

MCC

HOUSE TREASURER'S

MANUAL

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MCC HOUSE TREASURER'S MANUAL

PRIMARY HOUSE TREASURER RESPONSIBILITIES:

House treasurer duties vary depending on the house in which you live. The A/P treasurer generally handles paying the bills; entering the checking account information into QuickBooks; and reconciling the checking and savings accounts. A/R treasurers are generally responsible for the house's billing sheet and member debt reports; making deposits; and entering A/R information into QuickBooks and reconciling that information as described below.

Because duties vary from house to house for Accounts Payable and Accounts Receivable treasurers, please check with the previous house treasurer or another member of your house to determine your exact duties.

If you are a new house treasurer, you will either be trained by the previous house treasurer or by the MCC Finance Coordinator or both. Please feel free to contact the Finance Coordinator at 608.251.2667 or at finance@madisoncommunity.coop regarding training or whenever you need assistance of any kind.

COMPLETING BILLING SHEETS:

As your house's A/R treasurer, you are responsible for completing your house's billing sheet, indicating the amount due for room and food by each member of your house. You are also responsible for recording payments from members. All payments received by the 5th of the month get recorded in the "Paid By the 5th" column and payments received after the 5th of the month are recorded in the "Paid After the 5th" column. See the attached House (Accounts Receivable) Treasurer's Guide for further information.

MEMBER DEBT REPORTS:

Member Debt Reports are to be submitted to the Member Services Coordinator by the 7th of each month. The Member Debt Report consists of a billing sheet and all relevant payment plans. Status codes must also be indicated on your Member Debt Report. **See Appendix #1 - House (Accounts Receivable) Treasurer's Guide at the back of this manual for further information** or contact Rek Kwawer, MCC Member Services Coordinator at 608.251.2667 or services@madisoncommunity.coop.

COMPLETING DEPOSIT TICKETS:

Your house's deposits should be recorded on a "Deposit Record" form (deposit ticket) provided by your bank. The names of each person who made a payment should be recorded next to the amount they paid to ensure proper credit is given to each member for their payments and accurate QuickBooks recording. Be sure to attach your deposit receipt to your deposit tickets.

COMPLETING TREASURER'S REPORTS:

House treasurers use two primary software packages: QuickBooks and Excel. QuickBooks is the “bookkeeping software”. You, the treasurer, enter your house’s financial activity into QuickBooks and then QuickBooks compiles this information for you to generate meaningful reports for you (and your house). Excel files are used by the Accounts Receivable Treasurer (for large houses this may be someone else or if you’re in a small house this may be you). The most important Excel file is the house billing sheet, which corresponds to the Current Members A/R account in QuickBooks.

To open QuickBooks, single click on the Finder icon on the dock; single click Member Desk iMac on the left hand side of the screen; single click on MCC’s Public Folder, then click on “Connect As” and enter MCC in all caps as the name, no password is necessary; click Connect and an MCC folder will show up; double click on the MCC folder; go to the House QuickBooks folder; click on your house’s copy of QuickBooks. Be sure that the name of your house is across the top of the tool bar when you open QuickBooks. If the toolbar is not showing, go to **Company** and click on **Show Company Toolbar**.

You will be entering the checks that were written from the house checking account, entering the deposits that were made to the house checking account and entering all other transactions that don’t involve a check being written or a deposit being made, i.e. transfers between accounts, automatic bank withdrawals; bank fees, etc.

- **ENTERING CHECKS**

- Click on the **CHECKS** icon from the Toolbar at the top of your screen and the “Write Checks” screen will appear.
- The top part of the check is filled in just as you would a manual check. The information is entered from our bank statement or your check stubs. Fill in the date, the payee and the amount. If you have withdrawals automatically taken from your checking account (i.e. for MG&E, Charter Communications, etc.), use ACH for the check number. After you’ve entered a name for the first time, QuickBooks will fill in the paid to line automatically as you type in the name or you can choose from the drop down list. If this is the first time you are entering a name, a screen will come up to ask you if you want to Quick Add the name; press Quick Add, Vendor and then OK.
- The second portion of the check gives the detail on what the check was written for. Under the **Account** column you find the account name that represents what the check is for; in most cases it will be an expense. The check can be divided among several accounts; (i.e. if it is your payment to MCC and you have charges for maintenance supplies, member chips, HOR, etc. on the invoice.)

- **ENTERING DEPOSITS**

- Once you’ve gathered your receipts and deposit slips that tell you who have paid what to your house, you are ready to enter the information into QuickBooks. Click on the **DEPOSITS** icon from the Toolbar and the “Make Deposits” module will appear.

