lines. You don't strictly have a Motorcycle Club but you are accounting for your income and expenses and you are keeping things grouped so you can determine the profitability of your activity.

### **Use the 71xxx Other Recreational Center**

- The 71xxx section was set aside for activities not specifically listed elsewhere. If you find that your income and expenses resemble the lines that are defined in the 71xxx series then you could use this section. You are accounting for your income and expenses and you are keeping things grouped so you can determine the profitability of your activity.

### **Use existing lines, creating sub-accounts as needed, to fit into the GL CoA**

- If your activity is not specifically listed then perhaps the lines you would like to use are listed in other areas. For example, bingo income and expenses or food income and expenses already exist outside the 6xxxx series. You could use the existing lines for your activity.
- If necessary, you could create sub-accounts to keep your income/expenses separate for determining whether the activity is profitable. For example, you could use 40100.1 for ballroom liquor sales and 40100.2 for bingo liquor sales. Both these would total into 40100 on your P&L and both would be mapped to 40100 in the mapping file.
- Locally, you would be able to generate a report with 40100.1 and its equivalent expense line to determine whether the ballroom was profitable. While most of the reports pull



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## Adaptive Insights Frequently Asked Questions (FAQ)

### **Q. What is Adaptive Insights?**

**A.** Adaptive Insights is a cloud-based corporate performance management (CPM) software that is easy, powerful, and fast. Adaptive features include Interactive Dashboards, Data Visualizations, and Charts That Are Easy to Create.

### **Q. How will Adaptive Insights be used by the Lodges? What kind of reports will be available to the Lodges?**

**A.** There are no reports available to the Lodges unless they ask the District Deputy or the State Coordinators for copies.

### **Q. Where do we find all of the documentation, video instructions, templates, examples and recordings of webinars?**

**A.** It should be available on Elks.Org. Exact placement will be determined by Elks.org website administrator. You can also use this link to access all of the above:  
<https://TinyURL.com/Elks-Adaptive>

### **Q. How do we export list of accounts to Comma Separated Values (CSV) file?**

**A.** QuickBooks allows to export reports directly to CSV file, which can be opened in Excel for further editing. See documentation question above. <https://TinyURL.com/Elks-Adaptive>

### **Q. Will Adaptive Insights system replace QuickBooks or other accounting software Lodges are using for daily data entry?**

**A.** No, it will not. Adaptive Insights will produce reports based on the data exported out of accounting software from all the Lodges.

### **Q. How will data from QuickBooks or other accounting software used by the Lodges get into Adaptive Insights?**

**A.** Currently, we have developed an e-mail based system, where Account Mappings, Monthly Account Balances and Annual Budgets are emails to [Adaptive@Elks.Cloud](mailto:Adaptive@Elks.Cloud)



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**Q. When will each monthly upload file be due?**

A. The monthly upload is due the 3rd Friday of each month.

**Q. What will happen if Lodges fail to send their monthly files on time?**

A. State Coordinator will be alerted.

**Q. What do we do if we need assistance with creating and sending files?**

A. Please email us at [ElksHelp@morr Morr.com](mailto:ElksHelp@morr Morr.com). We will respond as quickly as possible.

**Q. What data are Lodges required to submit?**

A. Account Mappings (we need to know how Lodge accounts translate to standard ELKS GL Accounts), monthly Account balances, and annual Budget amounts.

**Q. Should we be submitting *account balances* or the *actual transactional activity* for the month?**

A. You can submit either account balances or transactional activity. If you submit transaction activity, all activity for the month is required, and must net to zero.

**Q. Does Mapping file need to be submitted every month with Actuals?**

A. No. Mapping file does not need to be submitted every month. We only need the mapping file if there were changes to your Lodge account numbers.

**Q. What should we do if we have a change in account mappings?**

A. You will need to submit a new mapping file prior to submitting that month's activity.



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**Q.** If we resubmit new mapping file with a new account number, do we need to resubmit the budget?

**A.** Yes. If the budget file includes an unmapped account number - this budget file will be rejected.

**Q.** Will Lodges have to consolidate all entities before submitting?

**A.** Yes. We require one file per Lodge.

**Q.** How will the system handle a correction made in say June for an April transaction? How do you want us to handle prior period adjustments?

**A.** You can re-submit previous months account balances, as long as your account numbers have not changed. The system will overwrite previous months with new values.

**Q.** If resubmitting in June for, say April transaction, will May also have to be resubmitted?

**A.** No. Data is processed on monthly basis. You can resubmit one month without resubmitting others.

**Q.** If we change all our QuickBooks account numbers to the new manual chart of accounts number do we still have to submit a mapping file?

**A.** Yes - we still need to know all account numbers for your Lodge number.

**Q.** Is the file mapping capable of many (at Lodge level) to one (at the cloud) or is it only one to one?

**A.** Yes - multiple local Lodge accounts can be mapped to a single ELKS account.

**Q.** For two or three digit Lodge numbers will a leading zero be required?

**A.** Yes. Please type leading zeros when preparing your files in Excel. For example, for Lodge 23, type apostrophe, followed by zero, zero, two and three. '0023





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**Q.** When creating a mapping file, should the local account column contain only the local account number (digits only) or will it contain the name of the account as well?

**A.** Just the account number. See example files, and training videos.

**Q.** How should negative values be represented in the Adaptive Actuals Import file?

**A.** Debit amounts are represented by positive values, credits are represented by negative values. Debits = positive, Credits = negative.

**Q.** Can we add accounts that are seldom used, like once a year or two, so we don't have to change our mapping file?

**A.** Yes. Please include ALL account numbers used at your Lodge, no matter how often they are used. If you submit your Actuals file that includes unmapped account - the data file will be rejected.

**Q.** Do all lodges have to submit two years of data or can they just start with 4/1/2019?

**A.** We recommend two years of history starting at 4/1/2017. If that is not feasible, we require that you submit a beginning balance for the beginning of the earliest fiscal year you are providing. If you're starting at 4/1/2019, we would want the beginning balance from 4/1/2019 and monthly activity files from that date.

**Q.** Do sub accounts need to have their own account number?

**A.** All subaccounts must be mapped to the roll-up ELKS standard account number

**Q.** Can we adjust budget quarterly?

**A.** You can resubmit your budget at any time, but you must submit the entire fiscal year.

**Q.** Can we print monthly financial statements from Adaptive?

**A.** Lodges will not have direct access to monthly financial statements. If you require them - ask your State Coordinator, and they will provide them for you.

**Q.** Will the monthly breakout of the budget be available to the lodges to be put in the QuickBooks?



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**A.** Lodges will not have direct access to monthly financial statements. If you require them - ask your State Coordinator, and they will provide them for you.

**Q.** **What happened to just submitting this "Annual Report" on an annual basis vs. monthly?**

**A.** This was never an option with the FRS program. The FRS does away with the Annual Financial Report.

**Q.** **If a Lodge does not have a bookkeeper, who processes this monthly task?**

**A.** Whoever does the bookkeeping / accounting for the Lodge

**Q.** **Will there be a financial report required for this Lodge year since not all lodges will be on the new system?**

**A.** All Lodge have between now and April 1, 2020 to start using the FRS system using the new COA's. Lodges that are not using the FRS system starting April 1, 2020 will be subject to either an Audit or Review as a "Compilation" or "In-House Review" are no longer an option.