

THE ARMY CADET LEAGUE OF CANADA



CORPS SUPPORT COMMITTEE FINANCIAL REPORTING

www.armycadetleague.ca

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Note: When and where possible, the digital copy should be used to ensure that the most up to date information is available.

INTRODUCTION

In 2018, the Army Cadet League of Canada (ACLC) became involved in a working group, along with the Navy League of Canada, the Air Cadet League of Canada and the National Cadet & Junior Canadian Ranger Support Group. One of the primary goals of the working group was to measure the support to the cadet program that is provided by the Leagues at all levels.

In order to successfully measure this support nation-wide, it was quickly realized that the national organization has provided little guidance in how revenue and expenses at the local level should be reported. In early 2019, the national organization establish a common reporting form for all to use. This ensures, as much as possible, that revenue in British Columbia is calculated in the same fashion as in Newfoundland & Labrador. Upon initial Support Committee reports in late 2019, it was quickly realized that some important information was not being isolated properly. Further changes were required.

HOW IS THIS GOOD FOR THE SUPPORT COMMITTEE?

Basic financial accounting, first and foremost, aids the Support Committee in making sound financial decisions during meetings. You will be able to decide, on a regular basis, if expenses can be made, or if adjustments need to be looked at.

Two of the most common disagreements regarding finances at the local level are:

- a) Are the funds safe and accounted for; and,
- b) That the money is being spent on the cadets.

A positive secondary outcome is the ability to have transparent financial records. When fully reconciled with the bank statement(s), a Support Committee is able to clearly demonstrate to all where the money is being spent and that the money is safe and secure. Financial transparency is a best practice that all Support Committees must put in place.

With the collection of financial statements at the Branch level, Branches provide independent oversight. In some provincial/territorial jurisdictions, there are legislated requirements for financial reporting and associated financial benefits. The Branch is there to help.

HOW IS THIS INFORMATION USED?

First off, the ACLC is required to demonstrate the support that is provided by our Support Committees and sponsors of the local program. While this was not explicitly stated in previous versions of Queen's Regulations and Orders Cadets (QR Cdt), or in the Memorandum of Understanding (MOU), it was always implied. In the updated documents, these are now mandated and agreed to.

This information, once collected and analysed at the national level, will provide ACLC leadership with the ability to report on total support provided across the country. This information will also assist ACLC leadership in forming fact-based opinions based upon objective financial information and help it better understand many of the true challenges being faced by Support Committees. It is one thing to form an opinion based upon personal experience; however, it is a very different thing to be able to support an opinion with facts and evidence.