- Make sure you are in the correct “deposit to” credit union account and enter the date the deposit was made. The **Received From** column is to be filled in with the individual names of each member making a payment. The Current Members A/R account should be entered in the **From Account** column unless you are depositing money that is not represented on the billing sheet. The **Memo** section is used to make a note to yourself if you choose. The amount each member is paying is to be entered into the **Amount** column. QuickBooks will total the entries that you’re making and the **Deposit Total** will appear at the lower right hand of the screen; be sure that total is the same as the total of the deposit on your bank statement. When you are finished, press NEXT if you have another deposit to record or OK if you are done recording deposits.
- If a portion of your deposit consists of checks that are not payments against your billing sheet, i.e., party income, dividend checks, etc. the **From Account** will be different. In the case of party income, the **From Account** would be either Miscellaneous Income or a specific Party Income account. In the case of a dividend check, the **From Account** would be Interest Income. If a portion of your deposit consists of a check from MCC for a full or partial security deposit reimbursement for one of your members, the Current Members A/R Account would be listed in the **From Account** column unless the member’s debt has already been transferred to Past Members A/R, in which case, the **From Account** column would list the Past Members A/R as the account. **Remember, you can always speak with the Finance Coordinator about any problems or questions.**
- **If you are your house’s A/P treasurer and are entering the deposit information before the A/R treasurer has done their portion of the treasurer’s report**, you do not need to enter payments individually. You can enter the total deposit amount from the bank statement, leaving the **Received From** column blank.
- **If you are your house’s A/R treasurer and the A/P treasurer has already entered the total deposit amounts into QuickBooks**, go into the deposits module and press PREVIOUS until you find the desired deposit. You can then edit the deposit by recording payments individually as described above, making sure that the total deposit amount is the same when you are finished.
- **ENTERING TRANSFERS**
- To enter a transfer, go to **Banking, Transfer Funds**. Enter the **Date, Transfer Amount**, and the **To and From Accounts**. Press NEXT if you want to enter another transfer or OK if you are finished recording transfers.
- **ENTERING GENERAL JOURNAL ENTRIES**
- General Journal entries are used for any entries that do not go through your main checking account either by writing a check, making a deposit or transferring funds from one account to another. Some of these entries will result from items on your bank statement that need recording, i.e., bank service charges; returned checks; charges for new checks, etc. Other entries will be the result of entering the information from your billing sheet.
- To make a general journal entry, go to the **JOURNAL ENTRIES** icon and the “General Journal Entry” screen will appear.

- To complete an entry for an item on your bank statement, enter the date the transaction occurred, enter the checking account number in the **Account** column and then enter the amount of the transaction either in the **Debit** column if it will increase your checking account balance or as a **Credit** if it will decrease your checking account balance. Return to the **Account** column and enter the corresponding expense account, i.e., bank service charges (or miscellaneous) for a bank fee or supplies for checks and the original amount will automatically appear in either the **Debit** or **Credit** column (you need a corresponding debit and credit for each entry). Enter any **Memo** that is necessary. Press NEXT if you want to make another General Journal entry or press OK if you are finished making entries.
- To complete the entries from your house billing sheet, use the totals at the bottom of your billing sheet for room charges, food charges and any fees and credits as shown in the examples below. (Your billing sheet should be printed from the previous month's "Debt on" column to the current month's "Debt on" column).

November						
Room Rent	Food	Charges	notes	credits	notes	Total Charge
\$450.00	\$60.00			(\$104.00)	1	\$406.00
\$197.00	\$40.00					\$237.00
\$400.00	\$60.00	\$4.00	4			\$464.00
\$365.00	\$60.00			(\$23.51)	3	\$401.49
\$450.00	\$60.00			(\$144.00)	1	\$366.00
\$295.00	\$60.00	\$12.50	2			\$367.50
\$400.00	\$60.00	\$42.20	5			\$502.20
\$220.00	\$60.00	\$12.50	2			\$292.50
\$2,777.00	\$460.00	\$71.20		(\$271.51)		\$3,036.69
A	B	C		D		

Notes:

1=child subsidy

2=double occupancy fees

3=food expense

4=chips

5=telephone

General Journal Entry

Date: 11/30/07 Entry No.: November 07

Account	Debit	Credit	Memo	Name
30 — A/R - CURRENT	A 2,777.00			
00 — RENT INCOME			2,777.00	
30 — A/R - CURRENT	B 460.00			
00 — FOOD INCOME			460.00	
30 — A/R - CURRENT	C 71.20			
50 — CHIP EXPENSE			4.00	Karen
75 — DOUBLE OCCUPANCY		25.00	Mary & Joseph	
81 — TELEPHONE		42.20	Sam	
30 — A/R - CURRENT	D	271.51		
00 — CHILD SUBSIDY		104.00		Julie
00 — CHILD SUBSIDY		144.00		Richard
00 — FOOD EXPENSE		23.51		Joseph

- Note in the above example that the charges for the Room and Food columns (A & B) are entered into the **Debit** column and the **Credit** amounts are entered into the rent and food income accounts.
- The total for the **Charges** column (C) is entered into the **Debit** column and the **Credit** amount is split among several different accounts; the Credit amounts must equal the Debit amount entered (QuickBooks will automatically keep a running total as you enter the information).
- The total for the **Credits** column (D) is entered into the **Credit** column and the **Debit** amount is again split among several accounts; the Debit amounts must equal the Credit amount entered (QuickBooks will automatically keep a running total as you enter the information).
- Your house might have different charges but how you enter them remains the same. How your charges or credit amount gets divided depends on how much the house is charging for a particular category. What account is listed depends on what the charge is for and where it is in the house budget.
- You can use the **Memo** column for any notes that you think are needed.

RECONCILING YOUR CHECKING ACCOUNT:

Click on the RECONCILIATION icon and the “Reconcile” window will appear. The steps for completion are as follows:

- Make sure you are in the account you want to reconcile.
- Check your **Opening Balance** to be sure it matches what is on your bank statement.

- Enter your **Ending Balance** from your statement.
- Enter any **Service Charge** or **Interest Earned** in the boxes provided.
- Click off all Deposits and Other Credits listed on your bank statement.
- Click off all Checks and Payments listed on your bank statement for the month you are reconciling.
- Be sure that the **Difference** on the bottom of the screen indicates zero before proceeding.
- Click **Done**.
- Click **Full** for all reconciliations unless you have entered only interest in your reconciliation, in which case, click **Summary**.
- Change the **Statement Closing Date** to reflect the end of the month you are reconciling.
- Click **Print**.
- Include this report along with a copy of the bank statement in your Treasurer's Report for your house.

