



Dear LMSC Chairs, Treasurers, and Secretaries,

Each LMSC is required to send a copy of its annual financial report to the USMS National Office on or before April 30th. In 2019 we introduced a new standard reporting format so that all LMSC financial information will be in a similar format. Each LMSC will receive an email with the link to the Google Sheet that is to be filled out with your LMSC's financial information.

Guidance for completing the standard reporting format and adopting the Chart of Accounts, follows. Reference is made to the attached pdf/spreadsheet "LMSC Chart of Accounts".

Completing the standard reporting format:

1. Copy the link from the email into any web browser, which takes you to a Google Sheet spreadsheet. Only you and the National Office have access to this information. No other LMSC can access your link.
2. The spreadsheet has two sections; rows 3-13 are your balance sheet categories, rows 14-28 are your revenue and expense categories.
3. Definitions for each category (or line item) are found to the right on each row
4. Each of the 4 main categories; Assets, Liabilities and Fund Balances, Revenues and expenses has an "Other" line item to serve as a catch all for amounts that do not fit into a specifically defined category.
5. You can view the standard format and line item definitions in the "Report Template" tab of the attached spreadsheet file.
 - a. To see expanded definitions and examples of various line items that make up the Accounts go to the tab "COA Detailed" and look at the Sub Accounts under each Account.
6. Entering your accounting data:
 - a. Enter Assets as positive numbers.
 - b. Enter Liabilities as positive numbers.
 - c. Enter Fund balances and Surpluses as positive numbers, unless fund balance and/or current year is a deficit, then enter as negative numbers.
 - d. Enter Revenues as positive numbers, (If you have a capital loss enter as a negative number).
 - e. Enter Expenses as positive numbers (if you have a negative expense enter as a negative number).
 - f. Assets must equal Liabilities and Fund Balances. The google doc excel spreadsheet tests for this condition. See row 30 to confirm your report is in balance.
 - g. The Google Sheet spreadsheet also calculates your current year Surplus of Deficit. Make sure this matches your internal accounting.
7. There are two questions at the very bottom that have to do with contractor payments and sending 1099s that need to be answered.
8. You can come back to complete your information at any time by clicking using the link. The same spreadsheet will be used for multiple years with the addition of new sheets within the workbook, so make sure to keep a record of the path to the spreadsheet with the treasurer's information.
9. When done entering and checking your information, use the drop down status box to



indicate that you are done entering your numbers and then, *simply close the sheet. All changes are automatically saved.*

10. If you have any questions, contact Teddy Decker at mombodecker@comcast.net

Adopting the LMSC Chart of Accounts:

In conjunction with creating a standard LMSC reporting format, an LMSC Chart of Accounts (COA) was developed and reproduced in the "Report Template" tab of the attached spreadsheet file. All LMSC's are encouraged to utilize and modify it to their specific needs. The following is provided as guidance in this COA.

1. This COA is encouraged to utilize and modify it to the LMSCs specific needs.
2. It fits seamlessly into the new reporting format.
3. January 1st is the best time to change your accounting; COA, software, procedures and so on. Do it now!
4. Modifications:
 - a. Account numbers are not necessary but encouraged.
 - b. You can use your own Account numbers, any desired sequence
 - c. Account names may be modified
 - d. Not all Accounts and Sub Accounts will be used
 - e. Additional Sub Accounts may be utilized as needed for YOU to manage your LMSC
 - f. Additional Accounts may be utilized but remember to include it in a different Account for the Reporting Format.
5. Use of Sub Accounts are encouraged to help manage your LMSC. Choose, or create the Sub Accounts that are important to the functioning of your LMSC. Too many and it becomes cumbersome and burdensome. Too few and your reports will not provide "a good feel" for your activities.
6. Make sure each Sub Account you create or modify "belongs" to the Account above it.
7. For those using Quickbooks accounting software, you can request a COA import file to facilitate entering this COA by emailing volunteer@usmastersswimming.org.
8. For those converting to Quickbooks accounting software, you are best off creating a new company file with a blank chart of accounts and then using the COA import file that is available from the USMS.org website.
9. For those using an excel file to perform your LMSC accounting, you can request an excel file with this COA already set up for you to track your monthly Revenues and Expenses. This file is also available on USMS.org under [guide to operations treasurer's section](#).

Guidance on accounting for LMSC collections of USMS membership fees using the LMSC Chart of Accounts:

How to account for registration checks the LMSC receives for both USMS and LMSC membership dues? Membership payments received and processed at the LMSC include: a) amounts due USMS; i) USMS dues and ii) donations for SSL or ISHOF and b) amounts due the LMSC. The preferred accountants' method to account for these deposits is outlined below.

Membership deposits received and deposited by the LMSC:



1. All amounts received for USMS are credited in the liability account 2610 Due to USMS.
2. Amounts received for the LMSC dues are credited to account 4000 Membership dues, and other items, if any, are credited to 4900 Other Types of Income and if using sub accounts, account 4950 and/or 4990.
 - a. Note: this requires splitting the deposit into two or more different accounts.
3. In the following month, USMS sends the LMSC its share of LMSC dues USMS collected, and subtracts any sanction fees and any USMS dues and contributions the LMSC collected. This too requires a split deposit.
 - a. LMSC dues that USMS collected and is remitting are credited to account 4000 Membership dues, and other items, if any, are credited to 4900 Other Types of Income.
 - b. Sanction fees, if any, deducted from the check payment are debited to account 5010 Pool Meet Exp or 5015 Open Water Exp as appropriate.
 - c. Deductions for the USMS dues and other items collected by the LMSC in the previous month are debited to the liability account 2610 Due to USMS.
 - d. The credits above, less the debits above will net and equal the amount of the USMS check received and deposited.
4. A reconciliation of account 2610 Due to USMS needs to be done monthly.
 - a. If no LMSC collection activity in the current month, the month end balance will be zero.
 - b. If there is LMSC collection activity in the current month, the month end balance will be equal to the monthly collections of USMS funds by the LMSC.