CIVIL AIR PATROL

FINANCE GUIDE FOR REGIONS, WINGS AND SQUADRONS USING QUICKBOOKS PRO®

May 2006

This publication was developed to assist wing and region finance directors, squadron finance officers using QuickBooks Pro®, and wing administrators in performing their duties. It was developed by the financial management staff at Civil Air Patrol National Headquarters.

The terms QuickBooks Pro® and QuickBooks® will be used throughout this guide interchangeably.

Any comments or suggestions should be directed to your Wing Financial Analyst or to fm@capnhq.gov.

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OFFICE OF THE NATIONAL COMMANDER
NATIONAL HEADQUARTERS
CIVIL AIR PATROL
UNITED STATES AIR FORCE AUXILIARY
MAXWELL AIR FORCE BASE, ALABAMA 36112-6332

25 August 2005

To all Civil Air Patrol members and employees:

CIVIL AIR PATROL ETHICS POLICY

Scope

As a matter of fundamental principle, Civil Air Patrol (CAP) should adhere to the highest ethical standards because it is the right thing to do. This policy tasks all CAP members and employees to perform their missions in a manner that brings credit to the organization and themselves.

Statement of Ethics

CAP Ethics are built on a foundation of accountability, integrity, fairness and excellence. This means more than simple honesty—you have an affirmative duty to tell the whole truth. It embraces other attributes such as courage, responsibility, justice, openness, self-respect, humility, and excellence in each and every task we face. Your ethical conduct is a representation of Civil Air Patrol. Adherence to this statement of ethics is mandatory for all staff, board members and volunteers of CAP.

Ethical Standards

The Standards of Ethics include, but are not limited to:

1. Responsible stewardship of CAP's resources and assets.
   We will strive for effective accounting/reporting systems, internal controls and competent staff. Only fair and inclusive hiring and promotional policies and practices will be used for all board, staff and volunteer positions. Integrity and honesty must be utilized in all transactions and dealings.

2. Avoidance of any conflicts of interest.
   No board member, staff or volunteer may use corporate property, information or position for improper personal gain or benefit.
   Any individual who becomes aware of a conflict of interest or potential conflict of interest must report it appropriately.

3. Working relationships based on mutual respect, fairness and openness.
   Board members, staff and volunteers will behave honestly and ethically at all times and with all people.
   Individuals will not take unfair advantage of anyone through manipulation, intimidation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

4. Fair dealing in all external business relationships.
   In order to preserve public perception of CAP, board members, staff and volunteers will act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically all competitors, suppliers, customers, and colleagues.
   No gift or entertainment will be accepted by board members, staff, volunteers, that is excessive in nature or is not consistent with customary business practices.

5. Confidentiality
   Board members, staff and volunteers must protect all sensitive and confidential information entrusted to them.

Compliance

Civil Air Patrol takes adherence to this policy very seriously. Any member and/or employee may immediately report any suspected violations through their respective chain of command. Any commander or supervisor who is made aware of an allegation of this Ethics Policy shall report it in accordance with the appropriate CAP or employee directive.

In order to continue our tradition of excellence, integrity and service to our country, we have created an Ethics Policy. Compliance with this policy is mandatory. As representatives of this organization, your conduct must follow the highest ethical standards possible.

We will not require you to sign a copy of this policy, but your membership or employment with CAP is contingent upon your acceptance of the policy.

ANTONIO J. PINEDA
Major General, CAP
Commander

GENERAL INFORMATION

Region/Wing Finance Committee

The finance committee is responsible for adequately managing funds, ensuring that all financial, regulatory and reporting requirements are met, and assisting subordinate units. The finance committee will be established in writing each year with a minimum of five people at the region/wing level. The commander and director of finance will be members of the finance committee. The region or wing commander will be the chairperson of the finance committee. The state director may attend any finance committee meeting as an advisor. The wing administrator may be the recorder, but cannot be a voting member.

The finance committee will approve in writing *all expenses,* over $1,500, including batched checks, before any liability is incurred. These meetings and approvals may be conducted via teleconference or electronically, but a record with a list of attendees must be maintained on file. Recurring expenses, such as telephone bills, may be authorized for payment in writing each year by the finance committee in their recurring expense policy. An upper limit on the amount authorized should be written into this policy. In addition, a written policy on how bank transfers will be handled and limits for those transfers may be authorized by the finance committee each year. Finance committee approval paperwork should be attached to any invoices over $1,500.

Quarterly Internal Financial Reviews will be performed by a member of the finance committee, other than the director of finance, within 45 days of the end of the quarter. The quarterly Internal Financial Review checklist will be used. The finance committee may designate in writing someone outside the finance committee, such as a member who has a finance background, to perform these quarterly reviews. Quarterly review duties should be rotated among members of the finance committee and a qualified wing member, if used. The completed reviews will be kept on file and a copy will be provided to your wing financial analyst. Regions are not required to perform the Internal Financial Review.

The wing finance committee will meet at least once per quarter. The finance committee will maintain a written record of all meetings and approvals. Finance committee meetings and approvals may be conducted via e-mail or teleconference, but a written record will be maintained. A written list of all attendees will also be maintained within the minutes.

All bank reconciliations must be reviewed and signed at least quarterly by a member of the finance committee other than the person who prepared the reconciliation. It is recommended that the person conducting the Internal Financial Review also review and sign the bank reconciliations for the quarter being reviewed.

QUICKBOOKS® OVERVIEW

E-Accounting™

All regions and wings are using an on-line accounting environment called E-Accounting™. Squadrons with annual expenditures or assets of more than $30,000 will use this service also. E-Accounting™ allows permitted users access to financial records through any computer with internet access. The QuickBooks® data files are stored on a secure, remote server and are backed up nightly so there is no need to make backup copies of your data files even though QuickBooks® sometimes asks you to do this. The Wing Financial Analysts (WFAs) have administrative rights to the QuickBooks® files so they can add and delete users as required, perform annual audits, review data, and help solve problems. Finance directors, finance officers, and wing administrators have access to all areas of QuickBooks® except the administrative function so they can perform their duties. Commanders and finance committee members have read-only access so they can more closely manage the finances of their respective unit. Region commanders have read-only access to all subordinate units. Units will not download their QuickBooks® data file from E-Accounting, work on the data, and then upload the file back. If you need to add/delete/change users to QuickBooks® have your Wing Commander contact the Wing Financial Analyst.

Classes

In QuickBooks®, classes give you a way to classify your transactions. You can use QuickBooks® classes to classify your income and expenses by department or office symbol, location, tail number, vehicle or any other meaningful breakdown of the CAP unit's business. You can create as many classes as you need; however, aircraft tail numbers are the only required classes.

To add a class, do the following:

- From the Lists menu at the top of the tool bar, select "Class List."
- Select the bottom left button labeled "Class."

- Select “New.” You can also use your keyboard while you are in the class list and press Control and N.
- Enter a name (tail number) for the class.
- If you want the class to be a subclass of another class, select the "Subclass of" checkbox and enter the name of the parent class.
- Select “OK” to save your new class.

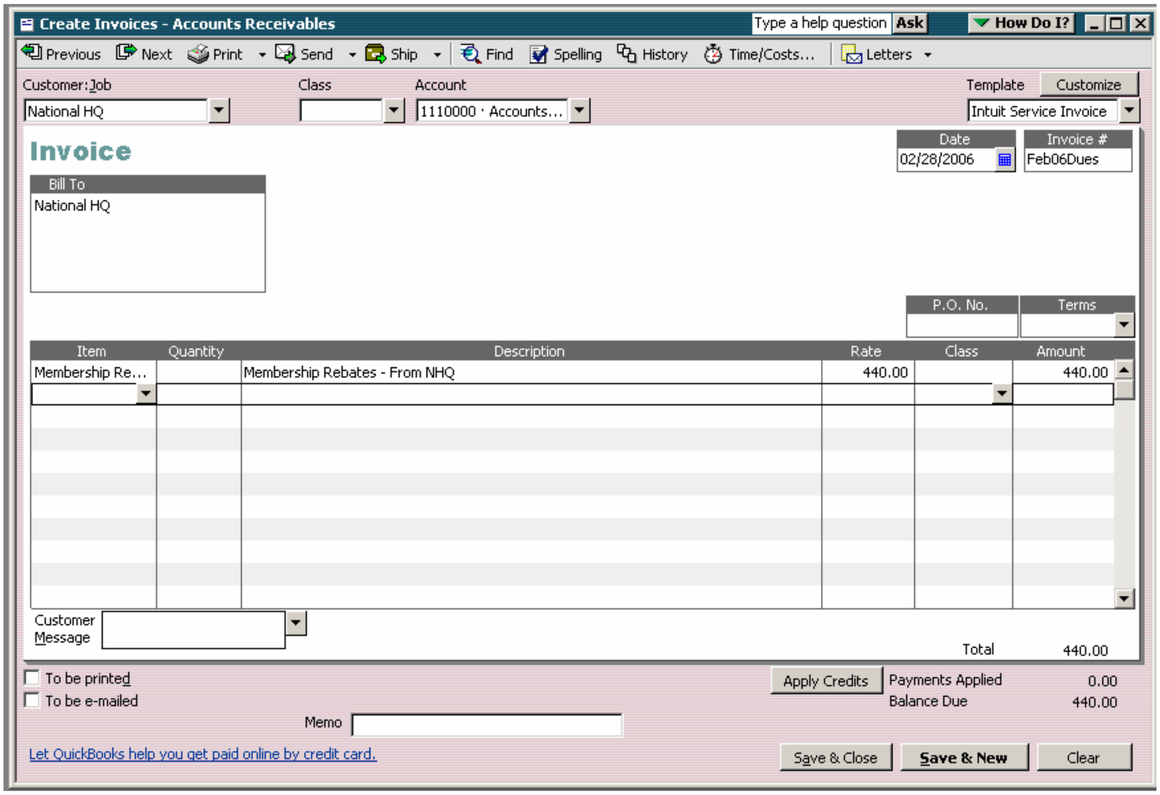
Other thoughts about classes:

- Set up classes on the basis of the type of reporting you want to do and consider how you want to see your financial statements segmented on your reports.
- Use your classes for both income and expense transactions.
- Consistently enter the class information on your forms and in your registers to ensure that this information is valid and useful.

Items

Items are simply a “tag” to help you connect to an account in the chart of accounts. You can create any “item” you want and assign that item to the account in the chart of accounts. Items can only be used for income accounts and help you fill out the invoice form more quickly.

As an example, when entering an invoice you have a column for “item.” You can create an “item” so that instead of entering the specific chart of account name and number you enter the “item” name. QuickBooks® will automatically input the chart of account name and number when you input the item. You could create an item called “Membership Rebates.” You would tie the item to the income account 5310000 Member Dues. Every time you receive an EFT notice for the monthly membership rebate you will input Membership Rebates as the item.



How to set up items

- From the Lists menu at the top of the tool bar, select "Item List."
- Select the bottom left button labeled "Item."
- Select "New."
- Select "Service."
- Under "item name and number" enter the name you wish to call the new item.
- Under "Account" select the account from the chart of accounts that you want to tie to your new item name.
- Click "OK."

From now on for any invoices you enter, whenever you type in the "item" name you created, QuickBooks® will post the amount entered to the account initially chosen for that item.

Customers and Vendors

Customers should be set up for all accounts receivables and deposits. Vendors should be set up for all accounts payables and checks. Sometimes you have the same person who will be both a customer and a vendor. These people are usually CAP members. QuickBooks® does not allow you to use the same name for both customers and vendors so you need to alter one of them by at least one character to distinguish between the two. You might consider entering the vendor name exactly like you want to print it on checks and then alter the customer name by adding a dash and then the word Income. You need to remember to use the right type – either a customer for receivables and deposits or a vendor for payables and checks – or your reports will not show the correct information.

Deposits and Checks

The name on the check, either one received as payment that you will deposit or one used as payment to a vendor determines how you will account for it. If the name on the check you are going to deposit is from any unit below wing level, then the correct income account to use is 6412000 From Units Below – Vehicle Insurance if the unit is reimbursing the wing for vehicle insurance assessments or account 6413000 From Units Below – Other. If the name on the check you are going to deposit is from any other wing or region then use account 6410000 From Regions and Wings.

If the payee on a vendor check is National Headquarters use either account 9433000 if the payment is for aircraft insurance or an aircraft damage assessment, account 9434000 for vehicle insurance or account 9435000 for anything else. If the payee is another wing or region, use account 9436000 Expenditures with Regions and Wings. If the payee is a unit below wing level, use account 9437000 Expenditures with Units Below.

Funds that pass between different CAP entities should not be recorded in ordinary income or expense accounts. If they are recorded incorrectly to these accounts then when the consolidation is done at year end the income or expense ends up being accounted for twice. The following is an example of how an expense for vehicle insurance should be handled.

- NHQ pays expense with outside vendor for vehicle insurance
- NHQ sends VSI bill to wing, records accounts receivable from wing and income from wing
- Wing receives VSI bill, records account payable with NHQ and records an expense with NHQ for vehicle insurance

- If wing bills the squadrons, an accounts receivable with units below is recorded and income from units below for vehicle insurance is recorded
- Squadron records expenditure with regions and wings when they pay the bill
- Squadron sends check to wing
- Wing records receipt of squadron check against outstanding accounts receivable which now marks it as paid
- Wing sends check to NHQ which marks the wing's account payable as paid
- NHQ receives check from wing and marks their accounts receivable as paid

Only one entity can record the expense. The wing and the squadrons **do not** record the expense as a payment for insurance to account 8710000; only NHQ does.

An example of this works on the income side follows.

- A member flies a corporate aircraft for proficiency
- The member writes a check to the squadron to pay for the flight
- The squadron records the income to account 5230010 Flight Activities Aircraft Minor Maintenance
- Squadron writes a check to wing for the minor maintenance and expenses it to account 9436000 Expenditures with Regions and Wings – **not to** account 8132000 Aircraft Maintenance
- The wing records receipt of the payment through an accounts receivable that posts the income to account 6413000 Income From Units Below – Other – **not to** account 5230010 Flight Activities Aircraft Minor Maintenance

If the member flies the corporate aircraft for proficiency and writes the check directly to wing, then wing will record the income to account 5230010 Flight Activities Aircraft Minor Maintenance.

Only one entity correctly records the income. If the member check is written to the squadron, then the squadron records the income. When the wing receives the money from the squadron, it does not also record the income as being flight activity income. It is correctly recorded as income from units below.

Reports

The most common reports you will need to print in QuickBooks® are:

- Balance Sheet
- Profit and Loss (Income Statement)
- Profit and Loss by Class
- Accounts Receivable
- Accounts Payable
- Comparative Profit and Loss

Steps to complete these reports are as follows:

Balance Sheet

- Select “Reports.”
- Select “Company & Financial.”
- Select “Balance Sheet Standard.”
- Under the “Date” drop down arrow select the dates you want the balance sheet to reflect.

Profit and Loss

- Select “Reports.”
- Select “Company & Financial.”
- Select “Profit and Loss Standard.”
- Under the “Date” drop down arrow select the dates you want the profit and loss report to cover.

Profit and Loss by Class

- Select “Reports.”
- Select “Company and Financial.”
- Select “Profit and Loss by Class.”
- Select the Date Range you want the report to cover.
- Select the “Modify Report” box (upper left corner).
- Select the second tab which is “Filter.”
- Under the “Filter” drop down box select “Class.”
- Under the “Class” drop down box select “Selected Classes.”
- At the next screen leave “Manual” selected and to the right simply click on each class you want to appear on the report, i.e., all the specific tail numbers.
- Select “OK.”
- Select “OK” again.
- The report will now appear.

Accounts Receivables

- Select “Reports.”
- Select “Customers and Receivables.”
- Select “A/R Aging Detail.”
- This will pull up all accounts receivables currently outstanding and show you their age.

Accounts Payables

- Select “Reports.”
- Select “Vendors and Payables.”
- Select “A/P Aging Detail.”
- This will pull up all accounts payables currently outstanding and show you their age.