RECONCILING YOUR BILLING SHEET TO YOUR BALANCE SHEET:

Before you can begin the reconciliation of your billing sheet ending balance to your A/R Current Members balance sheet total, all payments for the month you are reconciling must be entered into QuickBooks and the general journal entry must be completed from your billing sheet information.

If you are your house's A/R treasurer and the A/P treasurer has already entered the deposit amount into QuickBooks, go into the DEPOSITS module and press PREVIOUS until you find the desired deposit and edit the deposit by recording payments individually, making sure that the total deposit amount is the same when you are finished.

If you are your house's A/R treasurer and the A/P treasurer has not entered the deposit amounts into QuickBooks, go into the DEPOSITS module and enter the deposit, recording the payments individually, being sure that the deposit total matches the total from your deposit slip.

Click on the MEMORIZED REPORTS icon and double click on Balance Sheet; enter the last day of the month you are reconciling at the top of the Balance Sheet. Compare the ending balance on your house billing sheet to the A/R Current Members amount on the Balance Sheet. These numbers should match. If they do not, check the following:

- Be sure that your starting balance at the beginning of the month on your billing sheet matches the previous month's ending balance. If it does not, figure out why and correct it.
- Be sure that the deposits recorded on your billing sheet match the amount of money deposited into your bank account, less any deposits for things other than member payments.
- Be sure your General Journal Entry is entered correctly.
- Be sure that your billing sheet formulas are correct.

When your reconciliation is complete, put a copy of your reconciled billing sheet file into your house's "House Treasury" file in the "All Files" file on the desk top on the office computer.

PRINTING REPORTS:

To print Budget Reports:

- Click on the MEMORIZED REPORTS icon.
- Double click on the Budget vs. Actual Report.
- Change the From and To dates at the top of the report to reflect the month you want to print; a Fiscal Year to Date report should also be submitted with your Treasurer's Report (the fiscal year begins on September 1st).
- Go to File; click on Print.

To print a Balance Sheet:

- Click on the MEMORIZED REPORTS icon.
- Double click on the Balance Sheet.
- Change the "As Of" date at the top of the report to reflect the month you want to print.
- Go to File; click on Print.

DECIPHERING YOUR HOUSE'S REPORTS:

What is all this information you just printed out?? It communicates the financial well being of your house and as House Treasurer, it is your job to pass along this information to your house members. **You are highly encouraged to either post this information at your house or communicate it at a house meeting on a monthly basis.**

The **BALANCE SHEET** as the name implies gives you the balances in three sets of accounts:

- **ASSETS** – what the house has of value (credit union accounts, Current member A/R, etc.)
- **LIABILITIES** – what the house owes to others.
- **EQUITY** – what the house owns of the Assets or value.

The assets section of your house's balance sheet provides information about how much money is in your savings and checking account and how much money is owed to your house by its members, both current and past. This is important information that your house members will want to know about.

Attention should be paid to the net income line on your balance sheet. If the house is running over budget, then this loss reduces what the house owns and your cash flow will suffer. If your house is running under budget, the net income will increase your cash flow. Your house's net income should match the net income figure on the Year-To-Date Budget Report. This is one way for the House Treasurer to assure the house that accurate tracking is presented in these reports.

The **BUDGET VS ACTUAL** report shows your actual income and expenses versus the amount you budgeted for in those categories.

The **Actual** column presents what has actually happened in the time period listed at the top of the column. It shows what kind of income the house has earned in the time period and what expenses have been paid out. *REMEMBER – The largest income item for any house is room charge income. This DOES NOT mean that the house has received the cash; this shows what the house was expecting to receive. The ending balance from the Current Members billing sheet shows how much money is still owed to the house.*

The **Budget** column represents what you thought was going to happen for the time period listed at the top of the report. These figures are taken directly from your budget and entered into QuickBooks for the time period indicated.

The **\$ Over Budget** column shows what the difference is between what actually happened and what you thought was going happen. This is why it is important to try and have your budget numbers accurately reflect how your expenses will be – this way you’ll be able to determine if the house is truly (over) or under budget at any time of the year.

The **% of Budget** column shows what proportion of the budget at the point of the report has been earned or spent. Over 100% is GOOD for income and BAD for Expenses

NOTE: If you have a report on your screen and you want to know what transactions make up a number, put the cursor over the number and when a magnifying glass appears double click on the number. QuickBooks will take you back to the transaction(s) that went into this particular item on your report and if need be, you can make changes.

COMPLETING THE TREASURER’S REPORT COVER SHEET:

The Treasurer’s Report Cover sheet has blank spaces that need to be completed once you are finished with all the portions of your treasurer’s report. The cover sheets are located in the tall bookcases next to the Member Service Coordinator’s desk and are blue in color. Please complete the following on the cover sheet:

- Enter the month and year you are completing the report for.
- Enter your house name and your name as the preparer.
- In #4, enter your bank statement balance from your main checking account. As indicated above, this balance should reconcile with the “Cleared Balance” on your reconciliation report for that account. Circle YES.
- In the second section of #4, enter the balance from you’re **A/R Current Members** account on your balance sheet. This should match the month ending balance on your billing sheet. Circle YES.
- Answer the question “Is this less than ½ of an MCC payment?” If the answer is NO, indicate what the house is going to do to collect additional payments from its members.
- In the third section of #4, enter the amount in the **\$ Over Budget** column in your year-to-date budget report. If the amount is more than \$500 over budget (this would be a minus number), circle YES and indicate what your house’s plan is to correct the situation. Otherwise, circle NO.
- Place your completed treasurer’s report in the file tray on top of the two-drawer file behind the Finance Coordinator’s desk.
- **NOTE:** If your house separates the A/P and A/R duties, the last person to complete their section of the report is responsible for running the **Budget vs. Actual** reports and attaching them to the completed treasurer’s report.

