



# Financial Management for Non-Profits

Becky Magdaleno, CAE  
Director of Administration  
[bwilson@aiafla.org](mailto:bwilson@aiafla.org)

# Chart of Accounts

Account	Type	Description
100 · Checking Account	Bank	
101 · Investment Account	Bank	
150 · Prepaid Expense	Other Current Asset	Expenses paid in current year for next year's budget.
300 · Dues Paid in Advance	Other Current Liability	
300 · Dues Paid in Advance:301 · Individual Dues Paid in Advance	Other Current Liability	Architect, Associated and International Associate dues paid in current year for next year's membership
300 · Dues Paid in Advance:302 · Allied Dues Paid in Advance	Other Current Liability	Allied dues paid in current year for next year
30000 · Opening Balance Equity	Equity	Opening balances during setup post to this account. The balance of this account should be zero after completing your setup
600 · Dues	Income	
600 · Dues:601 · Individual Dues	Income	Dues paid by Architects, Associates and International Associates. Money is directly deposited into your component's account.
600 · Dues:602 · Allied Dues	Income	Dues paid by Allied members
610 · Design Awards	Income	
610 · Design Awards:611 · Design Award Entries	Income	Income from Design Awards registrations
610 · Design Awards:612 · Design Awards Tickets	Income	Income from design awards banquet ticket sales.
610 · Design Awards:613 · Sponsorships	Income	Income from Design Awards Sponsorships
620 · Continuing Education	Income	
620 · Continuing Education:621 · CE Registrations	Income	Income from CE registrations
620 · Continuing Education:622 · CE Sponsorships	Income	Income from CE Sponsorships
630 · Other Event	Income	
630 · Other Event:631 · Other Event Registration	Income	Other event registration income
630 · Other Event:632 · Other Event Sponsorship	Income	Other event sponsorship income
640 · ARE/EP	Income	
640 · ARE/EP:641 · Registration	Income	Registration revenue for ARE/EP programming
650 · Advertising/Communications	Income	
650 · Advertising/Communications:651 · Website	Income	Income from sponsor posts on website
650 · Advertising/Communications:652 · Newsletter	Income	Income from sponor posting on print or e-newsletter
660 · AIA Revenue Sharing	Income	Revenue distributed by AIA National according to agreement from November.
710 · Design Awards Expenses	Expense	Expense from administering Design Awards
720 · Continuing Education Programs	Expense	CE Programming expenses
740 · ARE/EP Programming	Expense	ARE/EP programming expenses
750 · PR/Communications	Expense	
750 · PR/Communications:751 · Website	Expense	Costs associated with website hosting and development
750 · PR/Communications:752 · E-mail Service	Expense	Costs associated with blast email service
760 · Association Expenses	Expense	
760 · Association Expenses:761 · Bank Fees	Expense	Bank Fees/Credit Card processing
760 · Association Expenses:762 · Insurance	Expense	Insurance: D&O, General Liability
760 · Association Expenses:763 · Office Supplies	Expense	
760 · Association Expenses:764 · Office Equipment	Expense	
760 · Association Expenses:765 · Rent	Expense	
760 · Association Expenses:766 · Accounting Fees	Expense	Expenses associated with CPA services
770 · Staff Expenses	Expense	
770 · Staff Expenses:771 · Salaries and Wages	Expense	
770 · Staff Expenses:772 · Employment Taxes	Expense	
770 · Staff Expenses:773 · Retirement	Expense	
770 · Staff Expenses:774 · Benefits	Expense	



## Budget

- Balanced Budget
- Standing Committee
- Adopted Annually by Board
- Tool or Roadmap. Can be amended.



What Statements should you be seeing?

- Balance Sheet (statement of financial position.)
- Profit & Loss (statement of activity or income statement)
- Cash Flows (included in Statement of Activities)
- Budget Comparison
- Notes/Variiances



# Balance Sheet



- Now commonly referred to as Statement of Financial Position
- Snapshot of financial situation
- Assets (what is owned)
- Liabilities (what is owed)
- Shows cash on hand and what assets may soon be available.

