

# SMACNA Executive Education Series

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*An Association's Books and Records*

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*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





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# 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 43<sup>rd</sup> 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 43<sup>rd</sup> 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
<b>Revenues:</b>					
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%
	<b>TOTAL REVEUNE</b>	<b>\$797,625.00</b>	<b>100.00%</b>	<b>\$722,310.00</b>	<b>100.00%</b>
<b>Administrative &amp; General Expenses:</b>					
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%
	<b>TOTAL ADMINISTRATIVE &amp; GENERAL EXPENSES</b>	<b>\$289,822.00</b>		<b>\$293,095.58</b>	
<b>Industry Programs:</b>					
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%
	<b>TOTAL INDUSTRY PROGRAMS</b>	<b>\$192,212.00</b>		<b>\$186,572.00</b>	
<b>Committees:</b>					
6800	Committee Expenses	\$12,000.00	1.56%	\$12,000.00	1.64%
	<b>TOTAL COMMITTEES</b>	<b>\$12,000.00</b>		<b>\$12,000.00</b>	
<b>Payments to National:</b>					
6900	Man Hour Payments	\$225,315.00	29.31%	\$195,000.00	26.86%
	<b>TOTAL MAN HOUR PAYMENTS TO NATIONAL</b>	<b>\$225,315.00</b>		<b>\$195,000.00</b>	
	<b>ALL INDUSTRY EXPENSES</b>	<b>\$719,349.00</b>		<b>\$686,667.58</b>	
<b>Association/Membership:</b>					
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%
	<b>TOTAL MEMBERSHIP EXPENSES</b>	<b>\$49,300.00</b>		<b>\$44,800.00</b>	
	<b>MEMBERSHIP &amp; INDUSTRY EXPENSES TOTAL</b>	<b>\$768,649.00</b>	<b>100.00%</b>	<b>\$731,467.58</b>	<b>100.00%</b>
	<b>TOTAL REVENUE</b>	<b>\$797,625.00</b>		<b>\$722,310.00</b>	
	<b>TOTAL EXPENSES</b>	<b>\$768,649.00</b>		<b>\$731,467.58</b>	
	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
<b>Income</b>				
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	
<b>Total Revenue</b>	<b>944,796.35</b>	<b>722,310.00</b>	<b>222,486.35</b>	<b>130.80 %</b>
<b>Total Income</b>	<b>\$944,796.35</b>	<b>\$722,310.00</b>	<b>\$222,486.35</b>	<b>130.80 %</b>
<b>GROSS PROFIT</b>	<b>\$944,796.35</b>	<b>\$722,310.00</b>	<b>\$222,486.35</b>	<b>130.80 %</b>
<b>Expenses</b>				
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 %
<b>Total Administrative &amp; General</b>	<b>330,962.95</b>	<b>289,822.00</b>	<b>41,140.95</b>	<b>114.20 %</b>
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 %
<b>Total Association/Membership</b>	<b>44,675.07</b>	<b>49,300.00</b>	<b>(4,624.93)</b>	<b>90.62 %</b>
Committees				
6800 Committee Expenses	15,188.88	12,000.00	3,188.88	126.57 %
<b>Total Committees</b>	<b>15,188.88</b>	<b>12,000.00</b>	<b>3,188.88</b>	<b>126.57 %</b>
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 %
<b>Total Industry Programs</b>	<b>121,213.03</b>	<b>192,212.00</b>	<b>(70,998.97)</b>	<b>63.06 %</b>
Mileagege	75.06		75.06	
Payments to National				
6900 Man Hours Payments	196,314.73	225,315.00	(29,000.27)	87.13 %
<b>Total Payments to National</b>	<b>196,314.73</b>	<b>225,315.00</b>	<b>(29,000.27)</b>	<b>87.13 %</b>
<b>Total Expenses</b>	<b>\$708,429.72</b>	<b>\$768,649.00</b>	<b>\$ (60,219.28)</b>	<b>92.17 %</b>
<b>NET OPERATING INCOME</b>	<b>\$236,366.63</b>	<b>\$ (46,339.00)</b>	<b>\$282,705.63</b>	<b>(510.08 %)</b>
<b>NET INCOME</b>	<b>\$236,366.63</b>	<b>\$ (46,339.00)</b>	<b>\$282,705.63</b>	<b>(510.08 %)</b>