ENTERING BUDGET FIGURES INTO QUICKBOOKS:

Once a year, after your budget has been approved by the Finance Committee, you will need to enter the new budget numbers for your house. Go to **Company, Set Up Budgets** and the “Set Up Budgets” screen will appear. To enter your budget figures:

- Enter the Account #.
- Be sure you are in the correct fiscal year.
- Enter the monthly budgeted amount in the September box.
- Click on Fill Down.
- Press OK.
- Click Apply.

Follow the above steps for each income and expense account. To check the accuracy of the figures you have entered, run a Budget vs. Actual report for the entire fiscal year (i.e. 9/1/11-8/31/12) and the annual budgeted amount will show up in the budget column for you to compare to the figures on your actual budget.

COMPLETING HOUSE BUDGETS:

House budgets are completed by the House Treasurer and are due to the Finance Coordinator/Finance Officer by June 15th of each year for the next fiscal year. They are then presented at the Finance Committee for approval. **A copy of the MCC House Budget Guide is at the back of this manual as Appendix #2.** This guidebook contains the information you will need for completing budgets.

COMPLETING SECURITY DEPOSIT ACCOUNTING FORMS:

Each vacating member of MCC is entitled to have their security deposit reimbursed, minus any legal deductions, and an accounting of those deductions sent to them with 21 days after they surrender the premises. Legal deductions include but are not limited to incomplete MCC maintenance hours as well as unpaid rent and food charges. To this end, **each of MCC’s cooperative houses may designate a person or position responsible for all security deposit returns; in the absence of another house designate, the main house membership coordinator is the understood house designate.** As the house treasurer may be the designated position for completing Security Deposit Accounting forms, this information is being included in this manual.

The house designate is responsible for completing a Security Deposit Accounting form for each vacating member and making sure it reaches the MCC office within 14 days after the date of surrender. Based on the information provided on this form, MCC staff are responsible for mailing the security deposit, minus any legal deductions, and an accounting of all deductions to the vacating member’s forwarding or last known address within 21 days after they surrender the premises. Additionally, MCC staff are responsible for mailing a check for the value of any legal deductions and an accounting of all deductions to the house of the vacating member.

Some tips on completing your Security Deposit Accounting Forms are as follows:

Vacating Member Information

- Complete this section as indicated, being sure to indicate the member's forwarding address. This address is crucial to be able to mail out form copies, checks and/or debt collection information.

Cooperative House information

- Complete this section as indicated.

Accounting Information

- In the **Credits** section, credits include any house deposits that are paid along with any credit balances the member may have on your house's billing sheet.
- In the **Unpaid Charges** section, be sure to separate unpaid rent, food, etc. when listing the unpaid charges.
- Use the formulas in the **Summation** section to determine the totals due to **Vacating Member and Cooperative House**.

Mail your completed forms to the MCC office at 1202 Williamson Street, Suite 106, Madison, 53703. As indicated above, the forms need to arrive within 14 days of the member vacating the premises.

Your house will be invoiced by MCC for any overpayments and/or other credits that are issued to your member in excess of the \$200.00 security deposit. Invoice amounts for a specific member are to be entered onto your house's billing sheet and into the A/R Current Members account in QuickBooks to bring that member to a zero balance.

Any checks received by your house for a specific member in payment of fees for that member are also entered onto your house's billing sheet and into the A/R Current Members account in QuickBooks to bring that member to a zero balance.

DEBT COLLECTION:

Debt collection is initiated by the Finance Coordinator when a submitted security deposit form indicates a balance due by a member to a house in MCC. There is a seven-day grace period after the member vacates the premises in which to pay for the outstanding debt before collection begins. The vacating member also has the option to present a house approved payment plan to the Member Services Coordinator within the seven-day grace period. If any payment is late or missed, the debt collection fee will be billed to the house and debt collection will begin immediately.

The Finance Coordinator will bill a debt collection fee (currently \$26.95) to any house that has a member who leaves with outstanding debt (outstanding debt is defined as the total amount due on the first line of Section F of the MCC Security Deposit Accounting Form) after the 7-day grace period. All past member debt in excess of \$26.95 is sent to Rent Recovery Services for collection. **Please be sure to**

notify the Finance Coordinator of any payments that are made by the member to ensure accuracy of a member's debt amount.