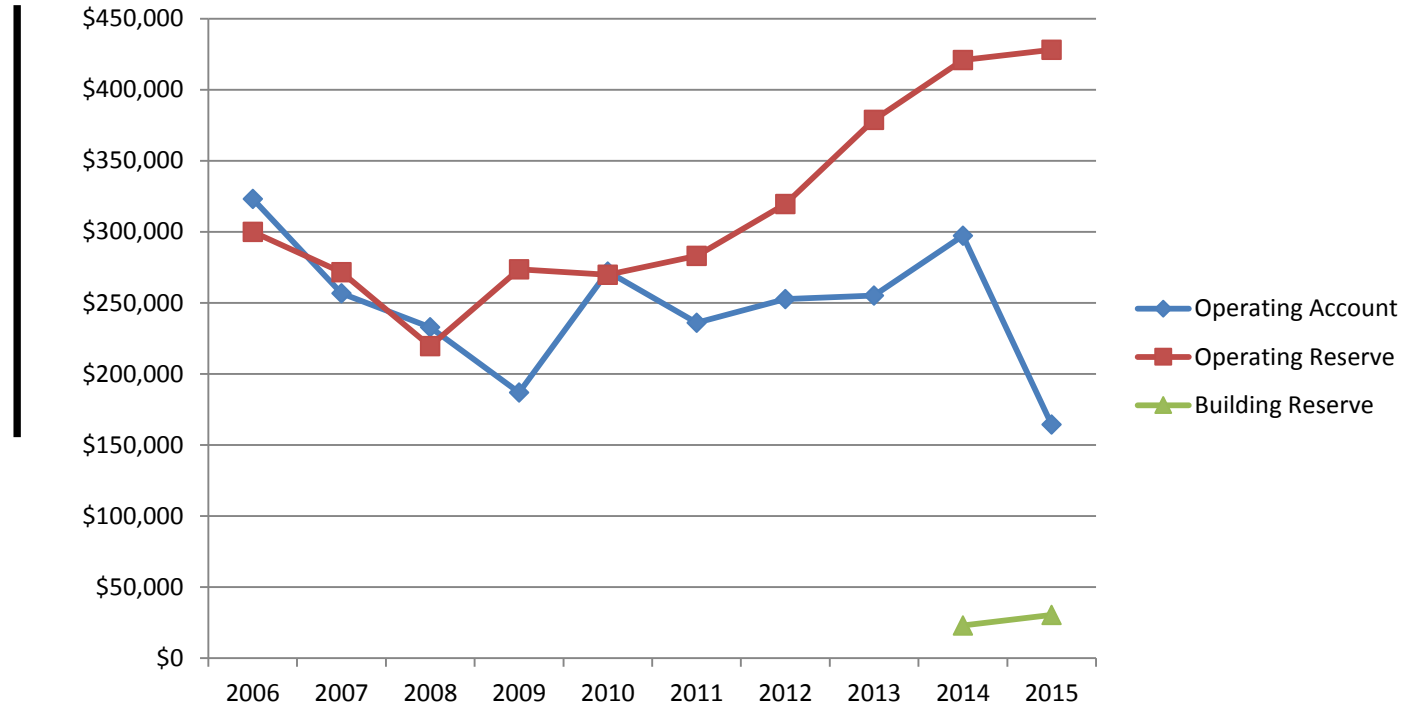


# Example Balance Sheet

		Jan 23, 16
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
100 · Checking Account		20,450.00
101 · Investment Account		5,000.00
Total Checking/Savings		25,450.00
Accounts Receivable		
11000 · Accounts Receivable		750.00
Total Accounts Receivable		750.00
Total Current Assets		26,200.00
<b>TOTAL ASSETS</b>		<b>26,200.00</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable		500.00
Total Accounts Payable		500.00
Total Current Liabilities		500.00
Total Liabilities		500.00
Equity		
32000 · Unrestricted Net Assets		25,250.00
Net Income		450.00
Total Equity		25,700.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>26,200.00</b>