Comparative Profit and Loss

- Select “Reports.”
- Select “Company and Financial.”
- Select “Profit and Loss Prev Year Comparison.”
- Select “This Fiscal Year to Date” for the dates.
- This report will automatically display a comparison between the current fiscal year and last fiscal year.

Any report can be made a Memorized Report. When you have a special report on the screen that you would like to refer to again you can select “Memorize” at the top of the report. You will need to give the report a unique name. In order to access this report in the future, select “Reports” and then “Memorized Reports.” Select the report from the list.

ASSETS

Cash

Regions and wings may place funds in checking accounts, savings accounts, certificates of deposit (CDs), and/or money market accounts. All funds so invested must be readily available without loss of principal. All other investments must be pre-approved by NHQ CAP/FM. Signature cards for all bank accounts must be kept up-to-date and on file at the unit. The following guidelines apply to these invested funds.

Checking Accounts

A wing or region should have the minimal number of checking accounts necessary to function effectively. The following are suggestions for checking accounts:

- Checks should be printed with the line "void after 90 days" to avoid long-term outstanding checks.
- Checks should be printed with two signature lines.
- Wings and regions should use QuickBooks® or some other brand of checks that print from QuickBooks® (i.e., not handwritten).
- Wings and regions must use commercially-printed, pre-numbered, three-part checks, i.e., checks are printed in the top third of the page and two vouchers are printed in the bottom two-thirds.
- Units will not print their own check stock, i.e., buying blank check stock and then printing numbers on those blank checks.
- Cancelled checks, either the original or an imaged copy must be kept on file. If imaged copies are available on-line they must be printed and maintained at the unit.
- Special activity accounts may use carbon-copy checkbooks or photocopy checks.
- Special activity accounts must have at least two signers on the account who are members of the finance committee. Additional signers on special activity accounts do not have to be members of the finance committee.

Savings Accounts / Certificates of Deposit / Money Market Accounts

If the wing or region has cash funds above what they feel is a safe reserve in their checking account, they should consider depositing the funds in a higher-interest savings or CD account. The following are suggestions for savings and CD accounts:

- All accounts require two signatures to withdraw, close or transfer funds to an account in another financial institution. The wing finance committee may authorize transfers of funds to wing accounts within the same financial institution using a single signature, but will establish a policy, in writing, to authorize these transfers with limits.

- All authorized signers must be members of the finance committee.

- All funds must be in federally insured accounts.

- All cash accounts must be reconciled when statements are received, i.e., if quarterly statements are received then the account should be reconciled quarterly.

Voiding Checks Written in the Current Fiscal Year

If you need to void a check in the current fiscal year, follow these steps.

- Select “Banking.”
- Select “Use Register.”
- Select the appropriate checking account.
- Find the check and click anywhere on the check’s transaction line.
- Right click your mouse and choose “Void Bill Payment-Check.”
- Click “Record” on the bottom right.
- This method preserves the check number while setting the check amount to zero.
- If you wish to void the entire transaction you must also remember to void the bill you created.

Voiding Checks Written in a Prior Fiscal Year

If you need to void a check from a prior fiscal year contact your wing financial analyst to assist you.

Outstanding Checks

Any outstanding check over six months old will be written off.

Returned Checks

If you receive a deposited check back from your bank marked “insufficient funds” you will need to make a journal entry debiting the appropriate income account where the original amount was credited on deposit and then crediting the bank account used for the amount of the check. Within the same journal entry you will also need to make an entry debiting account 9405000 – Bank Expense - to record the returned check bank fee and crediting the appropriate bank account for the same amount. When the person who sent you the bad check sends a new check, preferably with the bank charge included, you will deposit the check normally, making sure that the bank charge is recorded as income against account 9405000 – Bank Expense.

Restricted Funds

Restricted funds are monies which are restricted for specific purposes. Examples of restricted funds include:

1. Minor maintenance funds received from NHQ.
2. Member or corporate donations for specific purposes, i.e., cadet encampments, scholarships, etc. which are restricted by the donor.

Restricted Funds – Minor Maintenance

Minor maintenance income paid by NHQ is considered restricted funds and must be tracked. The wing or region should be able to tell exactly how much minor maintenance income and expense has been allocated for any given time period and the current balance in each aircraft account because you class all aircraft transactions by tail number. Positive minor maintenance balances at year-end become restricted funds.

Restricted Funds – Donations

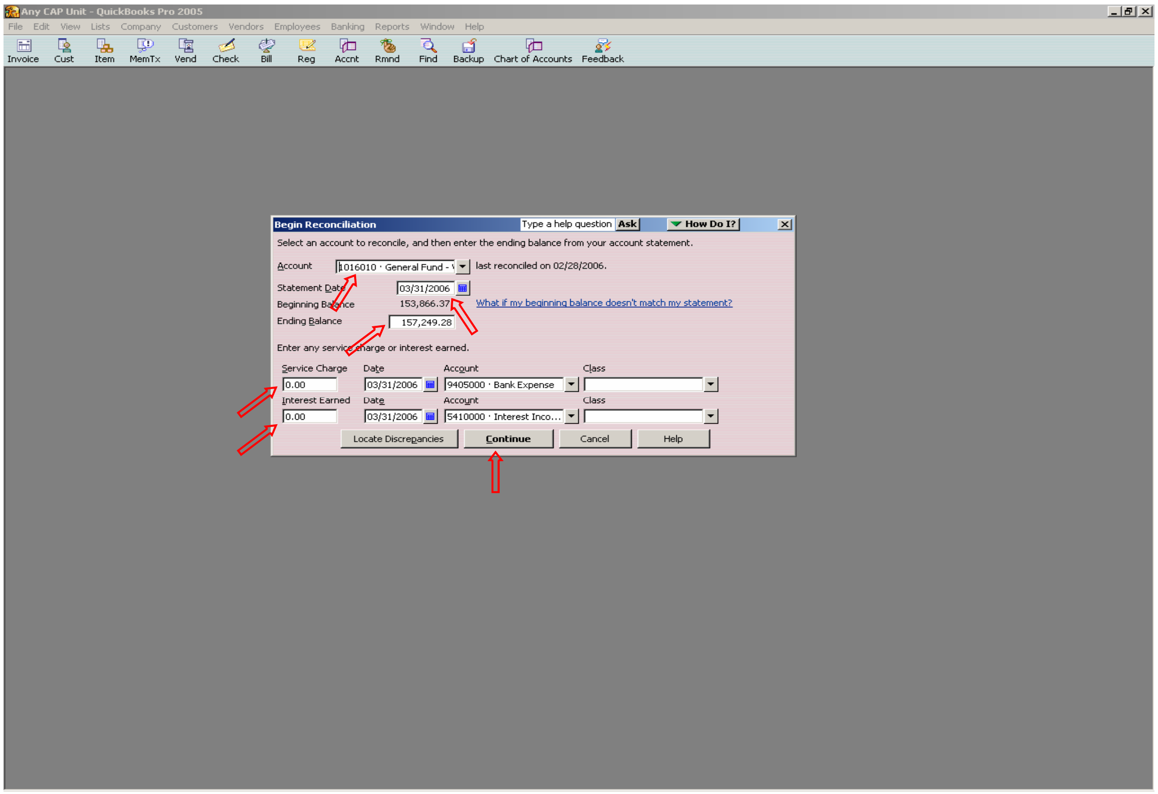
When restricted funds are received they should be recorded using one of the "restricted" income accounts. Example, if a member donates $5,000 for a cadet scholarship the entry would be:

- Go to "Banking" and select "Make Deposit."
- Set "Deposit To" to the appropriate bank account receiving the funds.
- Make sure the date is the current date.
- In "Received From" enter the name of the source of the donation from the check. The donor must be set up as a "customer." If you have not set up the donor you simply select "add new" and complete the "customer" information section in as much detail as you need when prompted.
- In "From Account" select the appropriate account from the chart of accounts which reflects the proper income categorizations, i.e., 5416010 Contributions – Restricted - Cash. If you are categorizing funds as "restricted" you should always use a "restricted"' income account from the chart of accounts.
- You may also want to set up a "class" for the specific donation so you can track the income and expense associated with the donation. Without setting up a class keeping track of the expenses will be difficult.
- The "Amounts" field simply contains the amount of the restricted funds.

- Select “Save and Close.”

Reconciling Accounts

From the Banking menu, choose “reconcile” to display the beginning reconciliation window.



- In the beginning reconciliation window select the account which you want to reconcile by clicking the drop down arrow next to the “account” line and selecting the bank account to reconcile.

- Make sure that the opening balance shown on your bank statement is the same as the beginning balance in the beginning reconcile window.

- Input the *closing* statement date from the bank statement you are reconciling in the statement date drop down box.

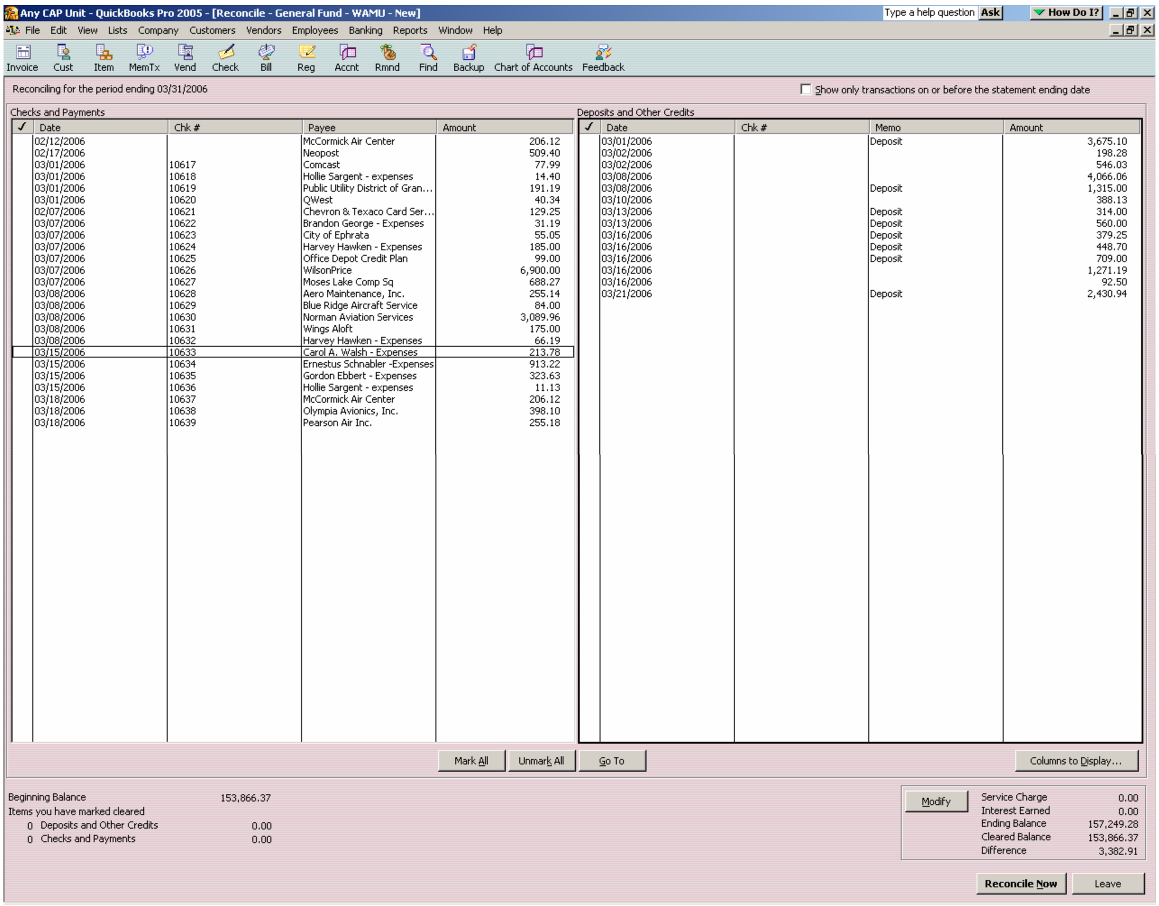
- Input the ending balance listed on your bank statement into the ending balance field.

- If your bank statement lists a service charge, input the amount into the service charge box as well as the date the charge was listed on your statement.

- In the account drop down box, select the account from the chart of accounts which will serve as the expense account for the bank's service charge – 9405000 Bank Expense.

- If your account earns interest, input the amount into the Interest Earned box, enter the date the interest was posted to the account in the date box and select the income account 5410000 – Interest Income.

- Select "continue."



- The reconcile window will now display all the checks and deposits that have not been previously reconciled. Using your bank statement, click to the left of each check listed in the reconciliation screen that appears on your bank statement. Do the same for your deposits. When you click to the left of the items a check mark will appear indicating this item has cleared your bank account.

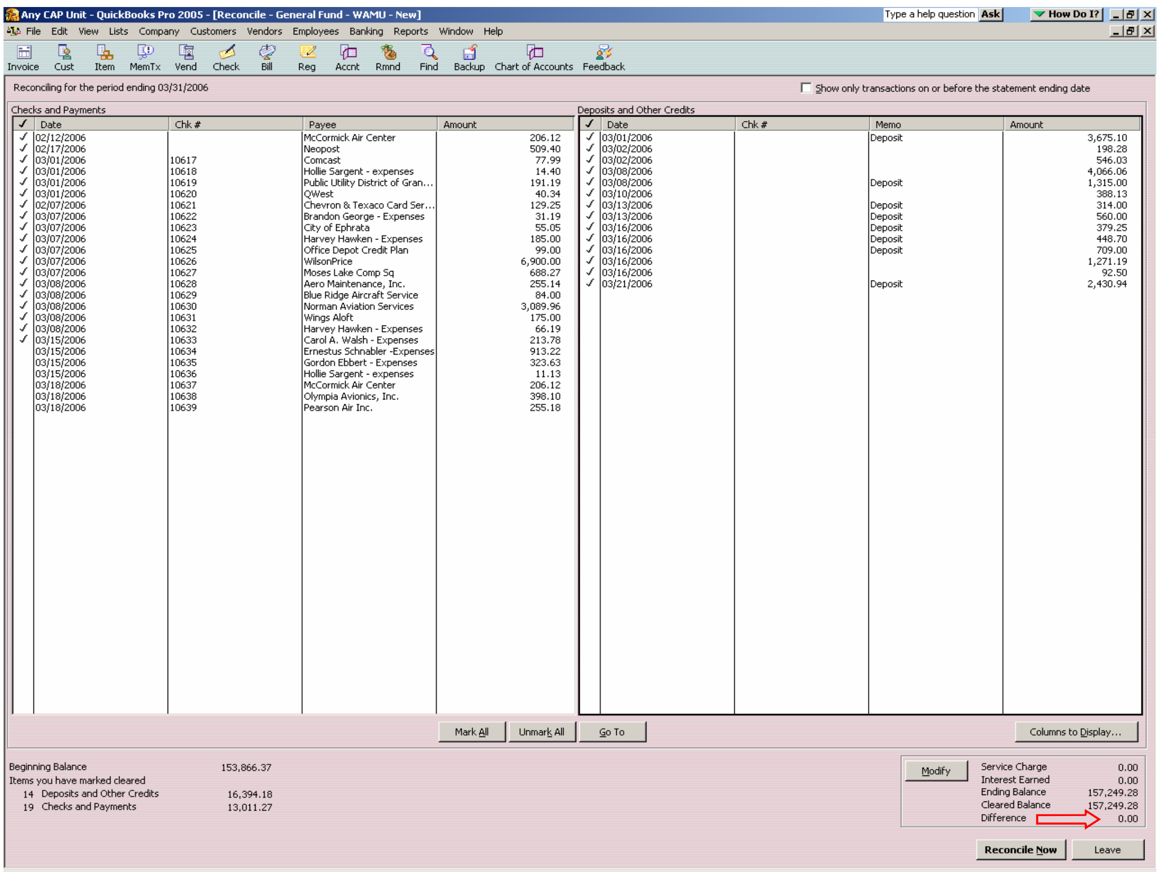
- Once all the checks and deposits listed on your bank statement have been checked in QuickBooks®, the amount listed in the lower right corner as "difference" should be zero. NEVER click "reconcile now" unless the difference is zero.

