



# District Deputy GER Designate Training

## *Welcome to the District Deputy Grand Exalted Ruler – Designate Training Seminar*

2021 Grand Lodge Convention  
Tampa, Florida



# District Deputy GER Designate Training Financial Reporting System

## **INTERACTIVE DEMONSTRATION OF THE FINANCIAL REPORTING SYSTEM**



# District Deputy GER Designate Training

## Auditing and Accounting Committee

# **Auditing and Accounting Committee**



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### 2021 – 2022 Area Committee Members

*(all appointments effective at Wednesday adjournment of Convention)*

Area 1	William J Chinn, Jr <i>Chairman</i>	<i>Danbury, Connecticut Lodge No. 120</i>	wjcglaac@gmail.com
Area 2	John Neetz	<i>Bangor, Pennsylvania Lodge 1106</i>	paelksfrs@gmail.com
Area 3	Carl Gerace	<i>Rotonda, Florida Lodge No. 2710</i>	geracecfa@comcast.net
Area 4	Keith Alverson	<i>Howell, Michigan Lodge No. 2168</i>	keacpa@msn.com
Area 5	Susan Cook	<i>Joplin, Missouri Lodge No. 50</i>	susancookmo1975@gmail.com
Area 6	Steven Weatherly	<i>Fort Worth, Texas Lodge No. 124</i>	steve@sdwservices.com
Area 7	Robert Hollis-Brau	<i>West Covina, California Lodge No 1996</i>	r.hollis_brau@verizon.net
Area 8	Harley (Rick) Eckert	<i>Homer, Alaska Lodge No. 2127</i>	eckert@xyz.net

Committee Advisor: Past Grand Exalted Ruler Roger True



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Data Availability Overview**

- Financial Reporting System (FRS) reports; beginning with 2019 – 2020 Lodge year for most Lodges
- Prior Year Annual Financial Reports (AFR) 2016 – 2017 through 2018 – 2019 Lodge year
- Prior year Form 990/990-T and State Returns 2016 – 2017 through 2018 – 2019
- Current year Form 990/990-T and State Returns after Evaluation finalized
- Prior and current year Evaluations – 2013 through 2021



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Data Availability Overview**

*(Screen Shots follow this page)*

- All prior year reports submitted by a Lodge are available on [elks.org](http://elks.org)
- From the Members Only Menu select Reports
- Select the Lodge Accounting Reports tab
- Select the Auditing & Accounting Lodge Financial Evaluation Reports link
- Select year from Drop Down box; District and State are prefilled
- Click Submit



# District Deputy GER Designate Training

## Auditing and Accounting Committee

Invite a Friend to Join User Settings Change of Address Extended Access Logout

 The Benevolent and Protective Order of Elks of the United States of America

ELKS HOME WHO WE ARE OUR PROGRAMS ELKS NATIONAL FOUNDATION **MEMBERS ONLY**


Who We Are  
What We Do  
How to Join  
Grand Lodge  
Member Resources  
Extended Access

[Home](#) / [Members](#) / [Member Center](#)

## Member Center

Extended Access Groups: [CyberAssistants](#) | [District Deputies](#) | [Exalted Rulers](#)

[Elks.org Classified Ads - Buy, Sell or Trade](#)

 **Welcome, William!**  
Membership No.: 003252  
[Danbury, CT #0120](#)

**Members Home**  
News for Members

**Officers & Committees**  
Who's Who in Elksdom

**Newsletter**  
Monthly News from G/L

**Reports**  
Membership Data & More

**Manuals**  
Best Practices

**Membership Toolkit**  
Grow Your Membership

**National Convention**  
Join us in July

**Elks Magazine Online**  
Read the Latest Issue

**Lodge Accounting**  
Accounting & Reporting

**Extended Access**  
Member Resources

**Lodge Secretaries**  
CLMS2Web

**Message Boards**  
Community Discussion

**Licensed Vendors**  
Elks-related Merchandise

**Classifieds**  
Buy, Sell or Trade

**By-Laws Revision**  
Revise Your By-Laws

**Safety & Insurance**  
Keep Your Lodge Safe





# District Deputy GER Designate Training

## Auditing and Accounting Committee

Invite a Friend to Join ≡ Explore User Settings Change of Address Extended Access Member Logout

 The Benevolent and Protective Order of Elks *of the United States of America*

ELKS HOME WHO WE ARE OUR PROGRAMS ELKS NATIONAL FOUNDATION MEMBERS ONLY

[Elks Home](#) > [Members Area](#) > [Grand Lodge](#) >

### Grand Lodge Reports

[General Reports](#) [Lodge Accounting Reports](#) [Charitable Reports](#) [CLMS Reports](#) [DD Reports](#)