Member Debt Reconciliation forms are to be completed when there is a balance due in Section F of an MCC Security Deposit Accounting form to itemize a member's debt upon leaving the house. Starting with the most recent negative or zero balance, the A/R or House Treasurer completes the form by filling in the appropriate boxes on the form, using the house's billing sheets. Rent, food charges and other miscellaneous charges and credits are to be listed separately for each month and not lumped together. The member's security deposit reimbursement is listed on the form as a credit. Also, please be sure that your explanations for Other Charges and Credits are detailed, i.e. – 6 maintenance hours @\$12.50/hour. The ending balance should match the Total Due to Vacating Member in Section F of the MCC Security Deposit Accounting form and the Member Debt Reconciliation Form is to be submitted with the Security Deposit Accounting form. **Court proceedings cannot begin without this form being completed.**

HOUSE OPERATING RESERVE:

Your house's House Operating Reserve (HOR) is a reserve fund accounted for in a liability account on the MCC books. The goal amount for the fund is the equivalent of two monthly MCC payments. Each house is billed monthly at a rate of one percent of a house's owned income total for each fiscal year and MCC matches each payment amount up to the two-month level. Payment amounts are adjusted and budgeted for at the beginning of each MCC fiscal year to reflect any changes in a house's owned house income amount.

Each quarter, the MCC Finance Coordinator completes the House Operating Reserve Activity Report and mails it each house treasurer. This report shows all payments made into the fund by the house, as well the MCC match and interest paid and is provided for your house's information.

The house treasurer is responsible for entering HOR additions into QuickBooks. Please refer to the HOR quarterly report for instructions. If the house treasurer does not enter this information, the Finance Coordinator will update your house's HOR information in QuickBooks.

According to MCC policy, money may be withdrawn from this account due to house financial problems including, but not limited to, bad debt, vacancies and under-budgeting. All withdrawals need to be approved by a vote at a house meeting and by the MCC Board of Directors. The house is then responsible for replenishing their HOR.

HOUSE DISCRETIONARY FUND (HDF):

The House Discretionary Fund is a house savings account that is kept in a funded account as part of MCC's money market account. Each year at budget time, your house votes on whether or not to participate in the HDF. If your house decides to participate, the house will be billed at the end of the fiscal year according to the provisions indicated in the House Discretionary Fund policy. Money may be withdrawn at the house's discretion by completing a HDF Withdrawal Request form and presenting it to the Finance Coordinator.

Each quarter, the MCC Finance Coordinator completes the House Discretionary Fund Activity Report and mails it each house treasurer. This report shows all payments made into the fund by the house, any withdrawals made and the interest paid and is provided for your house's information.

CHIPS:

Each MCC member is given a Community Services Trust Fund Form to complete, which is attached to his or her contract. If a member elects to contribute to the Community Services Trust Fund, the MCC Finance Coordinator bills the house each month for the amount that the member agreed to contribute. In turn, the house's A/R treasurer enters the amount that MCC billed the house on the house's billing sheet to be paid by the member.

In QuickBooks, all chip charges from MCC and payments from your house's members are entered into account #5025, HOR Expense.

FINES:

The following is the fine structure for late MCC payments, late house treasurer's reports, late member debt reports and late Security Deposit Accounting Forms as per MCC policies:

Late Payment Fines:

Houses with 1-10 Members (AV, SO, SY): \$2.50/day; maximum of \$25.00
Houses with 11-20 Members (AU, FR, HY, OF): \$5.00/day; maximum of \$50.00
Houses with 21+ Members (AM, IN, LO, PH): \$7.50/day; maximum of \$75.00

Late Treasurer's & Member Debt Report Fines:

Houses with 1-10 Members (AV, SO, SY): \$2.00/day
Houses with 11-20 Members (AU, FR, HY, OF): \$3.00/day
Houses with 21+ Members (AM, IN, LO, PH): \$4.50/day

Late Treasurer's Report fines accrue to a maximum of 1% of one month's MCC payment.

Security Deposit Accounting Form Fines:

Houses will be fined a five dollar (\$5) late fee for each Security Deposit Accounting Form that reaches the MCC Office more than fourteen (14) days after the date of surrender. Additionally, houses will be fined twenty dollars (\$20) per Security Deposit Accounting form for each form that is late on the fifth (5th) of each month.

OFFICE KEYS

Office keys are available to all house treasurers so that access may be gained to the office during non-business hours to complete treasurer's reports. Please contact Kathy Parker, the MCC Finance Coordinator, to have keys assigned to you. A \$20 cash deposit is required – checks are not accepted.

CONTACT INFORMATION, QUESTIONS, PROBLEMS:

If you have any questions or problems or have any ideas about information to include in this manual, please contact Kathy Parker, the Finance Coordinator at 608.251-2667 or at finance@madisoncommunity.coop.



Madison Community Co-op

House (Accounts Receivable) Treasurer's Guide

*By Rek Kwawer, Member Services Coordinator
Updated February, 2012*

Member Debt Reports

By the 7th day of each billing month all house (accounts receivable) treasurers are to provide the Member Services Coordinator with a Member Debt Report. Basically, this Member Debt Report consists of a billing sheet and all relevant payment plans. It usually works best to email billing sheets and scanned copies of payment plans, though both can also be mailed or hand-delivered. You can avoid your house incurring fines by ensuring that your house's Member Debt Reports are submitted and received in a timely manner.

Defaults on Payment Plans

Inform the Member Services Coordinator in writing *immediately* whenever a member of your house fails to pay the full amount of a scheduled payment on any payment plan.

House Financial Records

Once a month come to the MCC Office and update your house's billing sheets and other financial records on the MCC computer system.

Policies

Quite a few MCC policies govern your role as a house (accounts receivable) treasurer. You can reference them online at www.madisoncommunity.coop/sections.cfm. The Member Debt and House Treasury policies are especially relevant. Additionally, your house may have its own policies that further inform your position.

Questions?