- If the difference is not zero and you have marked all checks and deposits as cleared then you must do research to determine why the amount is off and correct the error before you can reconcile.

- To leave temporarily to research items, select “leave.”

- Once your “difference” is zero, click “reconcile now.”

- You will then get the Select Reconciliation Detail Report screen. Always select “detail” and “print.” You must print the Detail Report at this phase because you can only go back one month to print past reconciliations. Once the Detailed Reconciliation Report is printed it should be attached to the corresponding month’s bank statement and maintained on file.



Credit Cards

Credit card use is permitted for regions/wings. Each region/wing will establish, in writing, a credit card usage and approval policy. Credit cards will be issued in the name of the CAP unit. Credit cards will be used for authorized purchases only. Personal expenditures will not be authorized, including for “C” mission flying. Lost or stolen credit cards must be reported to the credit card issuer and the region/wing commander immediately. Aggregate balances must not exceed the credit limit. All usage will be documented with itemized receipts.

Investments

National HQ/FM must approve all investments besides savings, certificates of deposit or money market accounts. Donor-restricted contributions or investment bequests must also be approved before acceptance. Questions concerning investments should be directed to your wing financial analyst.

ACCOUNTS RECEIVABLES

Per CAPR 173-2 an accrual system of accounting is to be used by wings, regions and squadrons using QuickBooks®. With this type system the income is recognized at the time it is earned (date a mission or flight occurred) rather than at the time the funds are actually received. To accomplish this entries to QuickBooks® need to be made at the time the CAP Form 108, etc., is sent to NHQ, not when the deposits are made to the bank. The following instructions take you through the typical entries needed.

Instructions

Make sure that members understand the importance of the finance section receiving all information, such as CAP Form 108s, as they are transmitted to NHQ. The system will only work right with the cooperation of all. As 108s or other forms are received they should be input into the QuickBooks® system as receivables. This provides a check as to what has been paid and what is still outstanding. It also facilitates the reconciliation of wing figures with those of NHQ.

The invoice form in QuickBooks® will be set up for easy input from the CAP forms. It should be noted that this does not mean more work for the director of finance or the wing administrator; it is just that the required work will be done at a different time. Rather than recording the income as it is received, the detail is entered when the funds are requested rather than at the time of deposit. As will be seen, when the deposit is made only a few mouse clicks will be required as the information is already in the system.

The included examples are for CAP Form 108s, but other payments will be handled in a very similar fashion.

The first example shows the information to be taken from the CAP Form 108 and the second example shows where that information is put in the QuickBooks® invoice form. To make the entry, select “Customers” and then select “Create Invoice.” Choose the customer (NHQ) from the drop down list for Customer:Job. Make sure the correct template shows. You can customize templates for different types of invoices if you like. The service invoice is what most people use. Make sure you select the appropriate accounts receivable account.

- The mission number is used as the invoice number. If more than one invoice is needed for a mission then add a, b, etc., to the end. Since NHQ pays each page separately you may wish to enter a separate invoice for each page.

- Use the “stop date” as the “invoice date.”

- Select the appropriate item – From NHQ SAR/DR Training A/C Maintenance, From NHQ SAR/DR Training A/C Fuel or From NHQ SAR/DR Training Other.

- Use the class drop down to select the tail number.

- Enter the amount in the rate column.

You may total all the fuel and maintenance for the entire mission by tail number and make two entries per aircraft; one entry for total fuel and one entry for total maintenance. You may use the quantity and rate categories if you want to track more detail. If you enter a quantity and rate the amount will automatically calculate.

When you are done entering the entire invoice make sure the total at the bottom equals the total on the CAP Form 108.

CAP PAYMENT/REIMBURSEMENT DOCUMENT FOR AVIATION/AUTOMOTIVE/MISCELLANEOUS EXPENSES

For instructions and help, place mouse pointer on triangles (red).

FOR CAP-USAF USE ONLY

PRINTED/TYPED NAME, OFFICE SYMBOL, SIGNATURE, DATE REVIEWED

1. Mission Number: PCR06-123 | Start Date (dd/mmm/yy): 10-Feb-06 | Stop Date (dd/mmm/yy): 12-Feb-06

2. Type Mission: ☐ SAR/DR ☐ EVAL/TRNG ☐ CD ☐ HLS ☐ OTHER

(Enter 0 for Non-CD Mission; Enter 1 for CD Mission [15%]):

3. Claimant (Wing/Member): Sample CAP Wing

4A. Mailing Address: Check here if new address ☐

P.O. Box 1234
Anytown, USA 90402

4B. Phone Number and E-Mail Address: 334-953-0001

5. Invoice (Refer to Instructions): ☐ FINAL ☐ PARTIAL | Estimate Outstanding: $

A. DATE (dd/mmm/yy)	B. TYPE ACFT OR VEH MAKE/MODEL	C. ACFT HP	D. ACFT ID/VEH ID OR LICENSE	E. ACFT/ VEH OWNER Corp	Mbr	F. HOURS FLOWN/ NO. MILES	G. HOURLY RATE ACFT MINOR MX	H. ACFT COST CLAIMED	I. FUEL AND OIL COST CLAIMED	J. ADMIN (IF APPLICABLE)	K. COMM/ OTHER COST CLAIMED	L. SUB TOTAL CLAIMED
11-Feb-06	C-182	235	N5641B	X		5.4	41.00	221.40	210.60	-		432.00
11-Feb-06	C-172	180	N832TB	X		3.9	30.00	117.00	88.73	-		205.73
12-Feb-06	Dodge Van		99042	X		225.0		-	56.10	-	5.00	61.10
								-		-		-
								-		-		-
								-		-		-
								-		-		-
								-		-		-
								-		-		-
								-		-		-

TOTAL CLAIMED BY CATEGORY	6. ACFT COST	7. FUEL/OIL	8. ADMIN	9. OTHER	10. TOTAL
	338.40	355.43	-	5.00	698.83

11. CERTIFICATIONS. The parties signing in Blocks 11A and 11B are responsible for the accuracy and validity of the facts recited in the claims and supporting documentation. The parties shall not claim costs on the CAPF 108 if expenses are being reimbursed from another source. Dual compensation is prohibited.

A. CAP MEMBER (PRINTED/TYPED NAME): I CERTIFY THAT THE AMOUNTS PAID WERE FOR PARTICIPATION IN THE LISTED USAF AUTHORIZED MISSION AND ACCURATELY REFLECT HOURS FLOWN, AUTOMOTIVE FUEL/OIL USED, AND /OR OTHER MISCELLANEOUS COSTS INCURRED. | SIGNATURE AND DATE

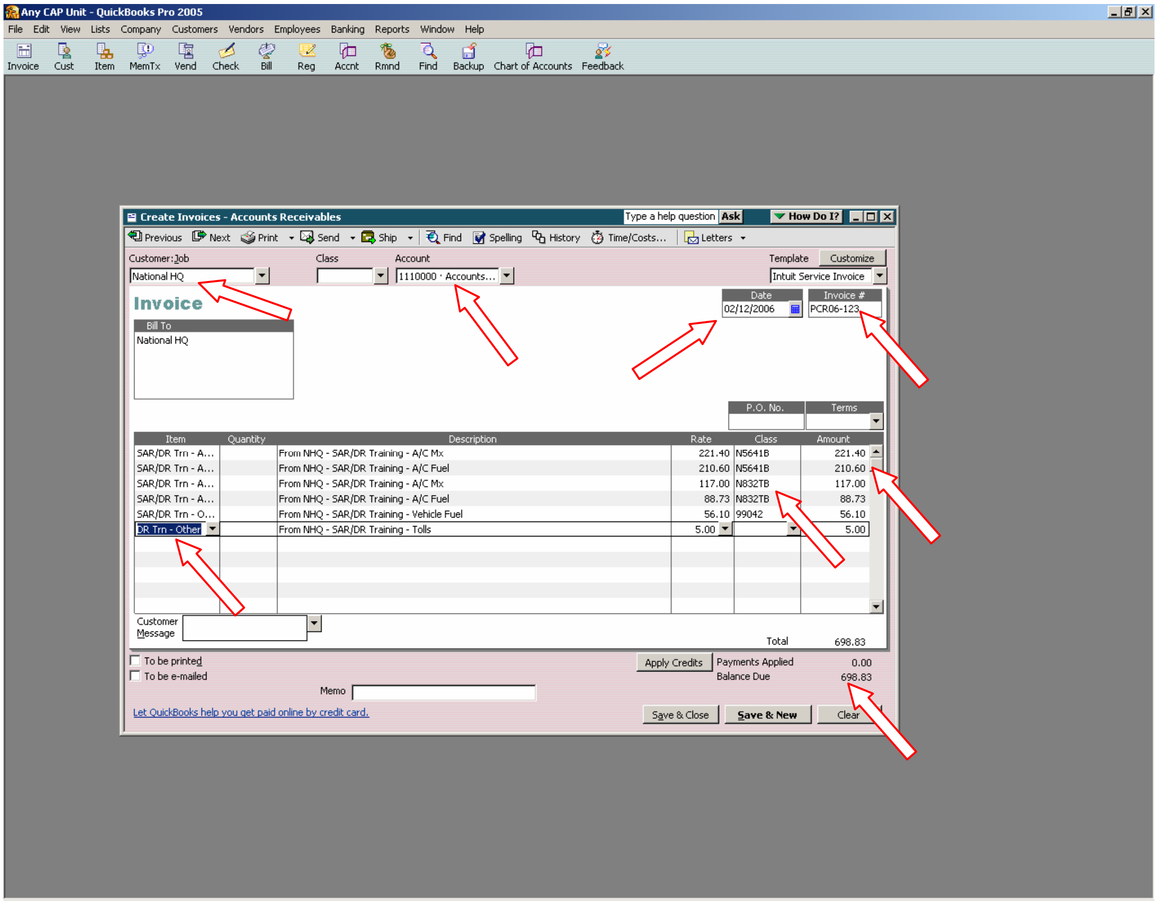
B. WING COMMANDER OR DESIGNATED OFFICIAL (PRINTED/TYPED NAME): I CERTIFY THE ABOVE EXPENSES ARE A DIRECT RESULT OF SUPPORT/PARTICIPATION IN THE ABOVE LISTED USAF AUTHORIZED MISSION AND THAT THIS CLAIM IS TRUE AND PROPER FOR PAYMENT. | SIGNATURE AND DATE

C. CONTRACT/COOPERATIVE AGREEMENT NUMBER: F41689-00-2-0001 | D. OTHER FUNDING SOURCE:

CIVIL PENALTY FOR PRESENTING FRAUDULENT CLAIM. "THE CLAIMANT SHALL FORFEIT AND PAY TO THE UNITED STATES THE SUM OF FIVE TO TEN THOUSAND DOLLARS PLUS THREE TIMES THE AMOUNT OF DAMAGES SUSTAINED BY THE UNITED STATES." (SEE 31 U.S.C. 3729) (APPLICABLE TO ALL SIGNATORIES)

CRIMINAL PENALTY FOR PRESENTING FRAUDULENT CLAIM. "FINE OF NOT MORE THAN TEN THOUSAND DOLLARS OR NOT MORE THAN FIVE YEARS IN PRISON OR BOTH."(SEE 18 U.S.C. 287) (APPLICABLE TO ALL SIGNATORIES)

CAPF 108 (E), MAR 03. PREVIOUS EDITIONS WILL NOT BE USED AFTER 30 JUN 03. THIS FORM CANNOT BE MODIFIED. OPR/ROUTING: FM



State Flying

As the methods and amounts vary widely from state to state please work with your wing financial analyst (WFA) in this area. Invoices can be set up similarly to what is shown above if the state is invoiced for charges and the wing is paid directly. If the state pays directly to the vendor a journal entry will be needed to show the income and expenses in QuickBooks®.

Other Agencies

Again here, the methods will vary and need to be tailored to the individual wing.

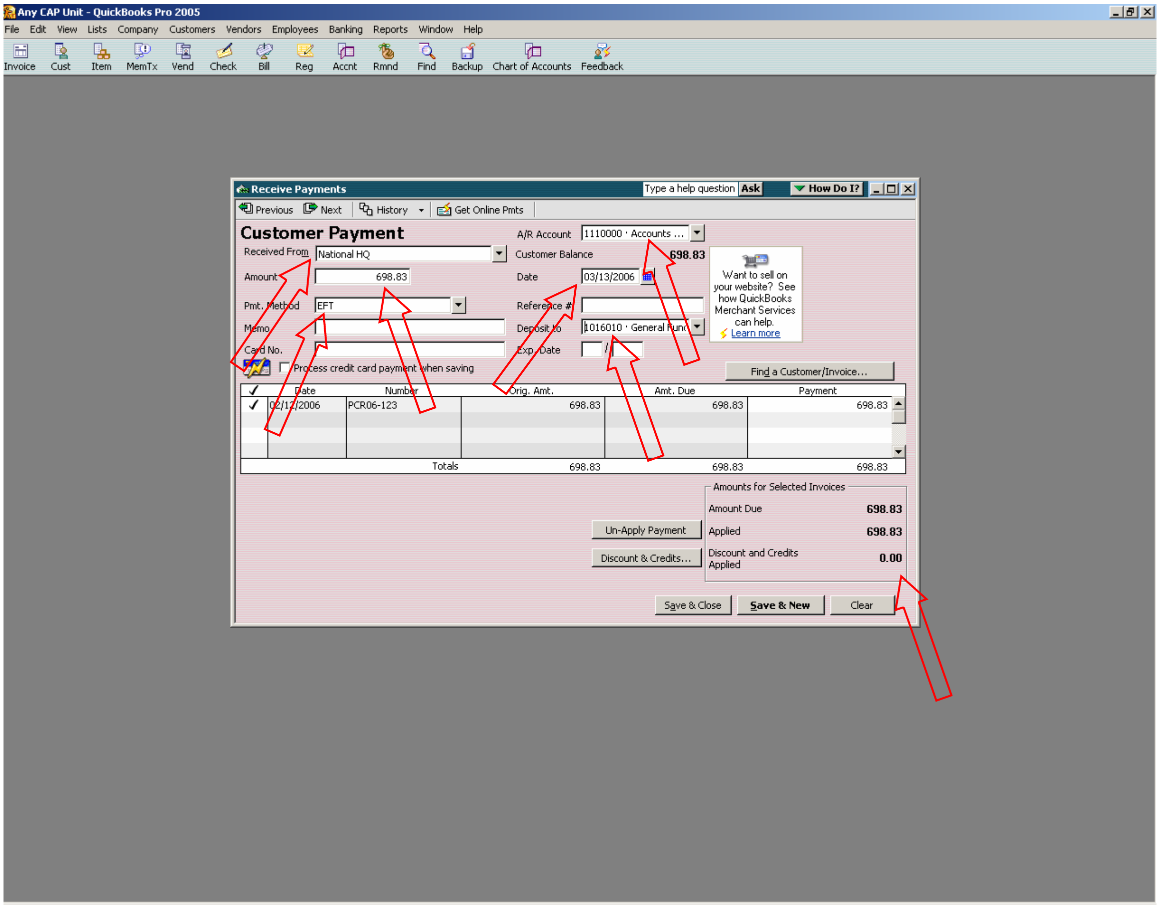
Member Flying

The preferred method is for the pilots to pay for their flying at the time of the flight. If a unit collects the money from the pilots the unit records the income to account 523010 Member Flying Minor Maintenance. When the unit writes a check to reimburse wing for member flying, the unit records the expense to account 9436000 Expenditures with Regions and Wings. When the check is recorded at wing level the income account 6413000 Income From Units Below – Other will be used. A sub account for member flying can be set up under this account. If a member pays wing directly then the income is recorded to account 5230010 Member Flying Minor Maintenance. All aircraft minor maintenance income and expenses must be classed by aircraft tail number. Member proficiency flying should be set up as an account receivable using either an item called Member Flying Minor Maintenance for those payments received directly from the member or Minor Maintenance from Units Below for those payments received from your squadrons. The accounts receivable should be dated the same date as the flight. If there is more than one flight then batch them by month and use the later date in the month.