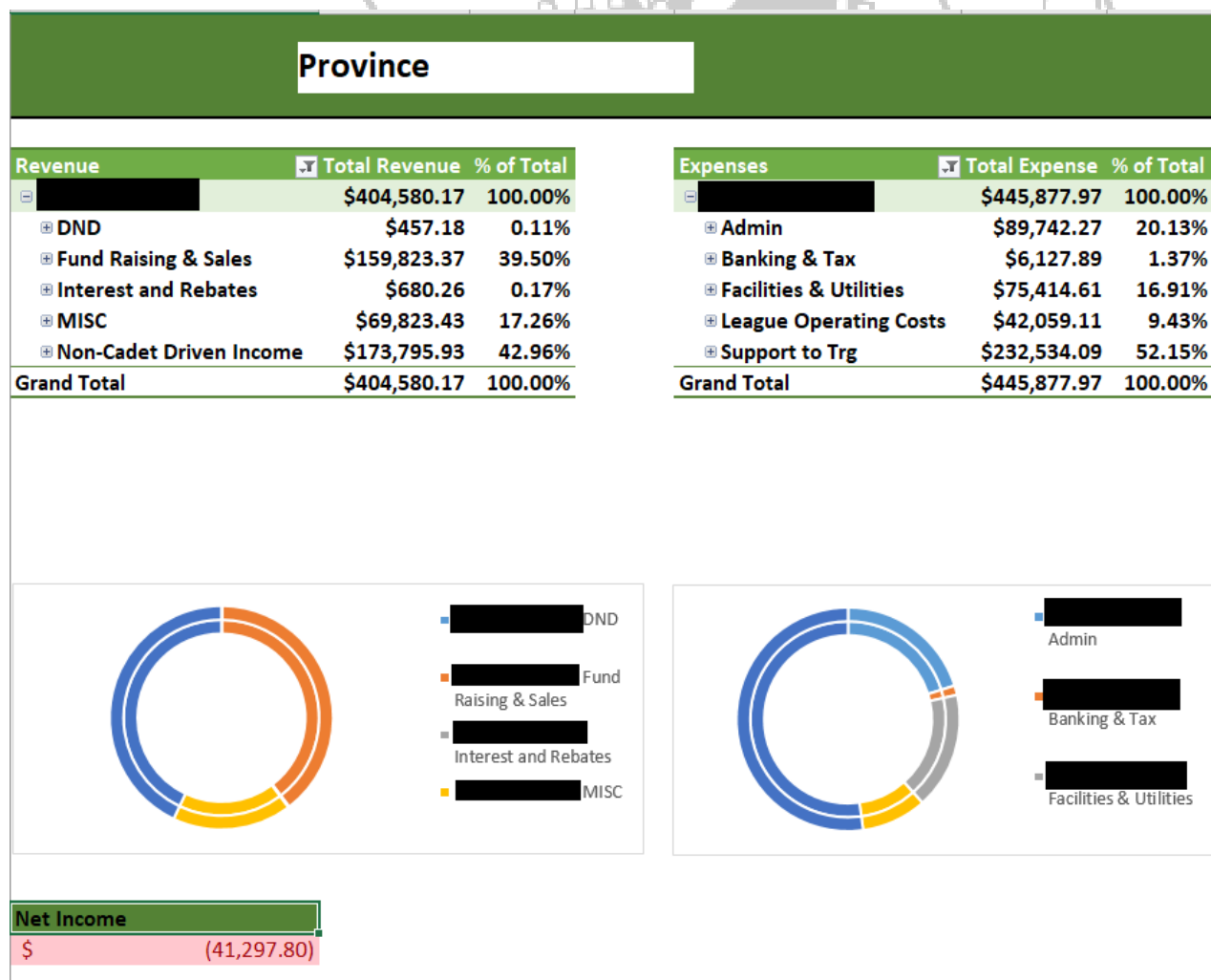
The ACLC has also developed some tools to help identify Support Committees who potentially face financial distress, before a situation becomes too dire. Under the current scheme, the ACLC is being reactive to situations. As a greater organization, we will become more proactive.

Examples

There are often a number of misconceptions that we experience. By collecting the information and displaying it in a consolidated and easy to read fashion, we are able to dispel what many believe.

One of the most common misconceptions is that the League does not spend (Expense) the money on the cadets themselves. As you can see by the chart below, on a provincial scale, 52.15% of all funds spent at the local level are spent in direct support to training. An additional 16.91% is spent on facilities, for without it, there is no local cadet program.

Another common misconception is that all fund raising (Revenue) is done on the backs of the cadets. Again, we will see that on a provincial scale, only 39.50% of all revenue generated directly involves cadets.



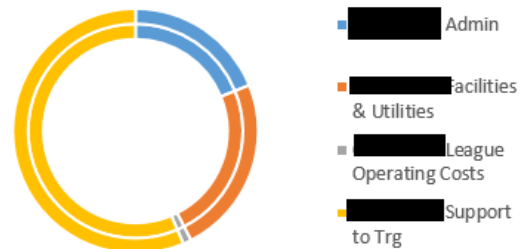
The same is replicated using the Support Committee information.

- a) 56.37% of the money is being spent on the cadets with an additional 23.64% for facilities; and
- b) Only 20.01% of all revenue involves cadets.