If you have any questions, please contact Rek Kwawer, Member Services Coordinator, at 251-2667, services@madisoncommunity.coop, or 1202 Williamson St., Ste. 106 / Madison, WI 53703.

Billing Sheet Guidelines

Content

Each billing sheet should indicate the house to which it belongs, when it was printed, and the following current monthly information about each current, recent, or imminent member: first name, last name, room number, rent charges, food charges, any credits, any fees, explanatory notes, amount due on the 1st of the month, amount paid by the 5th of the month, debt on the 5th of the month, status code, amount paid after the 5th of the month, and debt on the final day of the month. There may be additional information you wish to include in each billing sheet—just be careful to not create a billing sheet that can't be readably printed on a single page.

Format

- Each electronic billing sheet should be in Microsoft Excel format and have a file name that includes the relevant house name and contract year.
- Give each worksheet in your workbook (there might be only one) an appropriate name by double clicking on the tab label.
- Indicate your house's name in the header and the date and time printed in the footer [View: Header and Footer...]. Make the date and time automatic by clicking on Customize Footer... and entering *Printed on &[Date] at &[Time]*.
- List members in alphabetical order by last name. Make it so that names always appear and print by doing the following: be in normal view [View: Normal]; select the column just to the right of the name columns by clicking on the column letter label; freeze the panes [Window: Freeze Panes].
- Darken the column label rows by doing the following: select the relevant rows by clicking on the row number label; darken the cells [Format: Cells: Patterns: (Light Gray)].
- Appropriately format currency cells by doing the following: select the relevant columns by clicking on the column letter label; format the cells [Format: Cells: Number: Currency: (\$ Symbol / 2 Decimal Places / Negatives with Red Parentheses)].
- Facilitate printing by doing the following: landscape the page [File: Page Setup...: Page (Orientation: Landscape)] and squeeze it onto a single page [File: Page Setup...: Page (Scaling: Fit to 1 Page Wide by 1 Page Tall)].
- Minimize confusion and ambiguity by including the current month's name or abbreviation or relevant dates, as appropriate, in each of the column titles.

Rooms!

Because the Member Services Coordinator needs to cross-reference contract records with billing sheet data, remember to have a specific column on each month's billing sheet that indicates the room or rooms that each member is residing in for that month. If a member is switching rooms mid-month, indicate both room numbers, separated by a slash.

Example

Mordor Co-op House Billing Sheet

First Name	Last Name	May R#	May Rent	May Food	May Credits	May Fees	May Notes	Due On	Paid By	Debt On	Status Code	Paid After	Debt On
Emily	Bate	2	\$300.00	\$80.00		\$5.24	A	\$385.24	\$380.00	\$5.24	MADM		
Seth	Nowak	3	\$325.00	\$80.00	(\$40.00)	\$5.24	A, B	\$370.24	\$40.24	\$330.00	FSPP		
Steph	Ricketts	5	\$275.00	\$0.00		\$5.24	D	\$280.24	\$0.00	\$280.24	ROMP		
Julie	Spears	1	\$300.00	\$80.00		\$5.24	A	\$385.24	\$0.00	\$385.24	EADM		
Kyoko	Bales	4	\$350.00	\$80.00		\$35.24	A, C	\$465.24	\$465.24	\$0.00	MADM		

May Notes: A = Mother Jones subscription / B = food credit, gone half of April / C = \$30 parking fee / D = Jane moved out April 10th

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Billing Sheet Status Codes

MADM (Maintaining an Allowable Debt for a Member)

Use this code for members whose debts are within the allowable range and who are not on payment plans. It would be a perfect world if all members had this status at all times. The Member Services Coordinator will not send termination notices to people based on this status.

EADM (Exceeding the Allowable Debt for Members)

Use this code for members whose debts exceed the allowable level and who are not on payment plans and who haven't proposed payment plans. The Member Services Coordinator will send termination notices to people based on this status.

FSPP (Following a Standard Payment Plan)

Use this code for members who are meeting the terms of standard payment plans. Remember, standard payment plans must meet specific criteria, and are only in effect once they have been approved by the House. The Member Services Coordinator will not send termination notices to people based on this status.

FEPP (Following an Exceptional Payment Plan)

Use this code for members who are meeting the terms of an exceptional payment plan. Remember, exceptional payment plans must meet specific criteria, and are only in effect once they have been approved by the House and by the Individual Issues Committee. The Member Services Coordinator will not send termination notices to people based on this status.

PSPP (Proposing a Standard Payment Plan)

Use this code for members whose debts exceed the allowable level and who are not on payment plans, but have proposed standard payment plans to the House and the House has not yet made a decision about the proposed payment plans. Phew—that was a mouthful. The Member Services Coordinator will not send termination notices to people based on this status, unless the House refuses to approve payment plans for the people in question.

PEPP (Proposing an Exceptional Payment Plan)

Use this code for members whose debts exceed the allowable level and who are not on payment plans, but have proposed exceptional payment plans to the House and the Individual Issues Committee, and the House and the Individual Issues Committee have not yet made a decision about the proposed payment plans--you get the idea. The Member Services Coordinator will not send termination notices to people based on this status, unless the House or the Individual Issues Committee refuse to approve payment plans for the people in question.

DSPP (Defaulting on a Standard Payment Plan)

Use this code for members who have defaulted on standard payment plans and have not yet cured the termination notices they received for defaulting. Keep in mind that the Member Services Coordinator is to be immediately notified whenever individuals on payment plans default. The Member Services Coordinator will send termination notices to people based on this status.