# Balance Sheet



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Operating Account</b>	\$323,043	\$256,820	\$232,864	\$186,890	\$272,035	\$235,966	\$252,720	\$255,210	\$297,141	\$164,407
<b>Operating Reserve</b>	\$300,001	\$271,610	\$219,619	\$273,504	\$269,693	\$283,162	\$319,569	\$378,847	\$420,742	\$428,023
<b>Building Reserve</b>									\$23,093	\$30,462
	\$623,044	\$528,430	\$452,483	\$460,393	\$541,728	\$519,128	\$572,288	\$634,057	\$740,976	\$622,892

# Profit & Loss



- Now called Statement of Activities
- Shows the income and expenses of operation for a given period of time.
- Shows whether a gain or loss



# Profit & Loss



	Jan - Dec 15
Income	
600 · Dues	25,000.00
620 · Continuing Education	
622 · CE Sponsorships	750.00
Total 620 · Continuing Education	750.00
Total Income	25,750.00
Expense	
750 · PR/Communications	
751 · Website	500.00
Total 750 · PR/Communications	500.00
Total Expense	500.00
Net Income	25,250.00

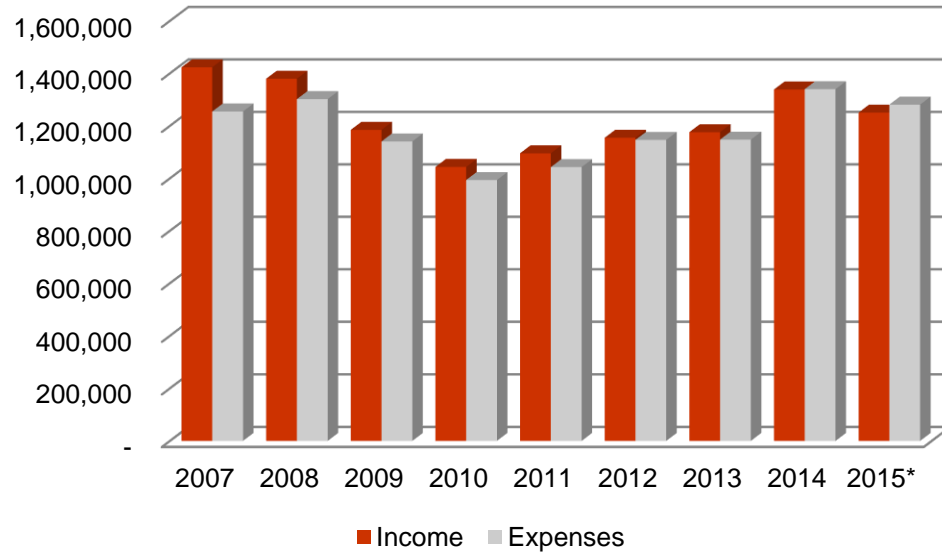
# Profit & Loss

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 as of December 31, 2015	2015 Budget	% of 2015 Budget
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
601 - Dues									
601.1 - State	389,508	355,713	338,340	341,893	338,882	357,412	373,208	362,100	103%
601.2 - Firm	130,775	118,388	106,212	105,100	93,400	99,092	100,647	105,000	96%
601.4 - Allied	38,662	34,740	29,565	20,632	21,624	19,155	27,808	30,000	93%
<b>Total 601 - Dues</b>	<b>538,945</b>	<b>508,841</b>	<b>474,117</b>	<b>467,625</b>	<b>453,906</b>	<b>475,658</b>	<b>501,661</b>	<b>497,100</b>	<b>101%</b>
605 - Advertising									
605.2 - Friday Fax	9,920	16,254	16,180	15,050	15,490	17,735	12,488	16,000	78%
605.3 - Website	-	360	9,321	11,374	9,174	8,948	11,003	13,500	82%
605.4 - Magazine	1,616	-	-	-	867	308	20,330	-	100%
605.5 - Directory Advertising	7,000	-	7,000	-	-	-	1,739	1,500	116%
605.6 - Job Board	640	320	1,620	1,001	1,040	1,600	8,000	1,200	667%