#### Financial Reports

- [Auditing & Accounting Lodge Financial Evaluation Reports](#) (PGERs, GL A/A Committee Members, SDGERs, District Leaders, DDs, PDDs, ERs and Secys only)
- [Auditing & Accounting Lodge Financial Evaluation Report Overview](#) (PGERs, GL A/A Committee Members, SDGERs, District Leaders, DDs, PDDs, ERs and Secys only)
- [Lodge Profit/Loss Summary](#) (PGERs, GL A/A Committee Members, SDGERs, District Leaders, DDs, PDDs only)
- [CLMS Transaction Recap Report](#) (PGERs, GL A/A Committee Members only)





# District Deputy GER Designate Training

## Auditing and Accounting Committee

### Auditing & Accounting Lodge Financial Evaluation Reports

(Report Access Level: ADMIN; Report Type: AUDIT)

Report End Date = 2021 State = CT Sequence = LdgNum Records: 31  
Report End Date: 2021 ▼ District:  State(s): CT

(To display multiple states, submit 2-character postal code separated by commas, such as WI, IL, IN.)

Report Year: 2021

Lodge (click to view report)	State	District	Summary Report Status (file uploads)	Last Updated
Hartford, CT, No. #19	CT	1640		
New Haven, CT, No. #25	CT	1680		
Meriden, CT, No. #35	CT	1600		
Bridgeport, CT, No. #36	CT	1680		
Danbury, CT, No. #120	CT	1680		
Waterbury, CT, No. #265	CT	1600		
New London, CT, No. #360	CT	1560		



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Data Availability Overview**

*(Screen Shots follow this page)*

- Lodge name link (if active) will display the issued evaluation
- Summary Report Status (if active) will display the Lodge uploads
- Pending are evaluations sent to lodge but not yet finalized
- Finalized are completed and issued evaluations
- If blank means the Lodge has yet to upload any documents



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### Auditing & Accounting Lodge Financial Evaluation Reports

(Report Access Level: ADMIN; Report Type: AUDIT)

Report End Date = 2020 District = 1680 State = CT Sequence = LdgNum Records: 8

Report End Date:  District:  State(s):

(To display multiple states, submit 2-character postal code separated by commas, such as WI, IL, IN.)

Report Year: 2020

Lodge (click to view report)	State	District	Summary Report Status (file uploads)	Last Updated
<a href="#">New Haven, CT, No. #0025</a>	CT	1680	<a href="#">FINALIZED (Uploaded files: 3)</a>	10/30/2020
Bridgeport, CT, No. #36	CT	1680	<a href="#">PENDING (Uploaded files: 1)</a>	
<a href="#">Danbury, CT, No. #0120</a>	CT	1680	<a href="#">FINALIZED (Uploaded files: 2)</a>	10/19/2020
Derby, CT, No. #571	CT	1680	<a href="#">PENDING (Uploaded files: 3)</a>	
Stamford, CT, No. #899	CT	1680	<a href="#">PENDING (Uploaded files: 1)</a>	
West Haven, CT, No. #1537	CT	1680	<a href="#">PENDING (Uploaded files: 1)</a>	
<a href="#">Milford, CT, No. #1589</a>	CT	1680	<a href="#">FINALIZED (Uploaded files: 1)</a>	04/15/2021
<a href="#">Branford, CT, No. #1939</a>	CT	1680	<a href="#">FINALIZED (Uploaded files: 1)</a>	04/15/2021
Total: 8				

Note: by accessing this page, you are agreeing to the [CLMS Terms of Service](#)



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Lodge Financial Evaluation Report (Exhibit X in Manual)**

*(Screen Shots follow this page)*

- Upper section contains standard metrics and questions
- Displays prior three years of information
- Lists date prepared, who prepared and if “Pending” or “Final”
  - Pending allows Lodge to make additional adjustments to the accounting data to correct an error.
  - Final will trigger no additional uploads to elks.org or submissions to the FRS
- Lower section contains specific comments from the Area Committee Member.  
Styles may be different for each Member
  - Some comments may request/require a response



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### Sample Lodge Financial Evaluation Report

**Lodge Financial Evaluation Report**  
GRAND LODGE  
Benevolent and Protective  
ORDER OF ELKS  
Auditing & Accounting Committee

Anytown, Lodge No.XXXX Report Year 2020

State: District: Area:

**ACKNOWLEDGEMENT OF RECEIPT OF FINANCIAL EVALUATION REPORT:**  
TO BE READ ON THE LODGE FLOOR AND RETAINED AS A PERMANENT RECORD OF THE LODGE:  
Please ensure that the Trustees/Board of Directors & Your Independent Accountant receive a copy of this report.