1234 Cadet Corps

Revenue	Total Revenue	% of Total
[-] [REDACTED]		
⊕ DND	\$5,614.97	9.49%
⊕ Fund Raising & Sales	\$11,838.55	20.01%
⊕ Interest and Rebates	\$0.42	0.00%
⊕ MISC	\$302.85	0.51%
⊕ Non-Cadet Driven Income	\$18,090.20	30.58%
⊕ Opening Balance	\$23,313.55	39.41%
Grand Total	\$59,160.54	100.00%

Expenses	Total Expense	% of Total
[-] [REDACTED]		
⊕ Admin	\$5,966.39	18.90%
⊕ Facilities & Utilities	\$7,464.90	23.64%
⊕ League Operating Costs	\$344.47	1.09%
⊕ Support to Trg	\$17,799.76	56.37%
Grand Total	\$31,575.52	100.00%



Net Income
\$ 27,585.02

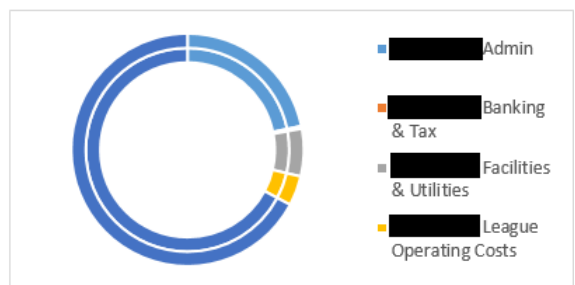
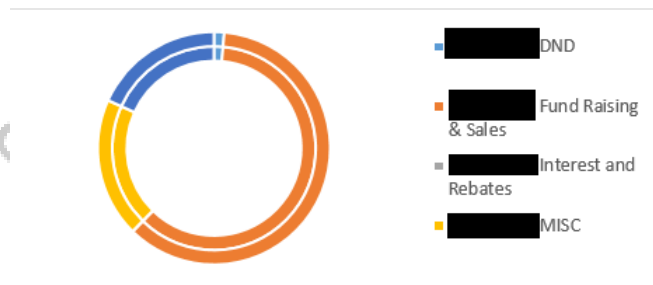
The information provided can also assist the Branches in identifying areas where Support Committees could require assistance, as in the following case:

- DND funding is only \$231.70. DND funding is the Local Support Allocation (LSA) and any other DND reimbursements. When reading the expenses, there are quite possibly LSA eligible expenses that have not been claimed. Does the Support Committee know about the LSA? Does the Commanding Officer know how to claim the LSA?

1122 Cadet Corps

Revenue	Total Revenue	% of Total
DND	\$231.70	1.42%
Fund Raising & Sales	\$9,916.31	60.91%
Interest and Rebates	\$4.75	0.03%
MISC	\$3,158.10	19.40%
Non-Cadet Driven Income	\$2,970.00	18.24%
Grand Total	\$16,281.06	100.00%

Expenses	Total Expense	% of Total
Admin	\$2,645.96	21.71%
Banking & Tax	\$44.36	0.36%
Facilities & Utilities	\$803.81	6.60%
League Operating Costs	\$505.44	4.15%
Support to Trg	\$8,185.78	67.18%
Grand Total	\$12,185.35	100.00%



Net Income
\$ 4,095.71

Know that the ACLC is here to help, as much as it is required to supervise and account for the support provided.

**Please note that images used are for demonstration purposes only. Final dashboards are being worked on as part of the League Costing Working Group.*

REVENUE & EXPENSE ACCOUNTS

Items in **BOLD** are the major revenue and expense accounts that are crucial to easily demonstrate our main sources of revenue and expenses to our partners under the QR CdT and MOU. The remaining sub-accounts will assist in forming fact-based opinions and identify key pressures at the local level.

In some cases, an account or sub-account may not apply to your specific situation. Please understand that this is a national form that must attempt to capture as much information as possible while also demonstrating this country's diversity.