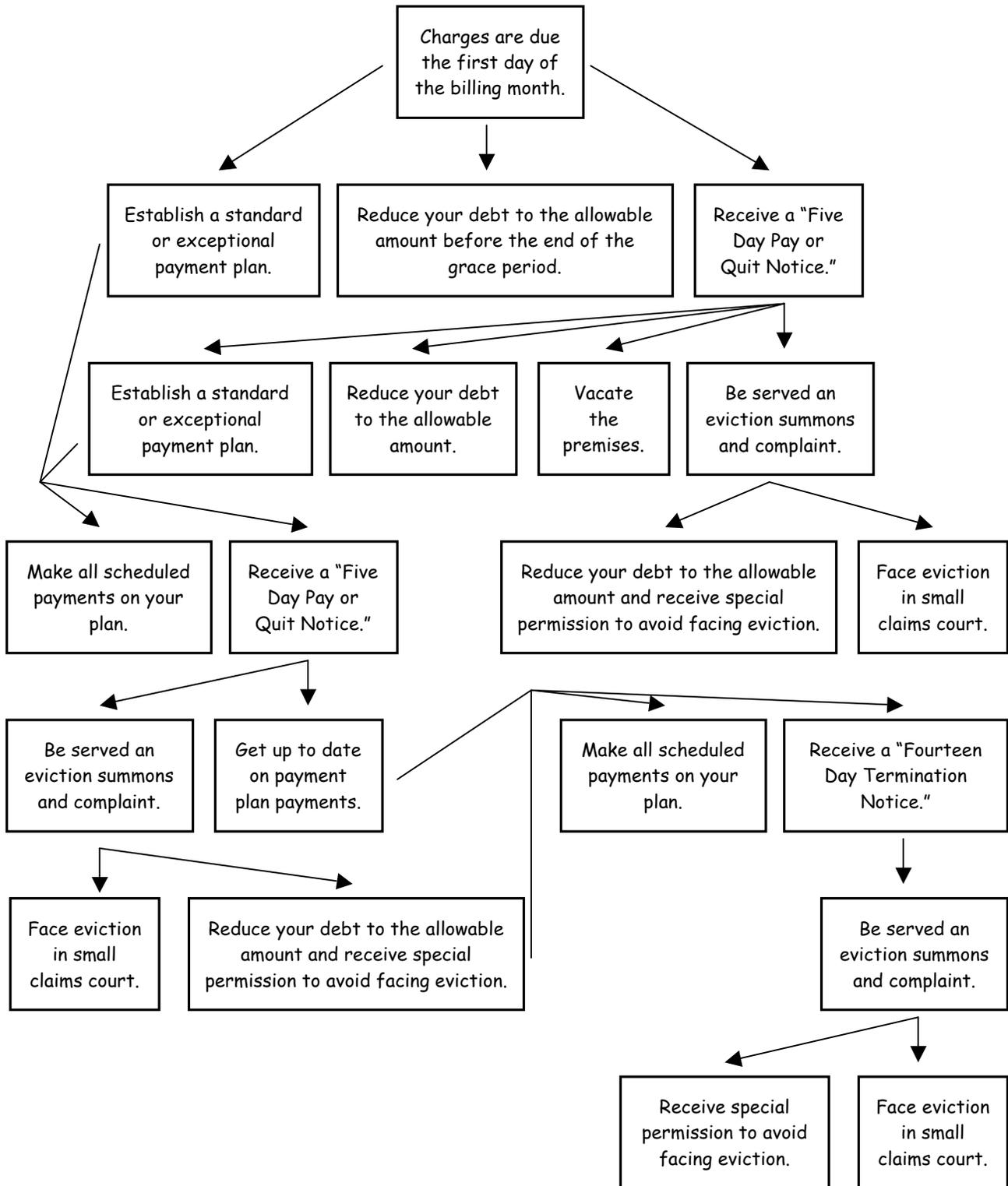
DEPP (Defaulting on an Exceptional Payment Plan)

Use this code for members who have defaulted on exceptional payment plans and have not yet cured the termination notices they received for defaulting. Keep in mind that the Member Services Coordinator is to be immediately notified whenever individuals on payment plans default. The Member Services Coordinator will send termination notices to people based on this status.

ROMP (Residing Outside of MCC Properties)

Use this code for food co-ops, members who have already moved out, and members who have not yet moved in. During August, use this code for all new members whose contracts begin mid-month. The Member Services Coordinator will not send termination notices to people based on this status.

Member Debt Flow Chart



MCC House Budget Guide

What steps are necessary in creating a house budget?

The typical steps involved in making a house budget are:

- Get last year's budget-to-actual figures from QuickBooks and estimate what will be spent in the remaining months.
- Go through each line item and make your best guess on how it will change for next year (e.g. if it was a warm winter, was the heating bill from last year unusually low? Do you expect fewer or more vacancies next year?).
- Calculate the amount that house share will have to be adjusted in order to match expenses.
- Talk to your housemates and get feedback. Do they have ideas on how to spend money? Are there special considerations for the coming year?
- Bring your budget draft to a house meeting and get it approved.
- Send a draft of your completed budget to the MCC Finance Coordinator by June 15th. She will review it and if necessary, suggest revisions or corrections.
- Attend the Finance Committee meeting where your budget will be reviewed and must be approved for it to take effect.