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



# 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
<b>Income</b>	
Revenue	
4010 Industry Fund - Programs	54,002.78
4310 Dividend/Interest Income	29,162.07
4320 Unrealized Gain/Loss	37,624.84
<b>Total Revenue</b>	<b>120,789.69</b>
<b>Total Income</b>	<b>\$120,789.69</b>
<b>GROSS PROFIT</b>	<b>\$120,789.69</b>
<b>Expenses</b>	
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
<b>Total Administrative &amp; General</b>	<b>21,108.81</b>
Association/Membership	
7000 National Convention/Annual Event	3,921.70
7900 Other Expenses Association	422.50
<b>Total Association/Membership</b>	<b>4,344.20</b>
Committees	
6800 Committee Expenses	1,721.66
<b>Total Committees</b>	<b>1,721.66</b>
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
<b>Total Industry Programs</b>	<b>24,030.14</b>
Mileage	26.57
Payments to National	
6900 Man Hours Payments	28,937.45
<b>Total Payments to National</b>	<b>28,937.45</b>
<b>Total Expenses</b>	<b>\$80,168.83</b>
<b>NET OPERATING INCOME</b>	<b>\$40,620.86</b>
<b>NET INCOME</b>	<b>\$40,620.86</b>



# 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](http://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**

<b>1</b> Briefly describe the organization's mission or most significant activities:			
<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
<b>Activities &amp; Governance</b>	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	
	<b>5</b> Total number of individuals employed in calendar year 2022 (Part V, line 2a)	<b>5</b>	
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	
<b>7b</b> Net unrelated business taxable income from Form 990-T, Part I, line 11	<b>7b</b>		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)		
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		
	<b>16b</b> Total fundraising expenses (Part IX, column (D), line 25)		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		
	<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)		
<b>Net Assets or Fund Balances</b>	<b>19</b> Revenue less expenses. Subtract line 18 from line 12		
	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)		
<b>22</b> 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	
<b>Contributions, Gifts, Grants, and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b> Membership dues . . . . .	<b>1b</b>				
	<b>c</b> Fundraising events . . . . .	<b>1c</b>				
	<b>d</b> Related organizations . . . . .	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f . . . . .	<b>1g</b> \$				
	<b>h Total.</b> Add lines 1a-1f . . . . .					
			Business Code			
<b>Program Service Revenue</b>	<b>2a</b> _____					
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> _____					
	<b>e</b> _____					
	<b>f</b> All other program service revenue . . . . .					
<b>g Total.</b> Add lines 2a-2f . . . . .						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .					
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties . . . . .					
	<b>6a</b> Gross rents . . . . .	<b>6a</b>	(i) Real	(ii) Personal		
	<b>b</b> Less: rental expenses	<b>6b</b>				
	<b>c</b> Rental income or (loss)	<b>6c</b>				
	<b>d</b> Net rental income or (loss)					
	<b>7a</b> Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities	(ii) Other		
	<b>b</b> Less: cost or other basis and sales expenses . . . . .	<b>7b</b>				
	<b>c</b> Gain or (loss) . . . . .	<b>7c</b>				
<b>d</b> Net gain or (loss)						
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>8a</b>					
<b>b</b> Less: direct expenses . . . . .	<b>8b</b>					
<b>c</b> Net income or (loss) from fundraising events . . . . .						
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>9a</b>					
<b>b</b> Less: direct expenses . . . . .	<b>9b</b>					
<b>c</b> Net income or (loss) from gaming activities . . . . .						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>10a</b>					
<b>b</b> Less: cost of goods sold . . . . .	<b>10b</b>					
<b>c</b> Net income or (loss) from sales of inventory . . . . .						
		Business Code				
<b>Miscellaneous Revenue</b>	<b>11a</b> _____					
	<b>b</b> _____					
	<b>c</b> _____					
	<b>d</b> All other revenue					
	<b>e Total.</b> Add lines 11a-11d . . . . .					
<b>12 Total revenue.</b> 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
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .				
<b>4</b> Benefits paid to or for members . . . . .				
<b>5</b> Compensation of current officers, directors, trustees, and key employees . . . . .				
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b> Other salaries and wages . . . . .				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .				