In the same regard, some sub-accounts may appear to be missing. Should that be the case, miscellaneous categories have been added. All that one is asked to do is to identify what that miscellaneous category is being used for. This will help provide insight into what should be further captured.

Branches may, based upon their specific needs, add additional sub-sub-accounts; however, they cannot remove any.

Opening Cash on Hand (total bank statement(s) at beginning of fiscal year)

Revenue

Non-Cadet Driven Income (all revenue that is received that does not involve cadets directly):

- Grants Sponsors (all funds received by the officially recognized sponsor of the Cadet Corps);
- Grants from other organizations (all funds received from other organizations, businesses);
- Grants Governmental (from governmental agencies other than DND through LSA or reimbursement);
- Donations from individuals (all monies received directly from individuals);
- Fund Raising Events (money generated from all events that do not directly involve cadets, like wine tastings, paint nights, casino nights, comedy nights, etc.); and
- Gaming/Lottery (requiring licensing, provincially operated, etc.).

Cadet Driven Income (all revenue that directly involves cadets):

- Fund Raising Activities (tag days, chocolate bar sales, bottle drives, ticket sales not related to gaming/lottery, etc.);
- Canteen Sales;
- Kit Shop Sales; and

- Participation Fees (deposits for trips, payments for trips, fees related to participation in activities, etc.).

Interest & Rebates

- Banking and Investment Interest; and
- GST/HST/PST Abatements (only if required by Branch).

DND

- Local Support Allocation; and
- Reimbursements (all other fund received from DND not related to LSA).

Miscellaneous

- Miscellaneous 1 (anything that doesn't potentially fit elsewhere); and
- Miscellaneous 2 (as required).

EXPENSES

Facilities & Utilities (all expenses directly related to facilities and their use):

- Rent & Mortgage;
- Utilities (heat, electricity, phone, internet, etc.);
- Maintenance (cleaning, repairs, etc.);
- Facilities Improvements (immoveable renovations and improvements to facilities);
- Facilities Insurance (directly related to facilities ownership); and
- Facilities Miscellaneous.

Administrative

- Administrative Supplies (paper, pens, printers, computers, etc.);
- Advertising & Promotions (advertising, recruiting, signs, etc.);
- Insurance (not related to owning/renting facilities, i.e. contents insurance);
- Provincial Assessments (as mandated by the ACLC Branch); and
- Administrative Miscellaneous.

Training Support (All expenses in direct support to cadet training. These are "activity based":

- DND Supported Activities (as determined by the Quality Standard Plans supported training);
- Band & Music (includes everything expensed in support of, i.e. buses, instruments, meals, etc.);
- Sports & Fitness (includes everything expensed in support of, i.e. buses, equipment, meals, etc.);

- Marksmanship (includes everything expensed in support of, i.e. buses, equipment, meals, etc.);
- Biathlon (includes everything expensed in support of, i.e. buses, equipment, meals, etc.);
- Expedition/FTX (includes everything expensed in support of, i.e. buses, equipment, meals, etc.);
- Drill & Ceremonial (i.e. drill team, drill competition related);
- Uniforms & Accoutrements (dress uniform, field training uniform);
- Awards & Parades (includes other ceremonies, mess dinners, Christmas dinners, etc.);
- Citizenship (includes everything expensed in support of, i.e. buses, equipment, meals, etc.);
- Other Optional/Discretionary (includes everything expensed in support of, i.e. buses, equipment, meals, etc.); and
- Training Support Miscellaneous.

League Operations (all costs associated with the activities of the Support Committee and/or higher League):

- Fund Raising Expenses (facilities rentals, catering, equipment, etc.);
- Canteen & Kit Shop Expenses;
- Gaming & Lottery Expenses;
- Screening; and
- League Training & Travel (attendance at AGMs, refreshments for local SC meetings, attendance at CCC, etc.).