Receive Payments

- When the EFT notice is received from NHQ select "Customers - Receive Payments."
- Select NHQ from the drop down list.
- Select the correct accounts receivable account.
- Select EFT from the drop down list.
- Enter the date of payment.
- Enter the payment amount. If a matching amount is shown in the list of receivables then the system will automatically choose that invoice. If the amount does not match then you must choose which receivables are to be credited.
- Choose the proper bank account from the drop down list.
- The Unused Payment amount must be zero after all invoices for that payment have been checked.

The following example shows how to do this. Other receivables will be handled in a similar fashion with the proper items chosen in Account, Received From, and Payment Method.



Reconcile with NHQ

A report can be obtained from NHQ (or your WFA) showing the amounts NHQ is showing as being paid to the wing in each category for any date range desired. The amounts shown on a Profit and Loss Report as income from NHQ should match this report.

INCOME RECOGNITION

Corporate Dues Rebates

When membership rebates are received the accounts receivable would be recorded as shown below.

- Select “customers” and “create invoices.”
- The customer will be National Headquarters (NHQ).
- No class is required.
- Choose account 111000 Accounts Receivables.

- List the last day of the month for which the dues are being received as the date of the invoice.
- The invoice number would be “May05 rebates” or something similar to use as a reference.
- The item should be set up as “Rebates” (income account 5310000 Member Dues).
- List the month in the memo and type in the amount.
- Click save and close.

To record the receipt:

- Select “customers” and “receive payments.”
- Choose account 111000 Accounts Receivables.
- Select NHQ as the customer in “received from.”
- Select EFT as the payment method.
- Enter the date the money is received.
- The invoice for the month paid should be listed per above directions.
- Type in the amount of the EFT.
- Make sure the correct invoice is checked.
- Make certain that the deposit is going into the correct checking account.
- Click save and close. The deposit will then be in your checking register and the invoice will be stamped “PAID.”

Member contributions from NHQ will be recorded in account 5335000 – Member Contributions.

Donations

The procedure for recording donations is:

- Select Banking.
- Select Make Deposits.
- Create the appropriate Customer.
- Choose account 5415010 Unrestricted Contributions or account 5416010 Restricted Contributions depending on donor stipulations.
- Write a memo for reference and documentation.
- Enter the amount received.
- Select “save and close.”

Appropriated Income

Funded Flying (CounterDrug, SAR/DR Actual, SAR/DR Training, Homeland Security, FEMA Missions, and ROTC Flying)

- Select “customers” and “create invoices.”
- The customer will be National Headquarters (NHQ).
- The “stop date” on the CAP Form 108 will be used as the invoice date.
- The mission number will be the invoice number.
- Items to use:
    - From NHQ Funded Flying A/C Minor Maintenance and then select the appropriate sub account.
    - From NHQ Funded Flying A/C Fuel and then select the appropriate sub account.
    - From NHQ Funded Flying Miscellaneous and then select the appropriate sub account. All vehicle fuel, communications costs, tolls, per diem, lodging, etc., should be recorded in these accounts.
- Use the class drop down to select the A/C tail number.
- List the amount as shown on the CAP Form 108.
- Verify that the total at the bottom of your invoice equals the total on the Form 108.
- Click Save and Close.
- Ferry time for ROTC Flying is considered aircraft minor maintenance.

To receive payment from NHQ for Funded Flying:

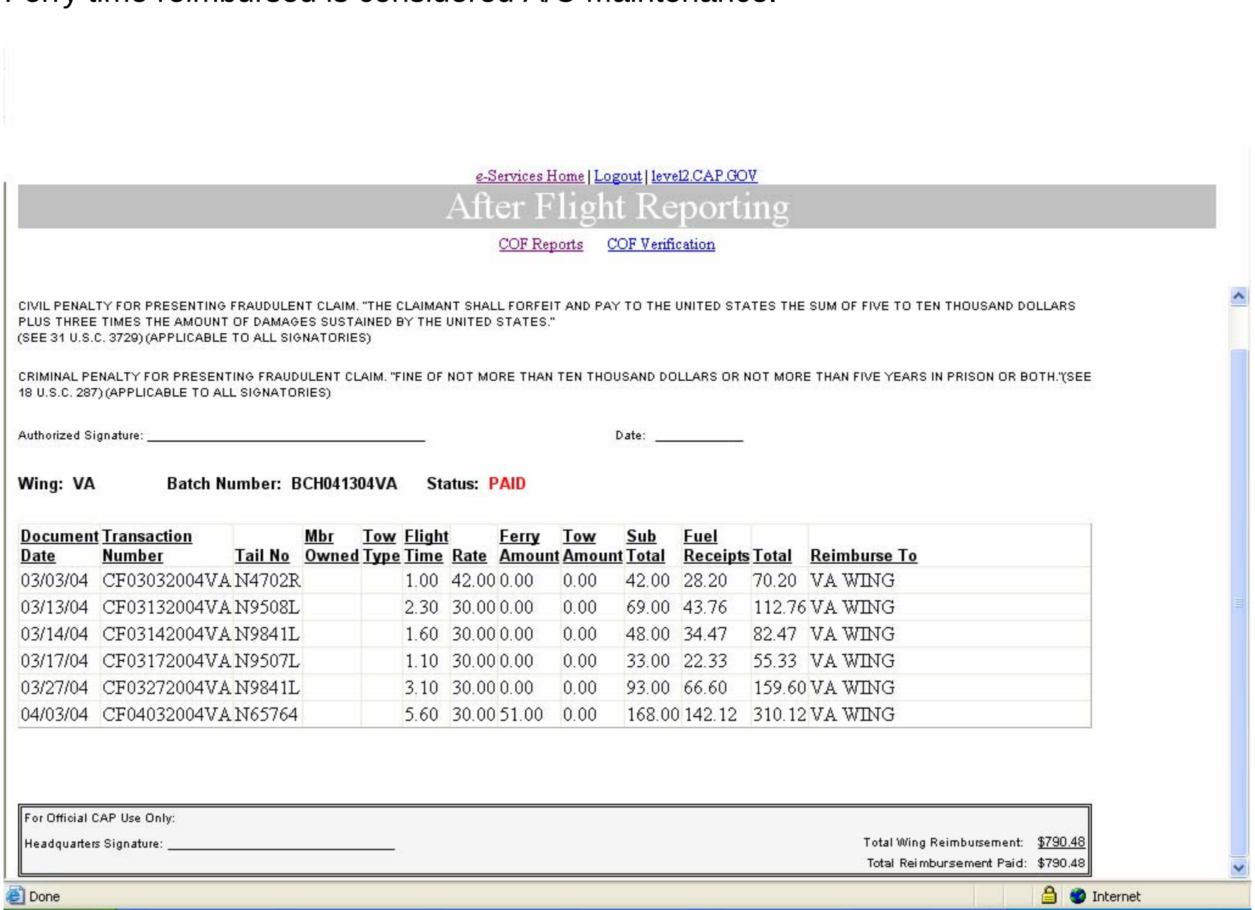
- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

The deposit will then be listed in your checking register and the invoice will be stamped “PAID.”

Cadet Orientation Flights

- Select “customers” and “create invoices.”
- The customer will be NHQ.
- The date will be the last day that the orientation flights were flown.
- The invoice number will be the batch number NHQ assigns. The wing director of finance or the wing administrator must use e-services and have access to the After Flight Reporting application. The information you need will be contained in the batch summary reports.
- The item will be From NHQ – Cadet O-Flights A/C Fuel or A/C Maintenance. The item will be associated with the From NHQ Funded Flying accounts.
- Use the class drop down to select the A/C tail number.
- List the amount as broken down per the batch summary report. The “sub-total” column will be the aircraft minor maintenance.
- Verify that the total on the invoices equals the total on the summary report.
- Click Save and Close.

Ferry time reimbursed is considered A/C Maintenance.



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After Flight Reporting

COF Reports COF Verification

CIVIL PENALTY FOR PRESENTING FRAUDULENT CLAIM. "THE CLAIMANT SHALL FORFEIT AND PAY TO THE UNITED STATES THE SUM OF FIVE TO TEN THOUSAND DOLLARS PLUS THREE TIMES THE AMOUNT OF DAMAGES SUSTAINED BY THE UNITED STATES."
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Authorized Signature: ______________________ Date: __________

Wing: VA **Batch Number:** BCH041304VA **Status:** PAID

Document Date	Transaction Number	Tail No	Mbr Owned	Tow Type	Flight Time	Rate	Ferry Amount	Tow Amount	Sub Total	Fuel Receipts	Total	Reimburse To
03/03/04	CF03032004VA	N4702R			1.00	42.00	0.00	0.00	42.00	28.20	70.20	VA WING
03/13/04	CF03132004VA	N9508L			2.30	30.00	0.00	0.00	69.00	43.76	112.76	VA WING
03/14/04	CF03142004VA	N9841L			1.60	30.00	0.00	0.00	48.00	34.47	82.47	VA WING
03/17/04	CF03172004VA	N9507L			1.10	30.00	0.00	0.00	33.00	22.33	55.33	VA WING
03/27/04	CF03272004VA	N9841L			3.10	30.00	0.00	0.00	93.00	66.60	159.60	VA WING
04/03/04	CF04032004VA	N65764			5.60	30.00	51.00	0.00	168.00	142.12	310.12	VA WING

For Official CAP Use Only:

Headquarters Signature: ______________________

Total Wing Reimbursement: $790.48

Total Reimbursement Paid: $790.48

Done Internet

To receive payment from NHQ for Cadet Orientation Flights:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

The deposit will then be listed in your checking register and the invoice will be stamped “PAID.”

For glider orientation flights use the items From NHQ Cadet Glider Flights – Tow Plane Minor Maintenance (account 6311031) and From NHQ – Tow Plane Fuel (account 6311032). If glider tows are received from an outside organization (not using a corporate aircraft), then the income will be recorded as Tow Plane Other (account 6311033).

Major Aircraft and Vehicle Maintenance Reimbursements

- Select “customers” and “create invoices.”
- The customer will be NHQ.
- The date will be the date that the service was completed.
- The invoice number will be the NHQ approval number.
- The items will be either From NHQ – Aircraft Reimbursable Major Maintenance (account 6313010), From NHQ – Vehicle Reimbursable Major Maintenance (account 6313020), From NHQ – Aircraft Hull Repair Fund (HRP) (account 6313030), or From NHQ – Vehicle VSI Claims (account 6313040).
- Write a memo for reference and documentation.
- Use the class drop down list to select either the A/C tail number or the vehicle ID number if the unit tracks vehicles.
- Enter the amount to be reimbursed from NHQ.
- Click Save and Close.

To receive payments for A/C and Vehicle Maintenance:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.

- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

The deposit will then be listed in your checking register and the invoice will be stamped “PAID.”

Senior Training Activities

Reimbursable senior training activities may include Squadron Leadership School, Corporate Learning Course, Region Staff College, Region Chaplain’s College, and the Unit Commander’s Course. Funding is not always available for these activities.

- Select “customers” and “create invoices.”
- The customer will be NHQ.
- The date will be the last day of the activity.
- The invoice number will be SLS05 or something like it.
- The items will be either From NHQ – SLS (account 6314020), From NHQ – CLC (account 6314030), From NHQ – RSC (account 6314040), From NHQ – RCC (account 6314050) or From NHQ – UCC (6314060).
- Write a memo for reference and documentation.
- No class is required.
- Enter the amount to be reimbursed from NHQ.
- Click Save and Close.

To receive payment from NHQ for Senior Training Activities:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

The deposit will then be listed in your checking register and the invoice will be stamped “PAID.”

Drug Demand Reduction (DDR) and Region Cadet Leadership Schools

- Select “customers” and “create invoices.”
- The customer will be NHQ.
- The date will be the date of the purchase or the last day of the activity.
- The invoice number will be obtained from the CAP Form 108.
- The item will be either From NHQ – DDR (account 6315020) or From NHQ – RCLS (account 6315015).
- Write a memo for reference and documentation.
- No class is required.
- Enter the amount to be reimbursed from NHQ.
- Click Save and Close.

To receive payment from NHQ for DDR or RCLS:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

Operating Funds (Regions Only)

- Select “customers” and “create invoices.”
- The customer will be NHQ.
- The date will be the first day of the quarter.
- The invoice number will be 1stQuar04 or something like it.
- The item will be From NHQ – Operating Funds (account 6318000).
- Write a memo for reference and documentation.
- No class is required.
- Enter the amount to be reimbursed from NHQ.
- Click Save and Close.

To receive payment from NHQ for receipt of operating funds:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.

- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

Outside Audit Expense Reimbursement

Some outside audit fees may be reimbursed on a case-by-case basis by National HQ.

- Select “customers” and “create invoices.”
- The customer will be NHQ.
- The date will be the same date of the expense for the auditor’s fee.
- The invoice number will be AuditReimb or something like it.
- The item will be From NHQ – Other – Audit Fees (account 6320010).
- Write a memo for reference and documentation.
- No class is required.
- Enter the amount to be reimbursed from NHQ.
- Click Save and Close.

To receive payment from NHQ for audit expense reimbursement:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

Other National Headquarters Income

National Headquarters may reimburse regions/wings for other types of activities, including IACE, National Summer Activities (National Emergency Services Academy, National Flight Academies, etc.), the National Paging System, Safety Awards, Commander Travel reimbursed by NHQ, or NHQ-funded Flight Clinics. These types of income will be posted to account 6320000 – From Nat’l Other and then to the appropriate sub account.

State Director Income

State Director Flying

- Select “customer” and “create invoices.”
- The customer will be NHQ.
- The date will be the date of the flight.
- The invoice number will be the number issued by the Air Force and can be found on the CAP-USAF Form 16.
- The item will be From NHQ - State Director Flying A/C Minor Maintenance (account 6312010).
- Use the class drop down to select the A/C tail number.
- Verify that the invoice total equals the state director’s paperwork.
- Click Save and Close.

The state directors have fuel credit cards so there should not be any fuel costs reimbursed.

To receive payment from NHQ for state director flying:

- Select “customers” and “receive payments.”
- Select the correct A/R account.
- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

State Director Rent and Utilities

- Select “customer” and “create invoices.”
- The customer will be NHQ.
- The date will be the first day of the month.
- The invoice number will be SDNov or something like it.
- The item will be State Director Rent/Utilities (account 5061000).
- No class is required.
- Click Save and Close.

To receive payment from NHQ for state director rent and utilities:

- Select “customers” and “receive payments.”
- Select the correct A/R account.

- Select NHQ in the Received From box.
- Enter the date of the EFT.
- Enter the amount received from NHQ per EFT memo from NHQ/FM.
- Select EFT as the Payment Method.
- Check the appropriate invoice listed.
- Make certain the deposit will be to the correct bank account.
- Select Save and Close.

Other Income

State Funding—Paid Directly to the Wing.

If your wing receives funding from your state, when you receive the check:

- Select "banking" and "make deposits."
- Select the customer you designated such as State of VA.
- Select the State Appropriations Income account – 5060000.
- Write a memo for reference and documentation.
- Class the entries if there are restrictions on the money or create sub accounts for cadet programs, emergency services, etc., based on the restrictions.
- Type the amount received.
- Save and Close.

Member Flying

Either the custodial unit collects all checks for the month or the checks are sent to wing. A member is responsible for paying for non-reimbursable flights at the time of the flight to include fuel. Each unit with an aircraft collects the monthly checks. The aircraft custodian for the unit completes the monthly flying report and either forwards all the checks to wing with the report or deposits the checks in the unit's bank account and writes one check to wing. All reports and checks are due to Wing HQ by the 10th of the succeeding month. To make it easy to deposit checks in any wing or unit account all checks are written payable to Civil Air Patrol.