605.7 - E-Mails							5,120		100%
605 - Advertising - Other					90		-		0%
<b>Total 605 - Advertising (Friday Facts, Website, M</b>	<b>19,176</b>	<b>16,934</b>	<b>34,121</b>	<b>27,425</b>	<b>26,651</b>	<b>28,590</b>	<b>58,679</b>	<b>32,200</b>	<b>182%</b>
615 - Annual Meeting									
615.1 - Design Awards									
615.15 - Awards Dinner	13,770	18,520	18,940	20,720	10,350	18,225	11,400	15,000	76%
615.16 - Design Awards Sponsorship	7,850	12,500	10,000	12,500	10,000	16,300	11,250	12,500	90%
615.165 - People's Choice Sponsorship						15,000	5,000	5,000	100%
615.17 - Design Awards Memorabilia	225	570	-	120		340	480	-	100%
615.1 - Design Awards - Other	44,211	31,925	32,515	30,090	26,320	31,145	28,255	32,000	88%
<b>Total 615.1 - Design Awards</b>	<b>66,056</b>	<b>63,515</b>	<b>61,455</b>	<b>63,430</b>	<b>46,670</b>	<b>81,010</b>	<b>56,385</b>	<b>64,500</b>	<b>87%</b>
615.2 - Exhibitors	82,189	72,259	75,320	88,270	85,802	78,360	83,000	81,000	102%
615.3 - Fellows Dinner	5,130	3,150	3,315	3,600	3,675	5,500	5,000	4,500	111%
615.4 - Registration Fees	66,226	74,376	75,979	122,296	94,281	108,486	105,613	95,000	111%
615.4 - Golf							8,000	-	100%
615.5 - Sponsorships	40,973	58,990	68,475	96,500	98,200	102,370	64,289	140,000	46%
615.8 - Foundation Event	-	-	-	-	-	-	-	-	-
<b>Total 615 - Annual Meeting</b>	<b>260,574</b>	<b>272,290</b>	<b>284,544</b>	<b>374,096</b>	<b>328,628</b>	<b>375,726</b>	<b>322,286</b>	<b>385,000</b>	<b>84%</b>



# Profit & Loss

## AIA Florida Operations Income vs. Expenses



	2007	2008	2009	2010	2011	2012	2013	2014	2015*
<b>Income</b>	1,423,189	1,379,558	1,184,490	1,043,334	1,095,169	1,154,678	1,175,766	1,338,541	1,250,479
<b>Expenses</b>	1,254,725	1,301,914	1,140,455	993,360	1,042,633	1,146,316	1,147,316	1,339,842	1,280,905
	168,464	77,644	44,035	49,974	52,536	8,362	28,451	(1,301)	(30,426)
	*as of December 31, 2015								

# Statement of Cash Flows

- Demonstrates where the component's cash came from and how cash is used.