Banking & Taxes

- Banking Fees; and
- GST/HST/PST Paid (directly related to abatements. ONLY USED as directed by Branch)

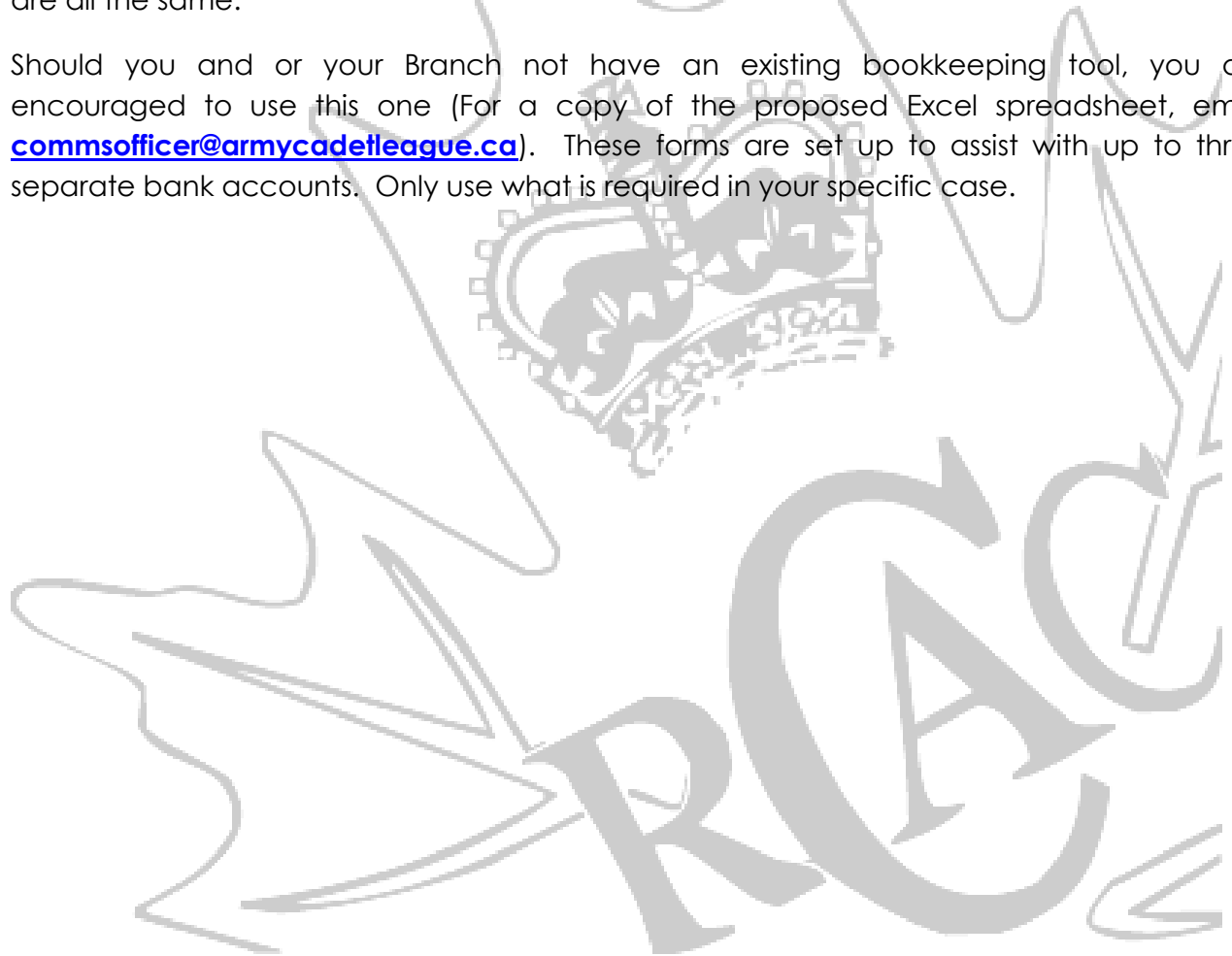
Net Profit/Loss (should match opening balance + revenue – expenses).