- When the flying report and check(s) are received at wing HQ, the original report is sent to the Wing Director of Operations for review. A copy of the report and check(s) is sent to FM. The FM records an invoice in accounts receivable for each check received. If the check is from an individual, the minor maintenance portion is credited to the income account 5230010 Flight Activities Aircraft Minor Maintenance while the fuel portion (if applicable) is credited to account 5230020 Flight Activities Aircraft Fuel. The amount is classed by aircraft tail number and the memo field shows which month the receipt is for. If the unit sends a check, the amount is credited to the income account 6413000 From CAP Units Below Other. The amount is classed by aircraft tail number and the month the receipt is for is entered in the memo field.

- The checks are then recorded as received against their respective invoices. The money is then deposited into the correct bank account.

- Remember at year-end that the money received for September flying must be reported for September. An account receivable will need to be set up for September to accurately show money due and payable for September flying hours.

Not all wings will handle their member flying in this manner. However, all wings need to develop a system that allows the wing to accurately track the income collected from members against their respective aircraft tail numbers.

In addition, as required by CAPR 66-1, wings need to review all income and expenses related to aircraft each year to determine the rate they will charge their members. Members must be charged at least the Air Force reimbursement rate as listed in CAPR 173-3. This rate must be applied uniformly to all corporate aircraft by type. Members should pay for their own fuel on all non-reimbursable missions.

State Flying

If your wing performs flying for any local, state or federal government agencies the income will be recorded in account 5050000 – Federal, State and Local Government Missions. Remember to class the aircraft tail number and separate the aircraft fuel and maintenance.

Encampments

All encampment income will be recorded under account 5228 – Cadet Activities. You should create a sub account for the wing encampment. Any other cadet-specific activities would also have their own sub account.

Conferences

All conference registration income will be posted to account 6212000 – Conference Registration. If you conduct aerospace or emergency services conferences you should rename account 6212000 as Wing Conference Registration and then create other sub accounts for your other conferences.

Units Below

All vehicle insurance money received from units below wing level will be recorded in account 6412000 – From Units Below – Vehicle Insurance. All other money received from units below will be recorded in account 6413000 – From Units Below Other.

Bank Interest

All bank interest received will be recorded in account 5410000 – Interest Income.

Material and Supply Sales

All money received from the resale of uniform items and supplies or any other materials to members will be recorded in account 6111000 – Material & Supply Sales.

Other Wings and Regions

All money received from other wings or regions will be recorded in account 6410000 – From Regions and Wings.

Fundraising

All fundraising income is posted to account 5240000. Funds received from Dennison Brothers should be recorded here.

Unrelated Business Income

Most unrelated business income in Civil Air Patrol comes from gambling and bingo operations. Civil Air Patrol has to pay tax on this income so be very careful about what you post to this account. If you have questions about whether something should be recorded in account 6114000 Unrelated Business Income, please ask your wing financial analyst.

LIABILITIES AND ACCOUNTS PAYABLES

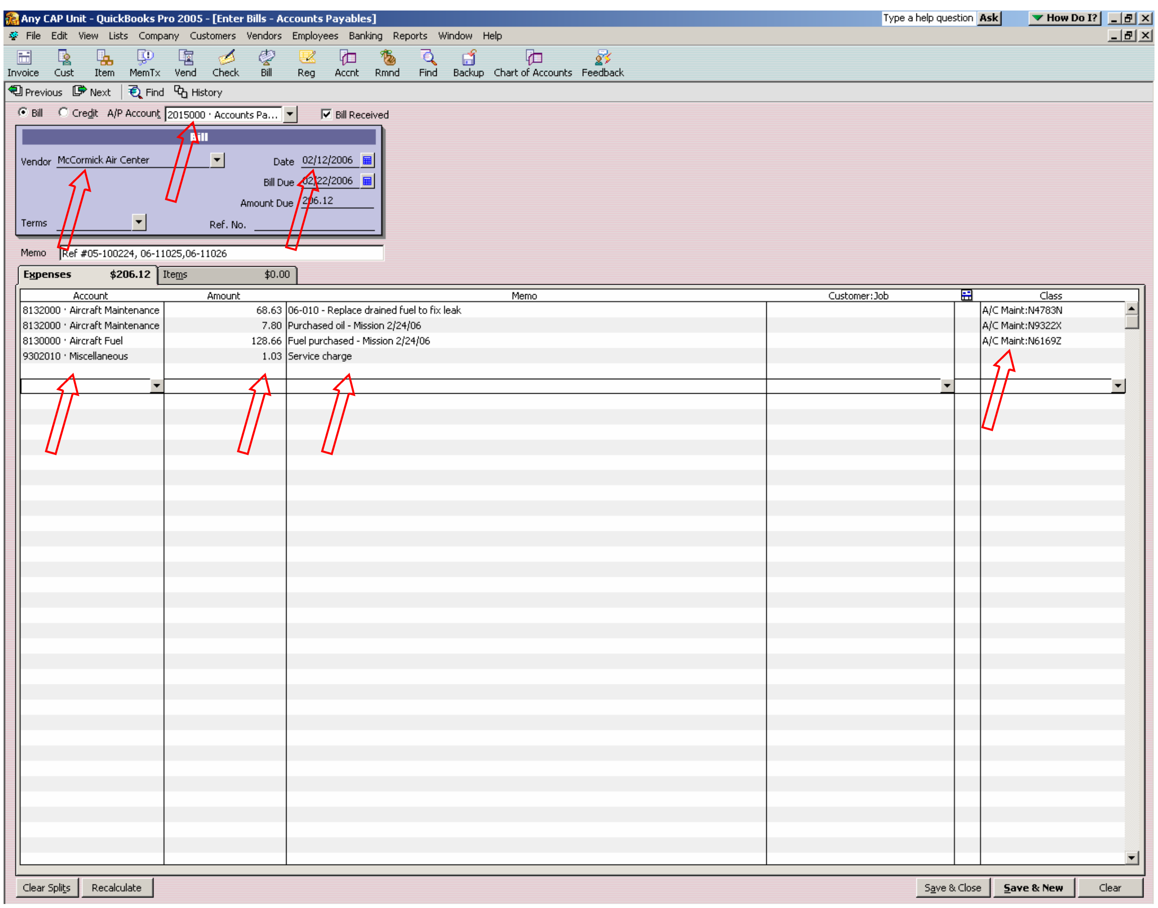
General

As with receivables, payables should be entered in the system at the time the invoice is received and then paid out of the payables system. This allows for matching of income and expenses in the same period and also helps track what remains to be paid.

Entering Bills

When an invoice is received from a vendor an entry is made in QuickBooks® using the following:

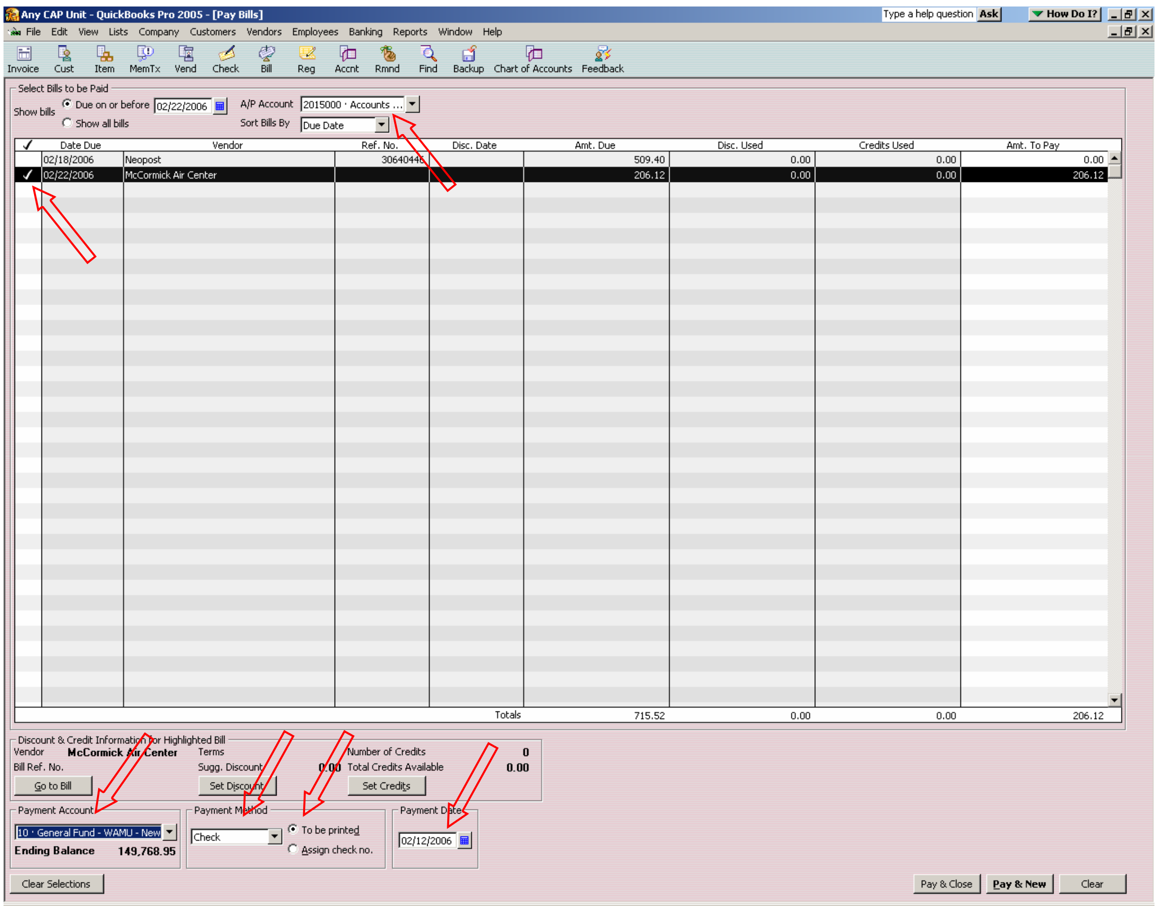
- Select "vendors" and "enter bills."
- Select account 2015000 – Accounts Payables (or a sub account if listed).
- Select the correct vendor from the drop down list (or add new).
- Enter the bill date.
- Enter the invoice number as reference.
- Select the correct expense account to be used.
- Enter the amount to be paid.
- The memo section is to be used as desired for your reference (note, the two memo fields are not tied together only the lower one will show up on reports).
- Select a class from the drop down list if the expense related to a corporate aircraft.



Paying Bills

When it is time to pay the bill:

- Select “vendor” and “pay bills.”
- Select the correct accounts payables account.
- Place a check mark next to the bill you wish to pay from the list or select all.
- Verify that the correct bank account is listed.
- Payment method will be “check” and “to be printed.”
- Verify that the correct date is listed.
- Select pay and close.

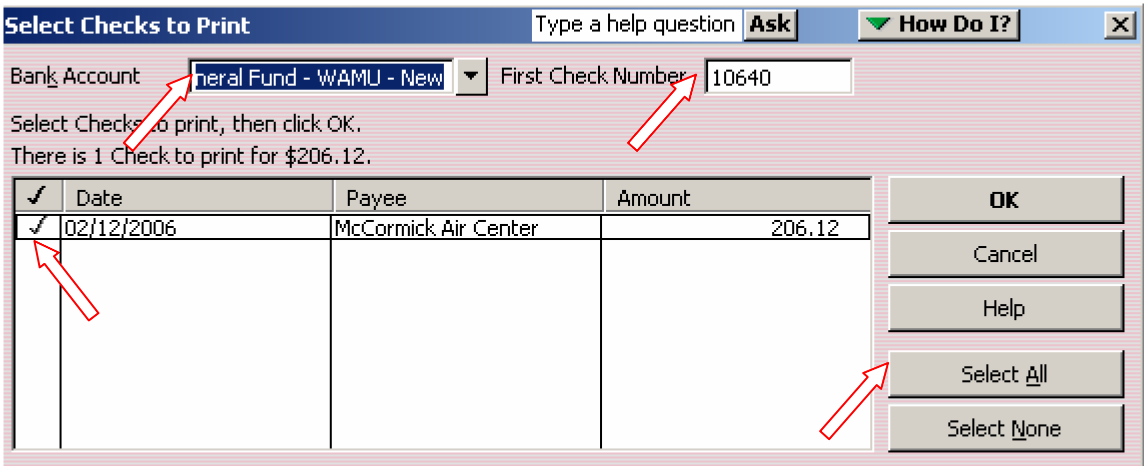


Printing Checks

After you select bills to pay you should print your checks.

- Select “vendor” and then “vendor navigator.”
- Select “print checks.”
- Verify that the correct checking account is displayed in the drop-down list.
- Verify that the correct check number is entered.

- Either click next to each check you would like to print or choose “select all.”
- Select “ok.”

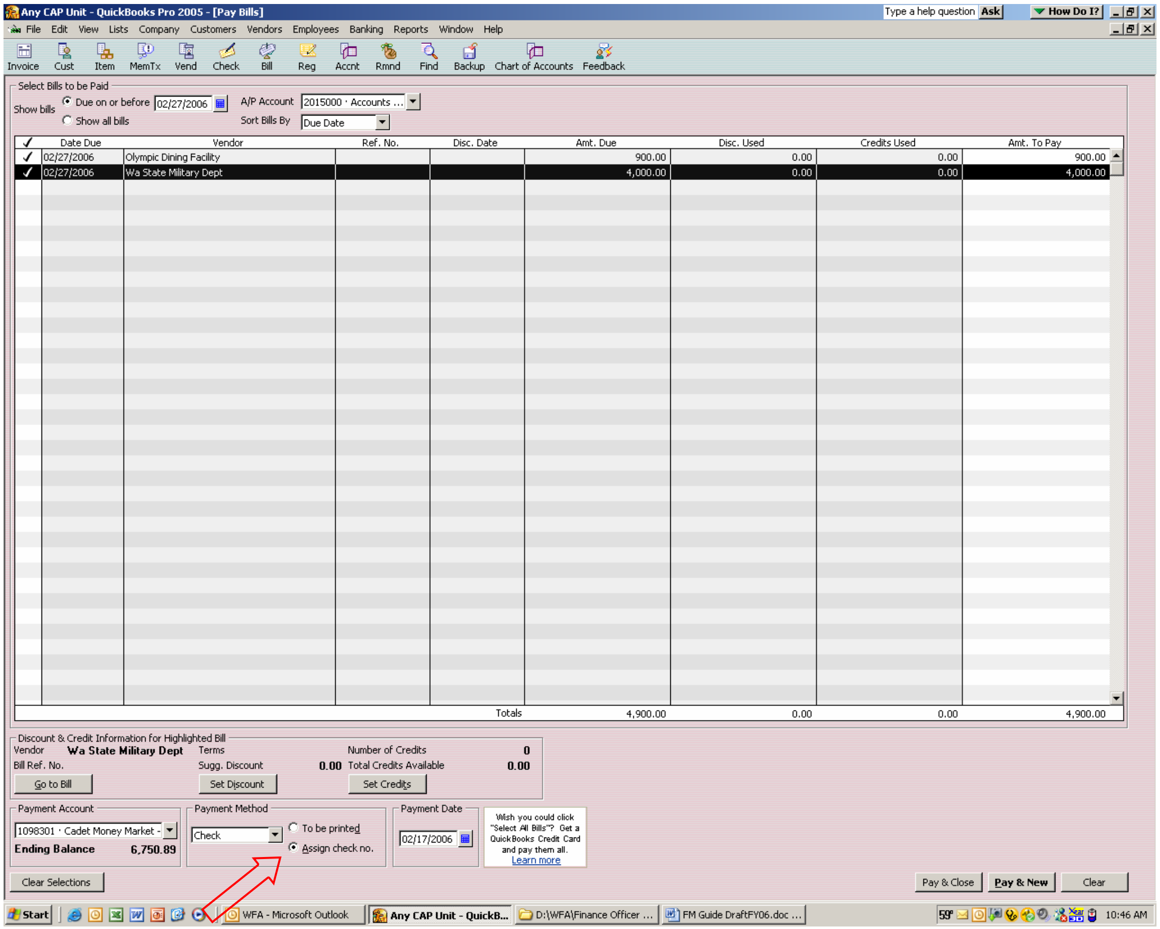


- Verify that the correct printer is selected.
- Verify that “page-oriented single sheets” is selected.
- Verify that “voucher” is selected for the check style.
- Make sure your checks are loaded correctly for your printer.
- Select “print.”