Getting data from QuickBooks

You will need to know the budget to actual numbers, which you can easily get from QuickBooks. Just go to Reports, Memorized Reports, and click on the Budget to Actual report. Once it opens, change the dates on top to reflect the current fiscal year (typically 9/01 from last year to 8/31 of the current year) and it will show you the budget figures for 11/12 and all expenses and income to date. You can use the information from the first six or nine months to estimate budget to actual numbers for the whole year.

General Guidelines

Previous year: Be sure to include the previous year's budget AND estimated actual figures. If you do not do this, you won't have as much of an idea about whether your budget is accurate and the Finance Committee will likely return your budget to your house. Because house budgets for next year are due before budgets from the current year are completed, you will have to extrapolate from six or nine month data to full year data. When making this estimate, don't forget that some expenses peak in different seasons (MG&E, etc.) and other expenses occur just twice a year (e.g. the water bill for some houses).

Notes: Please document line items on your budget thoroughly. This will help you, your fellow house members, and the Finance Committee to understand the budget. It will

also help the person that does the budget for your house next year. If there is potential ambiguity, you want to say what a line-item covers, and how you arrived at that figure.

Buffer: Make sure there is a place in your budget that money can come from in case your house experiences a financial emergency (e.g. high vacancy, high heating costs, or a Jacuzzi). This is typically in the form of a vacancy allowance, bad debt, or a contingency fund, but could also be extra money put in line items which can fluctuate, such as the heating bill. If your house has ample savings, then this buffer is not needed as much and your house would probably be able to get along fine with a tighter budget without needing to raise house share in the middle of the year.

Ending balance: The total expected income should match the total expected expenses to within 1% of each other. If you end up with an expected surplus larger than this value, you can put it in a savings budget line.

B side: This side of your budget should include a room-by-room breakdown of rent as well as a savings analysis. Your housemates and the Finance Committee both need to know how much money your house has in savings and checking in order to make a good decision on a budget.

Representative: Be sure to send someone who knows and understands your house budget and can answer questions to the Finance Committee meeting at which your budget is being discussed.

Special Line Items

HDF: Each year, each house must indicate on their budget if they wish to “opt out” of the House Discretionary Fund. According to MCC policy, this decision is to be made by the house as opposed to the House’s Finance Committee Representative.

According to policy, “At the beginning of each fiscal year, the total amount of money that a given house has in all of its bank accounts that is in excess of either \$3,000 or the house’s average MCC payment – whichever is greater – will be calculated by the Finance Coordinator. The Finance Coordinator will charge this amount to the house on the second MCC invoice of the house’s fiscal year. The Finance Coordinator will place that money in a funded account, which will be called the House Discretionary Fund. “

Madison Gas & Electric: Heating costs can increase dramatically from year to year. It is often a good practice to assume that this line-item could be as much as 5-15% higher than the previous year. If your house decides to implement a new energy conservation plan, you might be able to get by with budgeting the same amount as last year’s estimated actual. Some houses are on a budget plan, where you pay the same amount each month and after a six-month period get a refund or an additional charge. This would explain why summer MG&E bills match winter MG&E bills, or why one or two months per year the MG&E bill is suddenly smaller or larger when the budget plan is adjusted.

Parent-Child Subsidy: Be sure to include any approved child subsidy amounts that your house will be receiving from MCC during the fiscal year in both the income and expense categories on your budget.

Food income and expense: Both of these budget lines should be equal for a given house and won't affect the balance, but should be included since it is money handled by the house. It is a good idea to talk with your house's food buyers to see if the amount budgeted for food has been adequate in the past year.

Minor Maintenance: According to MCC policy, each house is required to budget at least \$7 per member per month (or \$84 per member per year) to minor maintenance. This does not include major projects or other things done by MCC's Maintenance Coordinator and Worker Group, but rather small projects that can be done by members of your house.

MCC Payments: The MCC Finance Coordinator will mail out the schedule of MCC payments sometime after the MCC budget is passed (typically in late April or early May). This amount can go directly into your house budget. The MCC budget goes from June 1 to May 31 whereas most houses have budgets that go from September 1 until August 31. This means that at the time you are doing your house budget, you will not have the data for June, July, and August of the following year on your house's monthly MCC payments. Judging from recent MCC history, it is probably reasonable to expect that there will be a 3-4% increase in MCC payments for those months over the previous summer. This covers maintenance, staff salaries, mortgage payments, insurance, and other MCC-wide expenses.

House Operating Reserve: The MCC Finance Coordinator also will send you information on what your house is being charged for the House Operating Reserve, which is a fund kept by MCC for your house that can be drawn upon for an emergency with Board approval. You will have to report your house's HOR contribution as a monthly expense in the budget, but do not report that or any HOR match from MCC as income on your house's budget.

Bad Debt & Vacancy Allowance: Few houses will have all of their rooms full and get paid the whole amount that members owe. The typical strategy is to calculate Gross Room Charges with the assumption that all rooms are filled, and then have line items for Bad Debt and Vacancy Allowance. The Expected Room Income will then be Gross Room Charges minus Bad Debt and Vacancy Allowance.

Reporting House Assets

The Finance Committee has the job of approving house budgets, and needs to know what financial shape your house is in before making a decision. Please report all of the assets your house controls, including checking, savings, CDs, and any additional bank accounts (e.g. supplies, maintenance, etc.). It's good to pick a time in the middle of the month after member payments have been deposited and the MCC payment has been cashed. If your house is in good financial shape, the Finance Committee is more likely

to approve a tight budget. If you have special considerations (such as high vacancies or turnover) write them down.

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