BOOKKEEPING/ACCOUNTING TOOLS

Many tools and programs currently exist for use by Support Committees. These include Excel based spreadsheets, QuickBooks, Sage and other programs. Support Committees currently using such tools are encouraged to continue do so, unless otherwise directed by their respective Branch. Support Committees however must follow the above accounts for revenue and expenses as a minimum and follow Branch direction as required.

Many of the Branches have developed an Excel based tool to perform basic bookkeeping/accounting functions. This section shall further explain how to use that tool properly and effectively. While some of the forms may look slightly different, the functions are all the same.

Should you and or your Branch not have an existing bookkeeping tool, you are encouraged to use this one (For a copy of the proposed Excel spreadsheet, email commsofficer@armycadetleague.ca). These forms are set up to assist with up to three separate bank accounts. Only use what is required in your specific case.



Getting Started

1) Go to the **Bank Account Reconciliation Page – Acct #1:**

- a) Enter in the **Year End** for your fiscal year. If your fiscal year ending is 31 Aug 2021, you shall enter 2021;
- b) Enter **Corps Number** (i.e. 1234);
- c) Enter **Corps Name** (i.e. 56th Field Regiment);
- d) Enter **Location** (i.e. Fort St John); and
- e) Enter **Opening Balance** as of beginning of fiscal year. This will be found on your bank statement, identified as the opening balance. If your fiscal year ends 31 Aug 2021, your fiscal year begins 1 Sep 2020, so you will need to use your September 2020 bank statement.

**You will notice that where required, other sheets will auto-populate.*

	A	B	C	D	E	F	G	H	I	J	K	L
1					Year end:	2021	August	31st				
2												
3		Corps Number:	1234	Name:	56th Regiment							
4												
5				Location:	Fort St John							
6												
7												
8		Bank Balance (Opening September 1st)				\$ 1,000.00						
9		Plus Deposits (Income tab worksheet total deposits)				\$ -						
10		Less Cheques (Expense items tab total cheques)				\$ -						
11		Bank balance funds Available				\$ 1,000.00						
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												

Note: Enter Information - Pg 1 only

Bank Account Reconciliation Worksheet

Bank Statement Balance (last day of Month)		
Cheques Issued but not processed by bank		
Chq no.	Payable to	
Total Cheques Outstanding		\$0.00

Plus: Deposits made but not processed by bank

Ref No.	Details	

Bank Reconciliation Acct #1 Revenue Items - Acct #1 Expense Items - Acct #1 Bank Reconciliation Bar ...

Entering Revenue

2) Go to the Revenue Items – Acct #1:

a) Single item Deposit:

- i) At this stage you will enter all revenue as it comes in physically. Ignore the bank statement for the time being;
- ii) Enter the **Ref #**. In the case of a cheque deposit, it would be the cheque number (i.e. 801). In the case of a cash deposit, leave blank;
- iii) Enter the **Date** (i.e. 5 Sep) that the cheque was received;
- iv) Enter the **Details/particulars**. This helps you identify where the money came from (i.e. Royal Canadian Legion Branch 101); and
- v) Enter the corresponding **cheque amount** (i.e. \$100) under the corresponding **revenue account** (i.e. Donations/Grants from Sponsor).

**You will notice that the orange cell auto-populated. Don't worry. You will need that later during bank account reconciliation.*

[illegible]

Entering Expenses

3) Go to **Expense Items – Acct #1:**

a) **Single Expense:**

- i) Enter **Chq #** (i.e. 203);
- ii) Enter **Date** of Chq (i.e. 7 Sep 2020);
- iii) Enter **Payable to** (i.e. ACME Storage);
- iv) Enter **Details/Particulars** (i.e. storage facilities); and
- v) Enter the amount of the **cheque amount** (i.e. \$500) under the corresponding **expense account** (i.e. Rent).