Make sure the checks printed correctly. If they didn’t and there were errors, you should void any incorrectly printed checks, go back to pay bills, select the bills to pay again, and reprint checks starting with a new check number. Retain all misprinted or voided checks. All invoices should be stamped “paid” and with the date paid. Pre-numbered check stock must be obtained from outside vendors. Blank check stock will not be purchased and then printed by the unit.

Special Activity Accounts

If a region or wing has a special activity that uses a checkbook separate from the main checking account those transactions must be posted into QuickBooks and the account must be reconciled. Bills will be entered and paid exactly like those for the main checking account. However, the checks will not be printed. On the bill payment screen you will select “assign check number” instead of “to be printed” as the payment method. After you select “pay and close” a new screen will appear. Just type in the corresponding check numbers used in the special activity checkbook.


Any CAP Unit - QuickBooks Pro 2005 - [Pay Bills]
File Edit View Lists Company Customers Vendors Employees Banking Reports Window Help
Invoice Cust Item MemTx Vend Check Bill Reg Accnt Rmnd Find Backup Chart of Accounts Feedback
Select Bills to be Paid
Show bills
Due on or before 02/27/2006
Show all bills
A/P Account 2015000 · Accounts ...
Sort Bills By Due Date
Date Due Vendor Ref. No. Disc. Date Amt. Due Disc. Used Credits Used Amt. To Pay
02/27/2006 Olympic Dining Facility 900.00 0.00 0.00 900.00
02/27/2006 Wa State Military Dept 4,000.00 0.00 0.00 4,000.00
Totals 4,900.00 0.00 0.00 4,900.00
Discount & Credit Information for Highlighted Bill
Vendor Wa State Military Dept
Bill Ref. No.
Terms
Sugg. Discount 0.00
Number of Credits 0
Total Credits Available 0.00
Go to Bill
Set Discount
Set Credits
Payment Account
1098301 · Cadet Money Market
Ending Balance 6,750.89
Payment Method
Check
To be printed
Assign check no.
Payment Date
02/17/2006
Wish you could click "Select All Bills"? Get a QuickBooks Credit Card and pay them all.
Learn more
Clear Selections
Pay & Close
Pay & New
Clear
Start
WFA - Microsoft Outlook
Any CAP Unit - QuickB...
D:\WFA\Finance Officer ...
FM Guide DraftFY06.doc ...
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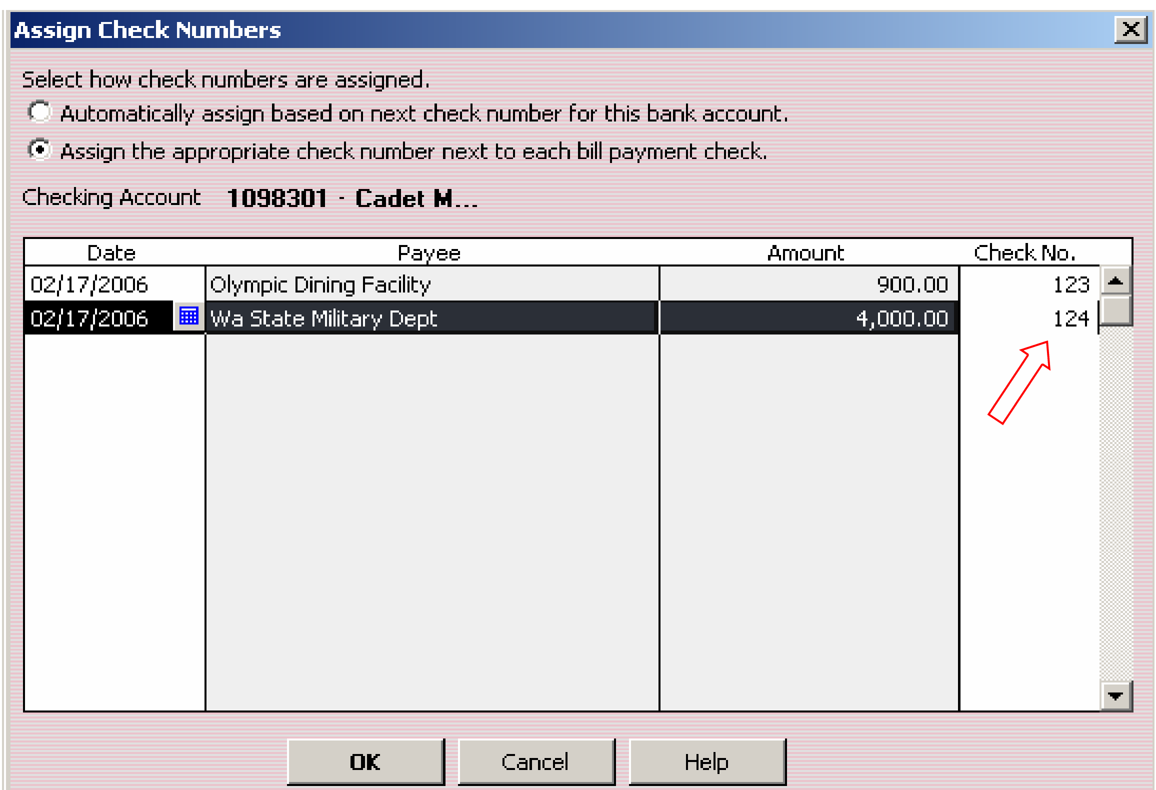

Assign Check Numbers
Select how check numbers are assigned.
Automatically assign based on next check number for this bank account.
Assign the appropriate check number next to each bill payment check.
Checking Account 1098301 · Cadet M...
Date Payee Amount Check No.
02/17/2006 Olympic Dining Facility 900.00 123
02/17/2006 Wa State Military Dept 4,000.00 124
OK
Cancel
Help

Payroll

Payroll is set up as an account payable.

- Select “vendors” and “enter bills.”
- Select account 2015000 – Accounts Payable.
- The vendor will be NHQ – Payroll, or something like it.
- The date will be the date of the payroll disbursement. This information is listed on the EFT notice from NHQ.
- The first account will be 7210000 – Salaries.
- Enter the gross pay amount.
- In the memo field type in the dates the payroll covers.
- The second account will be 7410000 – Payroll Tax Expense.
- Enter the total amount of all payroll taxes.
- The number showing in Amount Due should equal Wing Total.

To record the payment:

- Select “vendors” and “pay bills.”
- Select the correct accounts payable account.
- Check the payroll bill you will be paying.
- Select the correct bank account.
- Select “check” as the payment method.
- Select “assign check number.”
- Verify that the date matches the date payroll was disbursed.
- Click save and close.
- When QuickBooks® asks you to assign a check number enter “EFT.”

FW: Payroll reimb. from Wings 031904.xls - Message (Plain Text)

File Edit View Insert Format Tools Actions Help

Reply | Reply to All | Forward

From: Hall, Merinda [MHALL@capnhq.gov]   Sent: Mon 3/22/2004 6:57 PM

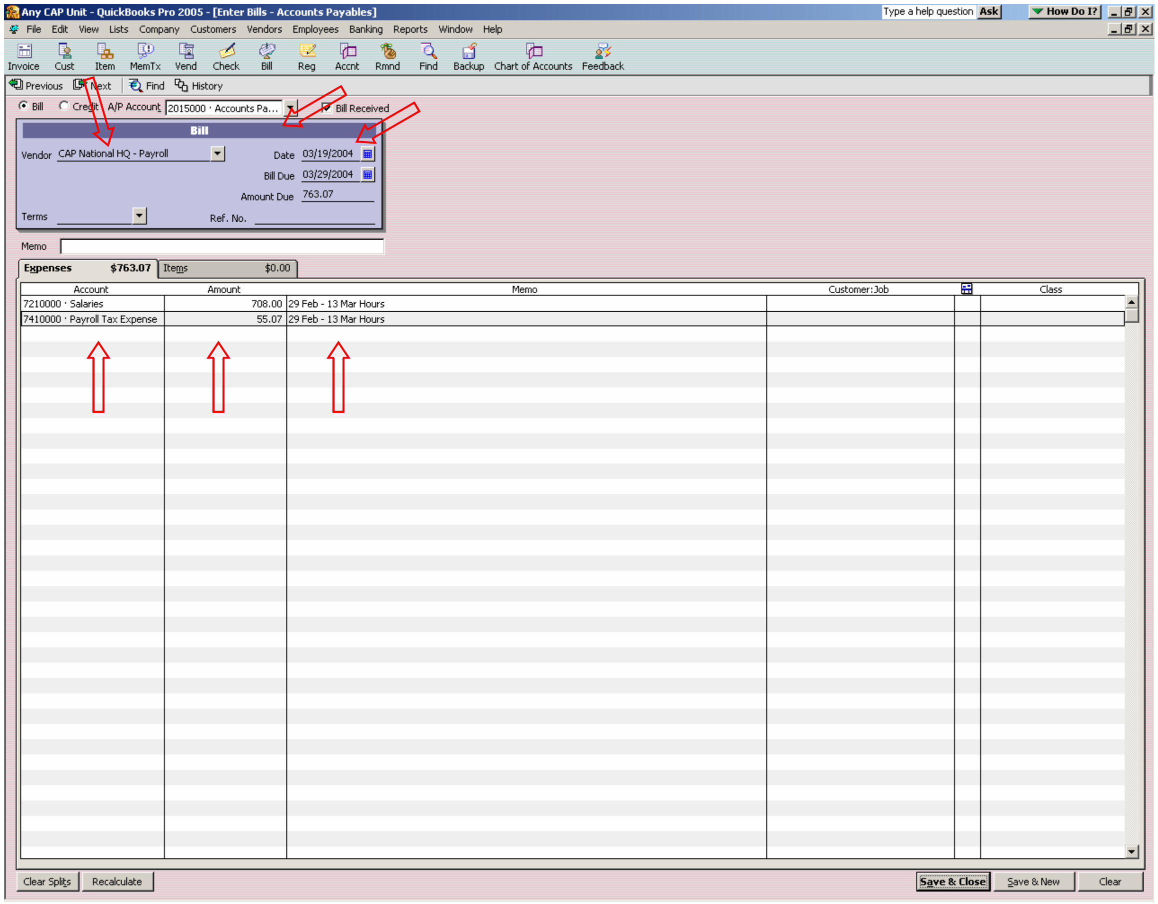
To: fm.va@vawg.cap.gov

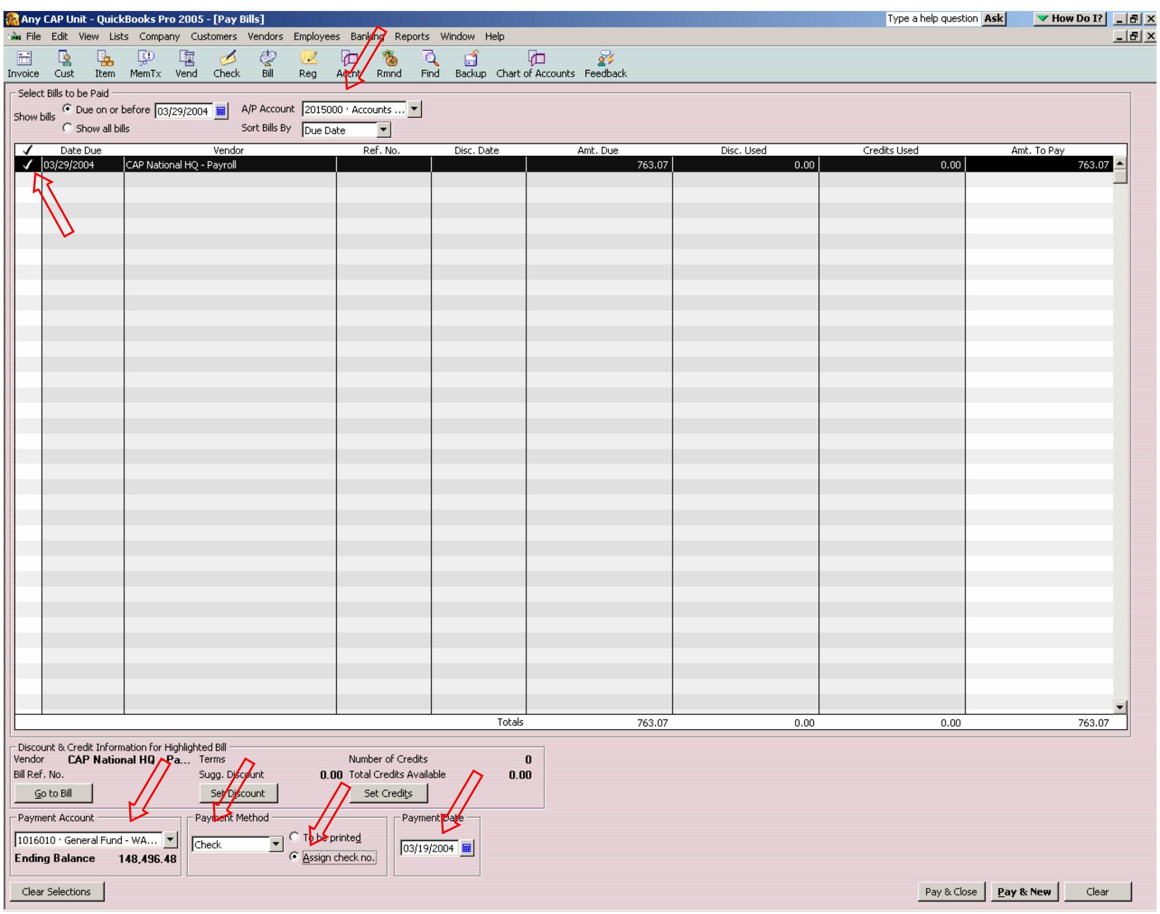
Cc:

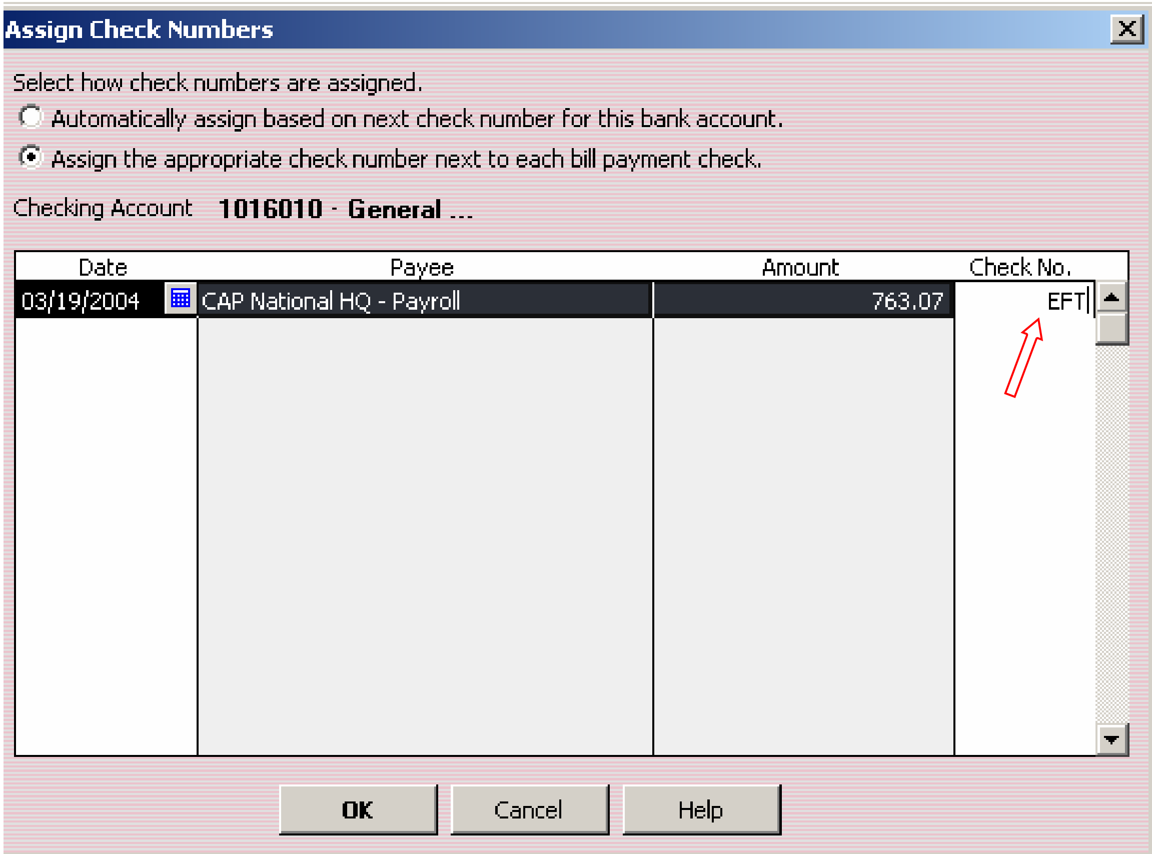
Subject: FW: Payroll reimb. from Wings 031904.xls

```
VIRGINIA                 Gross Soc. Sec.   Medicare    SUI/SDI     Wing Total
Employee Name            708.00      43.89 10.26 0.92  763.07

-----Original Message-----
From: Hall, Merinda
Sent: Monday, March 22, 2004 5:50 PM
To: Hall, Merinda
Subject: Payroll reimb. from Wings 031904.xls
```