<b>9</b> Other employee benefits . . . . .				
<b>10</b> Payroll taxes . . . . .				
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management . . . . .				
<b>b</b> Legal . . . . .				
<b>c</b> Accounting . . . . .				
<b>d</b> Lobbying . . . . .				
<b>e</b> Professional fundraising services. See Part IV, line 17 . . . . .				
<b>f</b> Investment management fees . . . . .				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.) . . . . .				
<b>12</b> Advertising and promotion . . . . .				
<b>13</b> Office expenses . . . . .				
<b>14</b> Information technology . . . . .				
<b>15</b> Royalties . . . . .				
<b>16</b> Occupancy . . . . .				
<b>17</b> Travel . . . . .				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b> Conferences, conventions, and meetings . . . . .				
<b>20</b> Interest . . . . .				
<b>21</b> Payments to affiliates . . . . .				
<b>22</b> Depreciation, depletion, and amortization . . . . .				
<b>23</b> Insurance . . . . .				
<b>24</b> 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.)				
<b>a</b> _____				
<b>b</b> _____				
<b>c</b> _____				
<b>d</b> _____				
<b>e</b> All other expenses _____				
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e				
<b>26</b> <b>Joint costs.</b> 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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .		<b>1</b>
	<b>2</b> Savings and temporary cash investments . . . . .		<b>2</b>
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>
	<b>4</b> Accounts receivable, net . . . . .		<b>4</b>
	<b>5</b> 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 . . . . .		<b>5</b>
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) . . . . .		<b>6</b>
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>
	<b>9</b> Prepaid expenses and deferred charges . . . . .		<b>9</b>
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b>	
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b>	<b>10c</b>
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .		<b>12</b>
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>
	<b>14</b> Intangible assets . . . . .		<b>14</b>
	<b>15</b> Other assets. See Part IV, line 11 . . . . .		<b>15</b>
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) . . . . .		<b>16</b>	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .		<b>17</b>
	<b>18</b> Grants payable . . . . .		<b>18</b>
	<b>19</b> Deferred revenue . . . . .		<b>19</b>
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>
	<b>22</b> 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 . . . . .		<b>22</b>
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>
	<b>25</b> 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 . . . . .		<b>25</b>
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .		<b>26</b>
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>		
	<b>27</b> Net assets without donor restrictions . . . . .		<b>27</b>
	<b>28</b> Net assets with donor restrictions . . . . .		<b>28</b>
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>		
	<b>29</b> Capital stock or trust principal, or current funds . . . . .		<b>29</b>
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>30</b>
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>31</b>
<b>32</b> <b>Total net assets or fund balances</b> . . . . .		<b>32</b>	
<b>33</b> <b>Total liabilities and net assets/fund balances</b> . . . . .		<b>33</b>	





# 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"><li>• Bank reconciliations</li><li>• Accounts payable processing and payments</li><li>• Credit card reconciliation</li><li>• Payroll entry</li><li>• General ledger accounting</li><li>• Standard financial statements</li></ul>	<p><i>Includes all Accounting services</i></p> <ul style="list-style-type: none"><li>• Month-end close</li><li>• Customer Invoicing</li><li>• Variance analysis</li><li>• Purchase order processing</li><li>• Cash flow management and planning</li><li>• Sales tax filing</li><li>• Annual 1099 preparation</li><li>• Dashboard - basic</li><li>• Custom management reports</li></ul>	<p><i>Includes all Controller &amp; Accounting services</i></p> <ul style="list-style-type: none"><li>• Dashboards - advanced, customized, metrics</li><li>• Statistical reporting</li><li>• Budget and forecasting</li><li>• Strategic planning</li><li>• Develop key performance indicators (KPI's)</li><li>• Board of Directors/ Committee Presentations</li><li>• Year end audit assistance</li><li>• Grant management</li><li>• Internal controls</li><li>• Manage banking relationship</li><li>• Recommend growth initiatives</li></ul>

# Questions?



# Thank you!!!



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