**You will notice that the orange cell auto-populated. Don't worry. You shall need that later during bank account reconciliation.*

	A	B	C	D	E	F	G	H	I	J	K	L	M
1					blue								
2		1234	56th Regiment		shading		Admin	Admin	Admin	Admin	Admin	Admin	
3	Chq #	Date	Payable To	Details/Particulars	Cheque Amount	Category Allocation Proof	Office Supplies	Office Equipment	Rent	Utilities	League Contribution	Insurance	Recruiting & PR
4													
5	203	07-Sep-20	ACME Storage	Storage Facilities		500.00			500.00				
6						-							
7						-							
8						-							
9						-							
10						-							
11						-							
12						-							
13						-							
14						-							
15						-							
16						-							
17						-							
18						-							
19						-							
20						-							
21						-							
22						-							
23						-							
24						-							

r **Chq #** (i.e. 204);
 r **Date of Chq** (i.e. 8 Sep 2020);
 r **Payable to** (i.e. Shooting Supply Depot);
 r **Details/Particulars** (i.e. biathlon targets and shooting mats); and
 r the **amounts** (i.e. \$100 and \$250 each) under the corresponding **expense accounts** (i.e. marksmanship and biathlon).

I notice that the orange cell auto-populated. Don't worry. You s
 at later during bank account reconciliation.

- Chq #** (i.e. 204);
Date of Chq (i.e. 8 Sep 2020);
Payable to (i.e. Shooting Supply Depot);
Details/Particulars (i.e. biathlon targets and shooting mats); and
 the **amounts** (i.e. \$100 and \$250 each) under the corresponding **expense accounts** (i.e. marksmanship and biathlon).

Chq # (i.e. 204);
Date of Chq (i.e. 8 Sep 2020);
Payable to (i.e. Shooting Supply Depot);
Details/Particulars (i.e. biathlon targets and shooting mats); and
 the **amounts** (i.e. \$100 and \$250 each) under the corresponding **expense accounts** (i.e. marksmanship and biathlon).

[illegible]

Reconciliation of Account

This is THE MOST important function to ensure that your work is accurate. You will need your physical bank statement, and this can ONLY be done with the bank statement. It must be done monthly!

- 4) Go to **Bank Reconciliation – Acct #1**:
 - a) Enter the **balanced ending amount found** on the bank statement into the **bank statement balance** (i.e. \$595.50); and
 - b) You will return to this sheet later.

Year end:	2021	August	31st
Corps Number:	1234	Name:	56th Regiment
		Location:	Fort St John

Bank Balance (Opening September 1st)	\$ 1,000.00	
Plus Deposits (Income tab worksheet total deposits)	\$ 100.00	
Less Cheques (Expense items tab total cheques)	\$ 850.00	
Bank balance funds Available	<u>\$ 250.00</u>	

Note: _____ Enter Information - Pg 1 only

Page 1

Bank Account Reconciliation Worksheet		
Bank Statement Balance (last day of Month)		\$595.50
Cheques Issued but not processed by bank		
Chq no.	Payable to	
Total Cheques Outstanding		\$0.00
Plus: Deposits made but not processed by bank		
Ref No.	Details	

5) Go to **Revenue Items – Acct #1**:

- Match the corresponding **deposits on the statement** with the **deposits on the spreadsheet**;
- Enter the deposited (credit) amount **from the statement** into the Blue shaded box (i.e. \$100); and
- You will now notice that the orange box has become zero. This means that the transaction has been reconciled.