Any CAP Unit - QuickBooks Pro 2005 - [Enter Bills - Accounts Payables]
File Edit View Lists Company Customers Vendors Employees Banking Reports Window Help
Invoice Cust Item MemTx Vend Check Bill Reg Accnt Rmnd Find Backup Chart of Accounts Feedback
Previous Next Find History
Bill Credit A/P Account 2015000 · Accounts Pa... Bill Received
Bill
Vendor CAP National HQ - Payroll
Date 03/19/2004
Bill Due 03/29/2004
Amount Due 763.07
Terms
Ref. No.
Memo
Expenses $763.07 Items $0.00
Account Amount Memo Customer:Job Class
7210000 · Salaries 708.00 29 Feb - 13 Mar Hours
7410000 · Payroll Tax Expense 55.07 29 Feb - 13 Mar Hours
Clear Splits Recalculate
Save & Close Save & New Clear


Any CAP Unit - QuickBooks Pro 2005 - [Pay Bills]
File Edit View Lists Company Customers Vendors Employees Banking Reports Window Help
Invoice Cust Item MemTx Vend Check Bill Reg Accnt Rmnd Find Backup Chart of Accounts Feedback
Select Bills to be Paid
Show bills Due on or before 03/29/2004 Show all bills
A/P Account 2015000 · Accounts ...
Sort Bills By Due Date
Date Due Vendor Ref. No. Disc. Date Amt. Due Disc. Used Credits Used Amt. To Pay
03/29/2004 CAP National HQ - Payroll 763.07 0.00 0.00 763.07
Totals 763.07 0.00 0.00 763.07
Discount & Credit Information for Highlighted Bill
Vendor CAP National HQ - Pa... Terms Number of Credits 0
Bill Ref. No. Sugg. Discount 0.00 Total Credits Available 0.00
Go to Bill Set Discount Set Credits
Payment Account 1016010 · General Fund - WA...
Ending Balance 148,496.48
Payment Method Check
To be printed
Assign check no.
Payment Date 03/19/2004
Clear Selections
Pay & Close Pay & New Clear



Accruals

Accruals will be needed at year-end to properly match expenses to the correct accounting period. After the fiscal year ends any bill received relating to the ending fiscal year should be posted with a September 30 date so they will be included in the expenses for that year. An example would be a vehicle repair that occurred on September 16, but the bill was not received until October 2. You would record the expense as having occurred in September. If you enter the vendor invoice date when you enter your bills this process will ensure that all expenses are recorded in the correct fiscal year. Your wing financial analyst can help you with these.

Deferred Revenue

Deferred revenue is made up of funds that are received during the year but have not been earned prior to year-end. For example, if your wing holds its annual conference in October, then you probably received income from registrations before September 30. This registration income would be considered deferred revenue. A journal entry is needed to set this up. Then as the income is earned journal entries are used to reclassify funds in the deferred revenue account to the income account for the current fiscal year.

You may also record the income directly into account 2500000 – Deferred Revenue and Credits when you make the deposits. After the event has occurred, then a journal entry would be needed to move the funds recorded in deferred revenue to the appropriate income account.

EXPENSES

Typical wing expenses are listed with the appropriate expense account:

These accounts should be chosen in the bottom section when writing a check or setting up an account payable in QuickBooks®. Remember to select the appropriate class, if necessary.

- 7042000 – Awards expenses
- 7043000 – Scholarships paid
- 7210000 – Gross salary expenses
- 7410000 – Total of all payroll taxes
- 7525000 – Any accounting or audit expenses
- 7535000 – Any legal expenses
- 7681000 – All mission expenses not classified as a/c fuel, a/c mx or glider flight expense, such as communication costs, vehicle costs, including tolls, lodging and per diem reimbursements, or private a/c costs
- 7710000 – All supplies, including office supplies
- 7735000 – All equipment, other than communication equipment, with a value of less than $5000 per item
- 7745000 – All communication equipment with a value of less than $5000 per item
- 7810000 – All telephone expenses, including cell phones and pagers
- 7811000 – All Internet fees paid, including for e-mail accounts and web pages
- 7910000 – All postage costs, including postal box rentals
- 8015000 – All rental costs, including hangars which should be classed by aircraft
- 8020000 – All utilities paid, including electric, gas, water, sewer and refuse removal
- 8030000 – All property taxes paid
- 8085000 – All other facility expenses, including building maintenance and cleaning supplies
- 8101000 – All corporate vehicle maintenance expenses. All non-mission corporate vehicle fuel should be expensed here.
- 8110000 – Equipment lease expenses, including copier leases
- 8130000 – All corporate aircraft fuel
- 8132000 – All aircraft maintenance expenses

- 8135000 – All equipment maintenance expenses such as copier maintenance and communication equipment maintenance
- 8240000 – All printing and publication expenses
- 8312000 – All travel expenses to include the wing/region commander and other officers; this includes costs to travel to the National Boards and other wing or region conferences
- 8475010 – All encampment expenses
- 8475030 – All Drug Demand Reduction expenses
- 8475040 – All Glider Flight expenses not classified as corporate aircraft fuel including payment for non-CAP tows
- 8476000 – All senior activity expenses not classified to another account
- 8510000 – Expenses for CAP Safety Initiative activities
- 8541000 – All conference, convention or meeting expenses conducted by the region/wing/unit, such as the wing conference, AE conferences, ES conferences, commander's calls, staff meetings, etc.
- 8710000 – All insurance expenses, such as those associated with buildings, not paid to NHQ
- 8825000 – All expenses associated with Region Staff Colleges
- 8830000 – All expenses associated with Region Chaplain's Colleges
- 8850000 – All expenses associated with National Inspector General School
- 8860000 – All expenses associated with National Staff College
- 8868000 – All expenses associated with Region Cadet Leadership Schools
- 8870000 – All expenses associated with Squadron Leadership Schools
- 8875000 – All expenses associated with Corporate Learning Courses
- 8877000 - All expenses associated with Unit Commander's Courses
- 8891000 – All expense associated with Level 1s
- 9102000 – All bad debt expenses
- 9241000 – All advertising and public affairs expenses
- 9302000 – All expenses not readily classified in any other account, such as flowers or gifts
- 9380000 – All expenses associated with any loan repayments
- 9400000 – All expenses associated with credit cards including service charges and late fees
- 9405000 – All bank charges including service charges
- 9430000 – All unrelated business income expenses, such as expenses associated with gambling activities
- 9433000 – All expenses with NHQ for aircraft insurance
- 9434000 – All expenses with NHQ for vehicle insurance
- 9435000 – All other expenses paid to NHQ not classified as aircraft or vehicle insurance
- 9436000 – All expenses paid to another wing or region
- 9437000 – All expenses paid to a unit below wing or region level

- 9438000 – All fundraising expenses
- 9439000 – All lobbying expenses. Communications with legislators on legislation which will directly affect the existence, nature, powers or tax exempt status of Civil Air Patrol is not considered to be lobbying.

Invoice Approval and Process Methods

Each finance committee should segregate which officer may approve what type of invoices for what maximum amount. These invoices should be initialed or signed by the appropriate approving officer/staff member and then, if the expense is over $500, the check should have two signatures. The invoice approval and process method approved by the finance committee should be documented in the finance committee meeting minutes.

Prepaid Expenses

Prepaid expenses are bills for services that are paid in one year for services in the next fiscal year. In most cases they will span two fiscal years. For example, if you buy insurance on your building on the 1st day of June it will be in effect for four months in the current fiscal year and for 8 months in the next fiscal year. Assuming you paid $1200.00 for the 12 month policy you will need to expense only $400.00 of this expense to the current year and $800.00 will go on the books as a prepaid expense to be expensed in the next fiscal year.

Below are some examples of prepaid expenses.

Vendor	Date Paid	Period Covered	Invoice	Prepaid	Expensed
NHQ VSI	09/15/05	10/01/05 - 09/30/06	240.00	240.00	
EarthLink	04/10/06	04/14/06 - 04/14/07	247.58	131.21	116.37
Co-operative Ins	07/01/05	07/10/05 - 07/10/06	3,727.00	2,869.79	857.21

When you enter the bill to pay later, you can calculate the amount that belongs in each year then split the transaction as shown above. In this example $116.37 would go to the expense account for cable internet services (7811000) and the balance of $131.58 would go to the prepaid expense account (1350000). The prepaid expense would be reversed with a journal entry at the beginning of the next fiscal year by debiting the expense account and crediting prepaid expenses.

TAIL NUMBER ACCOUNTING

Major Maintenance

All aircraft major maintenance expenses will be posted to account 8132000 – Aircraft Maintenance. All reimbursements from NHQ for major maintenance will be posted to either account 6313010 – Aircraft Reimbursable Major Maintenance or account 6313030 – Aircraft Hull Repair Fund Claims. Your wing financial analyst can help you determine which account the reimbursement should be posted to. You must class all entries with the appropriate aircraft tail number.

Minor Maintenance

Income

The minor maintenance portion of all income will be posted to the appropriate sub account for the mission type, either From NHQ Funded Flying, From NHQ Glider Flights, From NHQ State Director Flying, From NHQ Cadet O-Rides, From NHQ National Summer Activities, From NHQ Miscellaneous Missions, other local, state or federal missions or Member Flying. If you receive member flying money from units below this will be posted to account 6413000 – From Units Below Other. If you receive reimbursement from another wing or region for aircraft maintenance money then post it to account 6410000 – From Regions & Wings. You will set up items in the accounts receivable section to allow for these different mission types. All minor maintenance entries must have a tail number class selected.

Expenses

All expenses charged to minor maintenance, except for those associated with glider flying or paid to another CAP unit will be charged to account 8132000 – Aircraft Maintenance. All maintenance expenses must have a tail number class selected.

Fuel

Fuel income will be posted to the appropriate sub account for the mission type, either From NHQ Funded Flying, From NHQ Glider Flights, From NHQ State Director Flying, From NHQ Cadet O-Rides, From NHQ National Summer Activities, From NHQ Miscellaneous Missions, other local, state or federal missions or Member Flying. If you receive member flying fuel reimbursements from units below this will be posted to account 6413000 – From Units Below Other. If you receive reimbursement from another wing or region for aircraft fuel post it to account 6410000 – From Regions & Wings. You will set up items in the accounts receivable section to allow for these different mission types. All fuel entries must have a tail number class selected.

Tail Number Report

A profit and loss report listing all income and expenses for each aircraft can be run by modifying the QuickBooks® profit and loss report to display columns by class and filtering for the tail number classes.

- Select “reports,” “company and financial” and “profit and loss by class.”
- Select “modify report.”
- Select the date range such as this fiscal year.
- In the columns section choose class from the drop down list.
- Select the “filter” tab.
- Select class from the filter drop down list.
- Choose selected classes from the class drop down list.
- Put a check mark next to all the tail numbers.
- Click on OK.

5:25 PM
08/12/04
Accrual Basis

Delaware Wing, Civil Air Patrol
Profit & Loss by Class
October 2002 through September 2003

	N701DE	N702DE	N706DE	TOTAL
Income				
3200000 · Gov't Appropriations - Program				
3200010 · EPA	1,177.50	577.50	0.00	1,755.00
3200040 · State of Delaware	1,111.50	310.08	0.00	1,421.58
Total 3200000 · Gov't Appropriations - Program	2,289.00	887.58	0.00	3,176.58
3225600 · From Natl. HQ - Mission - CD				
3225610 · CDE Reimb 85%	831.08	1,088.95	581.31	2,501.34
Total 3225600 · From Natl. HQ - Mission - CD	831.08	1,088.95	581.31	2,501.34
3226600 · From NHQ - Mission SAR/DR Actua	88.35	160.16	525.91	774.42
3227600 · From Natl. - Mission SAR/DR/TRN	1,012.27	1,367.08	1,783.85	4,163.20
3228600 · From Natl. - A/C & Veh Mx (MAJ)	0.00	831.63	0.00	831.63
3230600 · From Nat'l HQ Cadet Activities	739.46	834.71	626.16	2,200.33
3400000 · Senr Activities				
3400900 · Senior Activities-General	100.00	0.00	0.00	100.00
Total 3400000 · Senr Activities	100.00	0.00	0.00	100.00
3450100 · Flight Activities				
3450120 · Flt. Prof.	557.50	235.50	95.00	888.00
3450130 · Form 5 Check Ride Non-Reimbr.	47.10	0.00	0.00	47.10
Total 3450100 · Flight Activities	604.60	235.50	95.00	935.10
Total Income	5,664.76	5,405.61	3,612.23	14,682.60
Expense				
6005000 · Aircraft O & M				
6005900 · Aircraft fuel, Oil, Misc.				
6005910 · O & M 702DE	0.00	3,429.92	0.00	3,429.92
6005920 · O & M 701DE	6,165.22	0.00	0.00	6,165.22
6005940 · O & M 706DE	0.00	155.93	8,981.51	9,137.44
Total 6005900 · Aircraft fuel, Oil, Misc.	6,165.22	3,585.85	8,981.51	18,732.58
Total 6005000 · Aircraft O & M	6,165.22	3,585.85	8,981.51	18,732.58
6800100 · Mission Expense - Counterdrug				
6800115 · CD Mission Exp 15%	21.42	0.00	0.00	21.42
Total 6800100 · Mission Expense - Counterdrug	21.42	0.00	0.00	21.42
7401600 · Exp o/ Nat HQ Mat & Supl-Depot				
7401633 · Aircraft General	0.00	0.00	436.89	436.89
Total 7401600 · Exp o/ Nat HQ Mat & Supl-Depot	0.00	0.00	436.89	436.89
7420600 · Expenditure o/ Regions & Wings	60.35	0.00	87.68	148.03
Total Expense	6,246.99	3,585.85	9,506.08	19,338.92
Net Income	-582.23	1,819.76	-5,893.85	-4,656.32

Centralized Maintenance Program

Those units participating in the aircraft centralized maintenance program will have all of their major and minor maintenance expenses paid by NHQ with the majority of their aircraft maintenance performed at a NHQ-designated centralized maintenance facility. Any CAPF 108s submitted to NHQ for "A" or "B" missions should not include any minor maintenance for those aircraft participating in this program. CAPF 108s submitted for "C" missions should include the minor maintenance. All "C" mission minor maintenance money is to be used to pay for the costs associated with moving aircraft back and forth to the centralized maintenance facility, including chase planes, and to pay for very minor maintenance such as lights and tires. Oil changes not in conjunction with a 100-hour or annual inspection will be paid by NHQ with a valid CAPF 108.