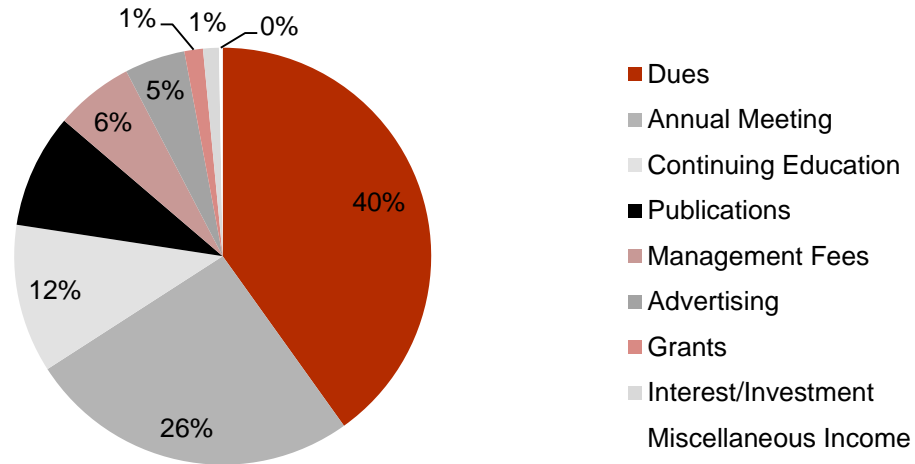
# Statement of Cash Flows

	Jan - Dec 15
OPERATING ACTIVITIES	
Net Income	25,250.00
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 - Accounts Receivable	-750.00
20000 - Accounts Payable	500.00
300 - Dues Paid in Advance:301 - Individual Dues Paid in Advance	450.00
Net cash provided by Operating Activities	25,450.00
Net cash increase for period	25,450.00
Cash at end of period	25,450.00

# Statement of Cash Flows



**AIA Florida 2015 Income from Operations**

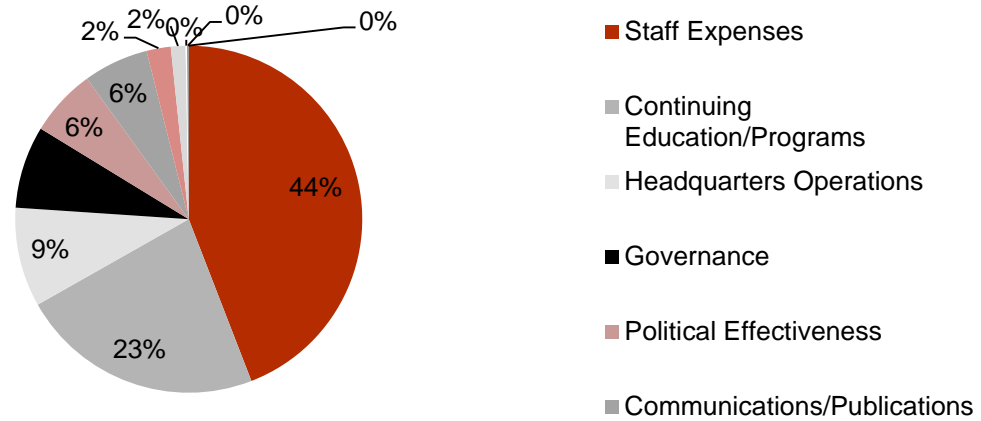


Income	
Dues	\$ 501,661
Annual Meeting	\$ 322,286
Continuing Education	\$ 144,091
Publications	\$ 110,614
Management Fees	\$ 76,226
Advertising	\$ 58,679
Grants	\$ 18,000
Interest/Investment	\$ 15,323
Miscellaneous Income	\$ 3,600

# Statement of Cash Flows



**AIA Florida 2015 Expenses from Operations**



Expenses	
Staff Expenses	\$ 565,070
Continuing Education/Programs	\$ 290,619
Headquarters Operations	\$ 118,611
Governance	\$ 98,315
Political Effectiveness	\$ 80,566
Communications/Publications	\$ 77,669
Building Overhead	\$ 28,824
Reserve Development	\$ 17,500
Miscellaneous Expense	\$ 1,882
Membership Development	\$ 1,850
Contingency Fund	\$ -

# Budget Comparison



- Can be included on profit and loss.
- Shows performance compared to budget.



# Notes to Statements

- Important to explain variances from budget.
- Explain timing of income and expenses

# AIA Dues

- Local dues are directly deposited into your account

11/02

450.00

AIA-Dues

AMERICAN INSTITU

015303004680583CCD



# AIA Dues

- Deposits match to dues reports that are to be downloaded from NetForum.
- Report shows member type, year dues apply to and if new member

46212	2016	10/29/2015		RG	\$450.00
	Mr. Member, AIA		RG	38051128	\$150.00
	member, AIA		RG	30027695	\$150.00
	Member, AIA		RG	30137019	\$150.00
		Total for Mbr Year: 2016			\$450.00
		Total for ACH: 46212			\$450.00



# AIA Dues

- Dues should be recognized in the year they apply to even if received in the prior year.
- Journal entries will need to be made.



