

Welcome to the Jones & Associates PLLC, CPAs October 2018 newsletter! Feel free to pass it along...

Call for photos!



Many of you have told us how much you enjoy our annual calendar of photos received from various nonprofit organizations. Here is your opportunity to be part of our 2019 calendar. Each entrant will be entered to win \$500 to be donated to your organization of choice.

This year's theme is "Why it Matters". Here's what to include in the email:

- Up to 3 high resolution photos (the more colorful, the better)
- Explain how each photo represents why your work matters in our communities and world, whatever that means to you
- Tell us the organization of choice you would want the \$500 donation to go to, should your entry be drawn
- Email all this to debbie@judyjonescpa.com

Examples could be a beautiful landscape; children working together; an inspirational graphic (must be your own original work); or a colorful community garden. Think of the things that represent your good work and send us a picture of it. Use your imagination!

Only one entry of no more than 3 photos is allowed per individual (entrant). Anyone is welcome to enter. By emailing us your photos/graphics, you are giving us permission to use them in the 2019 Jones & Associates calendar. Your photos will not be used for any other purpose. The calendar is distributed to our clients, friends and colleagues. Not all photos will be selected for the actual calendar but each entrant is eligible for the \$500 donation drawing.

The deadline is October 20th. Good luck!

Still Using Checks to Pay Bills?

Times have changed. It used to be the process of authorizing a physical check to pay bills was a fail-safe internal control. Today, the more physical checks an organization issues the higher the risk that the checks could be intercepted or fraudulently reproduced. That is why organizations are moving more and more toward electronic payment.

If your organization is trending in this direction, we offer a few words of caution. Be sure that your internal control processes are adequately updated to ensure the charge is valid, accurate, complete and appropriately authorized BEFORE the point of disbursement. For some organizations this may mean additional forms or procedures established. For others, the organization may use an expense tracking program that controls the process such as Expensify, checkissuing.com or Xpenditure.

In today's cyber workplace, more and more organizations are establishing new systems to reduce potential fraud risk and better control expenditures. For more information on TechRadar.pro's evaluation of the best expense tracker apps and software in 2018, click [HERE](#).

Q&A with J&A

We are asked many questions related to financial best practices for nonprofit organizations. We thought we'd highlight a few:

Q: We have some pledges that need to be written off. How would you suggest we handle that?

A: That's a good question and one you may not have bumped up against if you have not received pledges before. Generally accepted accounting principles (GAAP) requires organizations to use the "allowance method" in estimating possible future write-offs. Under the allowance method, each donor pledge is reviewed and an estimate is made of any amounts that may not be collectible. The estimate may be determined using historical trends or specific



knowledge about that donor. Each year the total of all estimated uncollectible accounts is then recorded in a contra-receivable account, usually called "Allowance for Uncollectible Accounts", with the offset recorded against current year contribution income. As time goes by, any write-offs are recorded against this new allowance account rather than directly written off as bad debt expense.

For more information on how to setup and maintain allowances and discounts on pledges receivable, look [HERE](#).

Upcoming J&A Learning Opportunities

NEW Revenue Recognition Standards Webinar

Do you know how the new revenue recognition standards will affect your nonprofit organization? In this live webinar, you will learn how to apply two new generally accepted accounting principles (GAAP) standards: FASB ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. You will learn the steps to record revenue from customers as well as the differences between contribution vs exchange transaction, conditional vs unconditional and promise or intentions. Because these are new changes to GAAP, they may significantly change how you word future contracts and record grants and other revenue. These new standards are effective next year for most organizations, so don't wait until the last minute to learn the new rules!

This live webinar is Thursday, **November 8, 2018** from 10am-noon and qualifies for 2 hours of CPE. Remember, even if you cannot attend a live webinar session, each registrant will receive a copy of the video recording of the session and class materials to use at your convenience, though CPE is only allowed during the live webcast. To register for this interesting and informative webinar, [enroll HERE](#).

Board Member Basics Webinar

Board members are critical fiduciaries that guide the organization towards a sustainable future by adopting sound, ethical and legal governance and financial management policies, in addition to making sure the organization has adequate resources to advance its mission. Because of term limit and rotation requirements, board members of nonprofit organizations may or may not have significant experience or training in their role.

In this session, we will focus on the board member's role and responsibility as well as how to understand and use financial information to make informed decisions and manage risk. This webinar is a good refresher for the experienced board member and critical training for the new board member.

This live webinar is Tuesday, **December 4, 2018** from 10am-noon and qualifies for 2 hours of CPE. Again, even if you cannot attend a live webinar session, each registrant will receive a copy of the video recording of the session and class materials to use at your convenience, though CPE is only allowed during the live webcast. To register for this interesting and informative webinar, [enroll HERE](#).

Don't forget to check out the catalog of all the great listings in this 2018/2019 season in our Nonprofit Learning Series [HERE](#).

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Should you have any questions about the content of anything in this newsletter, please contact us.

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