Any minor maintenance funds received from missions flown for outside agencies, including state agencies, must be reimbursed back to NHQ. The unit can coordinate with NHQ/FM to have these funds drafted back.

Gippsland GA-8 Airvan Procedures

Those units with GA-8s will have all of the aircraft's major and minor maintenance paid by NHQ. The cost of fuel to ferry the aircraft to a repair facility will also be reimbursed by NHQ with a valid CAPF 108. Any minor maintenance expenses should be documented on a CAPF 108 with the aircraft tail number and the signature of the designated maintenance officer for that aircraft. Invoices should be faxed to NHQ at (334) 953-1668. The preferred method of payment is via electronic funds transfer.

All CAPF 108s submitted to NHQ for missions using these aircraft must not contain the maintenance portion. Wings will be assessed a fee based on a dry rate of $46 per hour for non-reimbursed mission flying, including pilot proficiency and any missions flown for outside agencies, including state agencies. The unit can coordinate with NHQ/FM to have these funds drafted back.

FIXED ASSETS

Fixed asserts are entered in QuickBooks® as capitalized items only when the cost exceeds $5000 per item. If a group of computers are purchased with an aggregate cost of over $5000 only individual items over $5000 would be entered as fixed assets. When an item over $5000 is purchased the account used would be the fixed asset account for that type of asset (such as 1540000 for computers or 1530000 for Office Furniture). Items under $5000 will use the appropriate expense account, such as account 7735000 Equipment Purchases or account 7745000 Communication Equipment Purchases.

Any deletions should be noted so that appropriate entries can be made at year-end to adjust the asset and depreciation accounts. All asset changes must be reported to NHQ on the Asset Form which may be found on the NHQ website.

Depreciation

Depreciation allocates a portion of the cost of the asset to an accounting period. Depreciation entries will be handled by either your external auditor or wing financial analyst.

Reconciling with NHQ

NHQ tracks all wing fixed assets and will provide a report at year-end for reconciliation by either your external auditor or wing financial analyst.

YEAR-END CLOSING

Once a year has been audited and the final reports and tax returns have been completed there should not be any changes made to the accounting records. Occasionally after a year has been closed you may find an entry that should have been made in that closed year. This would create what is called a prior period adjustment. If this happens you should contact your wing financial analyst to help make the proper entry in QuickBooks®. QuickBooks® has a feature which allows you to lock prior year records. This still allows you to view and print all reports, but will remind you that this year is a closed year if you try to make changes or add new entries to the closed year. Your wing financial analyst will ensure that your financial records are locked and that accidental changes to the information are prevented.

After your records are locked any time you try to make entries with dates prior to the cutoff date QuickBooks® will prompt you to be sure you want to make changes to the closed year. You will not be able to make any changes unless you know the password which is a highly guarded secret among the wing financial analysts. Your wing financial analyst will close your QuickBooks® files at year-end and should be the only person making changes to your financial records in a prior year.

UNIT CONSOLIDATED REPORT

Every year NHQ has to consolidate all financial information for every unit in Civil Air Patrol. All units must report so that Civil Air Patrol can remain a tax-exempt organization. These rules are imposed by the Internal Revenue Service as a stipulation of our 501(c)(3) tax-exempt status. Even if a unit has no money the commander should sign a document stating that the unit has no money or bank accounts.

Items to watch for when consolidating the units below finance reports:

- The unit must start with the same opening balance as they ended with the previous year. When NHQ does the consolidation for all units, they start with those ending numbers. If the beginning balance this year does not match last year's ending balance some research will need to be done and corrections made to get those numbers to agree.

- If they report Unrelated Business Income and they do not have any gambling activities then something has been misclassified.

- If there is a large expense for aircraft operations and maintenance and all minor maintenance money is sent to wing then they have misclassified this expense. The appropriate expense would be to account 9436000 Expenses with Regions and Wings.

- Any entry to account 9380000 Interest Expense should be investigated. This account is only used to record interest expense on loans.

- Any entry to account 6950000 Insurance – Vendors should be investigated. A valid entry to this account would be for insurance payments to outside vendors. Any insurance payments to wing for aircraft or vehicles should be recorded to account 9436000 Expenditures with Regions and Wings.

- Any entry to account 9910000 Lobbying Expense should be investigated. Most units in Civil Air Patrol have no lobbying expenses.

- If they report expenses to account 9960000 Unrelated Business Income Expense and they do not have any gambling activities then something has been misclassified.

All unit reports must be forwarded to the Wing HQ by November 1 each year. NHQ has a very large consolidated report to prepare before the Internal Revenue Service Form 990 can be completed. If the units miss their deadlines they risk having the wing miss their reporting deadlines which in turn might cause NHQ to miss their reporting deadline. **It is imperative that all units meet their required reporting deadlines in order to comply with IRS reporting requirements to keep our tax exempt status.**

INTERNAL CONTROLS

Segregation of Duties

Appropriate segregation of duties is a major element in a wing's or region's successful internal control procedures. Segregation of duties ensures that no one member exercises excessive control or power over a wing or region's funds or assets.

The following are ***suggestions*** for good segregations of duties. It is noted that many of the suggestions are not possible for every wing or region, but should be used as goals to aim toward.

- The member who writes checks and maintains QuickBooks® does not perform the bank reconciliations, including the wing administrator.
- Mail should be opened by a member other than the person who enters the bills and makes deposits. At a minimum bank statements should be opened by a person who does not enter the bills or make the deposits. A good segregation is to have the wing commander or a member of the finance committee open and review the bank statements and cancelled checks before they are passed on.
- The Director of Finance is not also the Administrative Officer.
- The Internal Financial Review is rotated among different finance committee members each quarter.
- Bank deposits are made by a member other than the person recording the entry in QuickBooks®.
- Check signing duties are rotated between finance committee members.
- Check writers do not sign checks.
- Prior to payment, all invoices are approved by someone other than the director of finance or the wing administrator.

- The Operations Directorate completes the CAP Form 108s, not the director of finance or the wing administrator.

Internal Financial Reviews

All bank accounts must be reviewed. The check sample for each bank account will be a minimum of 5% of the total number of checks written during the quarter being reviewed or 20 checks, whichever is larger. Each check selected should be reviewed to ensure that the payee on the cancelled check agrees with the payee listed in QuickBooks®. The reviewer should also verify that the vendor listed on invoices matches the payee on the checks.

Fiscal Year & Quarter Reviewed ____________Date Review Completed_______

Name and Title_____________________Signature_______________________

Date Review Sent to Wing Financial Analyst_____________________________

All questions answered with a "no" must be explained.

1. Does the region/wing have a Director of Finance? Yes __ No __

2. Did the Finance Committee meet this quarter? Yes __ No __
   If so, on what date? ___________

3. Were minutes taken of the Finance Committee meeting? Yes __No __

4. Did all checks over $500 have two signatures? Yes __ No __

   The person doing the review should look at all cancelled checks (originals or copies provided by the bank) to ensure that two valid signatures are present.

5. Did all checks over $1500 have Finance Committee approval? Yes __ No__

   The person doing the review should look at all cancelled checks noting those checks over $1500. The minutes of the finance committee should be reviewed to ensure that each check was approved or was authorized through a recurring expense policy. The approvals should be obtained before any liability is incurred.

6. Did you verify that members of the same household did not co-sign checks?
   Yes __ No __

   The person doing the review should look at all cancelled checks to ensure that two members of the same family did not both sign a check.

7. Did you verify that there were no pre-signed checks and that blank check stock is secure? Yes __ No __

   The person doing the review should look at the QuickBooks® check registers to determine the last check numbers used. The reviewer should locate the next check to be used and ensure that the check is blank with no signatures. The reviewer should verify that all check stock is stored in a secure location.

8. Did a random sample of paid checks all have supporting invoices? Yes __ No __

   A sample of paid/cancelled checks should be selected and their supporting invoices reviewed to ensure that the selected checks have approved invoices to backup the check. The invoices should have a check stub attached and be stamped "paid" with the date of payment noted.   A recommended sample could include all checks over $1000 and every 10th check in the register. The sample must include at least 5% of the total number of checks written during the quarter being reviewed or 20 checks, whichever is larger. All bank accounts must be reviewed.

9. Did all invoices reviewed have the necessary approval? Yes __No __

   The reviewer must verify the wing or region's invoice/expense approval policy and ensure it is being complied with.

10. Were all withdrawals from investment accounts approved? Yes __ No __

    The reviewer must verify that the unit has a bank transfer policy. If a single signature is used to transfer funds within the same financial institution, then there should be a policy approved by the finance committee to authorize these transfers with limits on the amount. All transfers between different institutions require two signatures.

11. Were all applicable reporting deadlines met? Yes __No __

    The reviewer should verify that various reporting deadlines listed in CAP Regulation 173-2 have been met.

12. Does the region/wing use credit cards? Yes __ No __

13. If the region/wing uses credit or debit cards, is there a policy in place governing their use? Yes __ No __

The reviewer should verify that an approved credit card usage and approval policy has been approved in writing by the finance committee, all credit cards are issued in the name of the unit, and that they are used for authorized purchases only. If the region/wing uses debit cards, the reviewer should verify that they were not used for cash advances and that there is a written policy governing their use.

14. Was all credit card usage documented with itemized receipts? Yes __ No __

If the region/wing uses credit cards, the reviewer should verify that credit card statements have all receipts attached.

15. Are all special activity accounts recorded in QuickBooks®? Yes __ No __

The reviewer should verify that all special activity accounts, including accounts for encampments, conferences or other activities are being recorded in QuickBooks®.

16. Were all voided checks properly accounted for? Yes __ No __

The reviewer can print (or have the Director of Finance print) a missing check report from QuickBooks® (found under "Reports" and then "Banking") for the time period being audited. Any skipped or voided checks should be account for. Voided checks should be cancelled with "void" being written across them and filed numerically with other cancelled checks.

17. Are all check numbers accounted for and sequential? Yes __ No __

The reviewer should use the QuickBooks® Missing Check Report and the check register to verify that all checks are accounted for and checks are printed sequentially.

18. Did you verify that checks were not made payable to cash? Yes __ No __

The reviewer should verify that no cancelled checks are made payable to "cash".

19. Did you verify that signers were not listed as payees on checks? Yes __ No __

The reviewer should verify on all cancelled checks that individuals signing checks are not also listed as the payee on the check they signed.

20. Were all checking accounts reconciled each month? Yes __ No __

The reviewer should pull the monthly bank statements for all checking accounts for each month in the quarter and ensure that the QuickBooks® reconciliation report was completed and is attached. Savings and CD accounts should be reconciled when their statements are received (i.e., quarterly) and the QuickBooks® reconciliation report should be attached to the account statement.

21. Were all bank reconciliations reviewed and signed by a member of the finance committee? Yes __ No __

The reviewer should verify that the beginning balance on the reconciliation matches the bank beginning balance on the statement. The reviewer should also verify that the cleared balance on the reconciliation matches the ending bank balance on the statement.

22. Did a sample of CAPFs 108 have fuel receipts attached? Yes __ No __

Fuel receipts are required to be attached to all CAP Form 108s. Verify a sample to ensure the required receipts are attached.

All questions answered with a “no” must be explained.

Any discrepancies should be discussed with the finance committee to determine what course of action needs to be taken to correct the problems.

CHECKLISTS

The following checklists were developed to assist the wing administrator, director of finance and the finance committee in performing their duties.

WING ADMINISTRATOR FINANCE CHECKLIST

DAILY

- ☐ Enter accounts receivables from CAP Forms 108
- ☐ Enter accounts receivables for CAP O-Flights
- ☐ Enter accounts receivables for state director flights
- ☐ Enter accounts receivables from CAP for aircraft and vehicle major maintenance reimbursements
- ☐ Enter accounts receivables for ROTC flights
- ☐ Enter accounts receivables for state missions
- ☐ Enter accounts receivables for other flying
- ☐ Enter accounts receivables for pilot proficiency flying
- ☐ Enter registration fees for conferences, encampments, etc.
- ☐ Enter bills and other payables
- ☐ Verify that all amounts owed to members for missions have been entered into QuickBooks®
- ☐ Record receipt of EFT funds from NHQ
- ☐ Make deposits at bank and record in QuickBooks®
- ☐ Consolidate mission paperwork into master CAP Forms 108

WEEKLY

- ☐ Obtain finance committee approval for bills over $1500
- ☐ Obtain necessary approvals for all other bills
- ☐ Pay bills
- ☐ Print checks
- ☐ Ensure that checks are signed properly
- ☐ Stamp invoices as paid and with the date paid
- ☐ Attach copy of check to payment supporting documentation and file

MONTHLY

- ☐ Reconcile NHQ income received with NHQ reports
- ☐ Review accounts payables detail and investigate anything over 30 days old
- ☐ Review accounts receivables detail and investigate anything over 90 days old
- ☐ Record accounts receivables for pilot proficiency flying owed to wing and reconcile with monthly flying reports
- ☐ Reconcile mission fuel receipts with flight logs

QUARTERLY

- ☐ Act as recorder at quarterly finance committee meeting

WING DIRECTOR OF FINANCE CHECKLIST

WEEKLY

- ☐ Review QuickBooks® transactions entered by wing administrator

MONTHLY

- ☐ Perform bank reconciliations
- ☐ Review outstanding checks over six months old
- ☐ Review outstanding deposits over one week old
- ☐ Reconcile investments and certificates of deposit as statements are received
- ☐ Reconcile income from NHQ
- ☐ Research accounts payables over 30 days old
- ☐ Research accounts receivables over 90 days old
- ☐ Review the comparative profit and loss report
- ☐ Review the profit and loss by class report
- ☐ Review the balance sheet
- ☐ Review the budget to actual report
- ☐ Review the missing check report
- ☐ Review voided checks
- ☐ Review special activity accounts and record in QuickBooks®, if necessary

QUARTERLY

- ☐ Obtain supporting documentation for special activity accounts

ANNUALLY

- ☐ Prepare for annual audit
- ☐ Review open accounts receivables from previous fiscal year missions
- ☐ Verify that accounts payables are accrued in the proper time period
- ☐ Consolidate units below reports and prepare CAPF 173-2c
- ☐ Obtain wing commander's signature on Authorization to Include Report
- ☐ Prepare Included/Excluded Unit Report
- ☐ Submit CAPF 173-2c, Authorization to Include and Included/Excluded Unit Report to wing financial analyst by December 31
- ☐ Submit external audit report to wing financial analyst by December 31
- ☐ Submit all mission reimbursement requests to NHQ by November 30
- ☐ Obtain a statement from financial institutions verifying certificate of deposit balances at September 30 and include the maturity date and interest rate for use during the annual audit

WING FINANCE COMMITTEE CHECKLIST

WEEKLY

- ☐ Approve bills over $1500

QUARTERLY

- ☐ Perform Internal Financial Review within 45 days of quarter end
- ☐ Review and sign bank reconciliations
- ☐ Transmit completed Internal Financial Review to wing financial analyst
- ☐ Conduct Finance Committee Meeting
- ☐ Review balance sheet report
- ☐ Review comparative profit and loss report
- ☐ Review budget to actual report
- ☐ Review profit and loss by class report
- ☐ Review outstanding accounts receivables
- ☐ Review outstanding accounts payables
- ☐ Discuss any discrepancies found during Internal Financial Review

ANNUALLY

- ☐ Review the CAPF 173-2c before it is sent to the wing financial analyst
- ☐ Renew credit card policy by October 1
- ☐ Renew recurring expense policy by October 1
- ☐ Renew invoice approval policy by October 1
- ☐ Renew bank transfer policy by October 1
- ☐ Renew on-line banking policy by October 1
- ☐ Appoint finance committee in writing by October 1
- ☐ Review budgets
- ☐ Review Fixed Asset Inventory Questionnaire from NHQ
- ☐ Submit to NHQ/FM name of proposed external auditor by July 31 if required
- ☐ Review annual audit
- ☐ Ensure final external audit is sent to the wing financial analyst by January 31