1	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2		1234	56th Regiment		Blue shading - deposit processed	Grants & Donations	Grants & Donations	Grants & Donations	Grants & Donations	Gaming	Sales	Sales	Sales	Misc	Misc	Misc	Misc
4	Ref #	Date	Details/particulars	Deposits	Category Allocation proof (must be \$0)	Grants/Donations from Sponsor	Grants & Donations from other Organizations	Grants Governmental	Donations from individuals	Gaming Raffle & Bingos	Canteen	Tagging	Kitshop	Interest	Misc	Misc	Misc
5	801	05-Sep-20	Royal Canadian Legion Branch 101	100.00	-	100.00											
6					-												
7					-												
8					-												
9					-												
10					-												
11					-												
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18					-												
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20					-												
21					-												
22					-												

6) Go to **Expense Items – Acct #1:**

- (a) Match the corresponding **expenses on the statement** with the **expenses on the spreadsheet**;
- (b) Enter the expense (debit) amount **from the statement** into the Blue shaded box (i.e. \$500); and
- (c) You will now notice that the orange box has become zero. This means that the transaction has been reconciled.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1					blue shading cheque								
2		1234	56th Regiment				Admin	Admin	Admin	Admin	Admin	Admin	Admin
3	Chq #	Date	Payable To	Details/Particulars	Cheque Amount	Category Allocation Proof	Office Supplies	Office Equipment	Rent	Utilities	League Contribution	Insurance	Recruiting & PR
4													
5	203	07-Sep-20	ACME Storage	Storage Facilities	500.00	-			500.00				
6	204	08-Sep-20	Shooting Supply Depot	biathlon targets and shooting mats		350.00							
7						-							
8						-							
9						-							
10						-							
11						-							
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22						-							
23						-							
24						-							

7) Return to **Bank Reconciliation Acct #1:**

a) Outstanding Expenses:

- (i) Enter in all outstanding cheques that have been written but have not cleared the bank. These are easily identified in the **Expense Items – Acct #1** under **Category Allocation Proof** (orange column); and
- (ii) Enter the relevant Chq #, Payable to and amount; and

b) Outstanding Revenue:

- (i) Enter in all outstanding deposits that have been deposited in the bank but have yet cleared. These are easily identified in **Revenue Items – Acct #1** under **Category Allocation Proof** (orange column); and
- (ii) Enter the relevant information as you did for the outstanding expenses.

Location: Fort St John			
Bank Balance (Opening September 1st)	\$ 1,000.00		
Plus Deposits (Income tab worksheet total deposits)	\$ 100.00		
Less Cheques (Expense items tab total cheques)	\$ 850.00		
Bank balance funds Available	\$ 250.00		

Note: Enter Information - Pg 1 only

Bank Account Reconciliation Worksheet		
Bank Statement Balance (last day of Month)		\$595.50
Cheques Issued but not processed by bank		
Chq no.	Payable to	
204	Shooting Supply Depot	350.00
Total Cheques Outstanding		\$350.00
Plus: Deposits made but not processed by bank		
Ref No.	Details	
Total Deposits not processed by bank		\$0.00

Bank Reconciliation Acct #1	Revenue Items - Acct #1	Expense Items - Acct #1	Bank Reconciliation Bar ...
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8) Continuing on **Bank Reconciliation Acct #1:**

a) At the bottom of the page, review **Difference not reconciled:**

- i) If the difference is zero, perfect!; and
- ii) If the difference is not zero, do not panic. Just re-check your work and ensure that all transactions in Excel match those on the statement. The most forgotten item is bank fees (an expense). Correct all mistakes and everything will balance.

A	B	C	D	E	F	G	H	I	J	K	L
10	Less Cheques (Expense items tab total cheques)				\$ 850.00		Chq no.	Payable to			
11	Bank balance funds Available				\$ 250.00		204	Shooting Supply Depot	350.00		
12											
13											
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27											
28											
29											
30											
31											
32	From Actual Bank Balance Available (L32 cell)				\$245.50						
33	Difference not reconciled (if any) should be Zero				\$4.50						
34											
35											
36											

Total Cheques Outstanding	\$350.00
Plus: Deposits made but not processed by bank	
Ref No.	Details
Total Deposits not processed by bank	\$0.00

Actual Bank balance available (reconciled)	\$245.50
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Bank Reconciliation Acct #1	Revenue Items - Acct #1	Expense Items - Acct #1	Bank Reconciliation Bar ...
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