# AIA Dues

- Journal entries will need to be made.

AIA Local Component - QuickBooks Pro 2015(multi-user)(Admin) - [Make General Journal Entries (Editing Tra

Company Customers Vendors Employees Banking Reports Window Help Special Offers

Main Reports

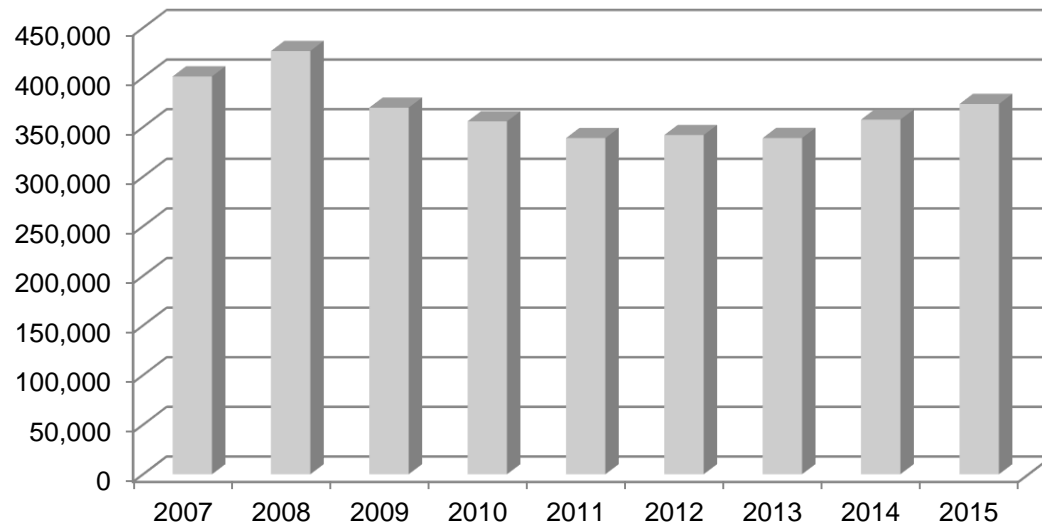
Find New Save Delete Create a Copy Memorize Reverse Print Attach File

DATE 01/01/2016 ENTRY NO. Dues

ACCOUNT	DEBIT	CREDIT	MEMO
300 · Dues Paid in Advance:301 · Individual Dues Paid in Adva...	450.00		2016 Dues paid in 2015
600 · Dues:601 · Individual Dues		450.00	2016 Dues paid in 2015

# AIA Dues

- Dues history may be included in financial reports.



Year	Dues Collected as of December 31
2007	400,955
2008	426,602
2009	369,508
2010	355,713
2011	338,859
2012	341,893
2013	338,882
2014	357,412
2015	373,206



# Financial Controls

- One person opening mail and date stamping. Not the same person paying the bills or reconciling bank accounts.
- Person writing checks does not sign checks. Second person signs checks reviewing bill back up.
- Person reconciling bank accounts does not open bank statements.
- Two signatures on checks over a certain amount determined by component policy.





# Recommended Financial Policies

- Investment
- Record Retention (required for accreditation)
- Financial Privacy (required for accreditation)
- Expense/Travel reimbursement
- Finance Committee Guidelines
- Finance/Budget committee as a standing committee in your bylaws.

# 990/Annual Filings

- Corporate Record – Due May 1, 2016.  
Renew online at [www.sunbiz.org](http://www.sunbiz.org).
- 990 (due May 15 unless filing extension)
  - Under \$50,000 = 990 N postcard electronically at <https://epostcard.form990.org/>
  - greater than \$50,000 and less than \$200,000 and total assets less than \$500,000 must file Form 990-EZ or a complete Form 990.
  - Organizations with gross receipts greater than \$200,000 or total assets greater than \$500,000 must file Form 990.



Questions?



**AIA**  
Florida