Report for Year Ended March 31st:	2018	2019	2020
Membership Total:	281	264	262
1. Date of Review by Grand Lodge Committee Member:	08/26/2018	06/28/2019	10/19/2020
2. Were all entities of the Lodge reported?	Yes	Yes	---
3. Amount of Working Capital	(\$31,360.00)	(\$54,253.00)	(\$98,731.00)
4. Amount of Total Equity	\$824,217.00	\$821,647.00	\$836,803.00
5. Lodge Net Profit	(\$20,001.69)	(\$1,275.00)	(\$26,803.00)
6. Club and Other Operations Net Profit	\$11,644.39	(\$1,295.00)	---
7. Bar Net Profit	---	---	\$27,919.00
8. Bar, Cost of Sales (pct)	35.70%	27.80%	27.63%
9. Bar, Cost of Labor (pct)	12.90%	0.00%	0.07%
10. Food Service Net Profit	---	---	\$10,259.00
11. Food Service, Cost of Sales (pct)	43.50%	54.10%	51.82%
12. Food Service, Labor (pct)	3.80%	0.00%	0.02%
13. Other Operations Net Profit (bowling alley, golf course, etc.)	---	---	\$0.00
14. Other Operations Net Profit - 16.030 For Profit Corporation	---	---	\$0.00
15. Other Operations Net Profit (501c3Corporation)	---	---	\$0.00
16. Date of last IRS form 990 filing	---	---	08/27/2020
17. Did the Lodge file a Form 990-T?	Yes	No	Yes
18. Date lodge filed IRS form 990-T	---	---	08/27/2020
Submitted by Committee Member:	William Chinn, Jr.	William Chinn, Jr.	William Chinn, Jr.
Report Prepared:	9/19/2018 Finalized	7/26/2019 Finalized	10/19/2020 Finalized

**2020 Comments:**

Key to Comments:  
Normal text - New comment this year  
*Italics text* - Repeat of comment from last year  
**Bold text** - Multiple year repeat of comment without correction or response from Lodge  
**Bold Italics** - Critical Issue that requires immediate action by the Lodge

- Page 2 - The Lodge's Working Capital remains negative at \$(98,731) and worsened compared to the prior year. It should be \$82,422.
- Page 8 Line 15 - Food Service Cost of Sales is 16.82% over the recommended 35%. Club management needs to address this issue. Are the proper procedures in place to charge the Lodge accounts for complimentary and/or reduced cost meals and beverages for events such as dignitary visitations?

**PLEASE REVIEW WITH YOUR ACCOUNTANT OR TAX RETURN PREPARER ALL ITEMS REGARDING FORM 990 (or 990-EZ) and FORM 990-T.**

No comments.

Note: With the exception of Question 17, any questions answered "No" indicate a deficiency in the report as it has been submitted. You should consult the Auditing & Accounting Manual and Section 13.040 of the Laws of the Order and make necessary corrections.



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Communication with Committee Members**

- Always include your contact information and advise any Lodge in your District to do the same.
  - Nothing worse than not knowing who to respond to.
- Your position is a liaison between the Committee and your District's Lodges
- Do not leave any communications from the Committee unaddressed
  - Feel free to ask questions of your Area Member if financial or accounting related
  - If they do not know the answer the Committee will get you the answer





# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Communication with Committee Members**

- Provide Area Committee member with your work session/audit session dates
  - These are important to provide as best we can the evaluation in advance of official visit
  - Key date is the work/audit date; not the Official Visit date
- Include information provided by Committee in your Clinics
  - Handouts
  - Specific topics to inform your Lodges



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### Work sessions/audit sessions

- Be prepared – review prior evaluations and financial records in advance
- Remember the 7 P's
  - **P**rior **P**roper **P**reparation **P**revents **P**athetically **P**oor **P**erformance
- Plan on minimum of 90 – 120 minutes for properly working through checklist with the appropriate Lodge Officer(s). Especially Lodge Secretary and Lodge Treasurer positions
- Require “proof” of any answers to the checklist questions
  - Review pertinent suggested documentation – bold text in each item on the checklist
  - Review meeting minutes



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### Sample Page of Appendix E-1 Checklist

EXHIBIT E-1			
GUIDE FOR REVIEW BY DDGER AUDITOR			
— AUDIT COMMITTEE REVIEW —			
	YES	NO	N/A
1. Did the Audit Committee perform its financial reviews in July, October and January and file a written report with the Lodge as required by Section 13.040(i) of the Statutes? <i>Review Lodge meeting minutes and copy of report submitted by the committee.</i>			
2. Does the Audit Committee review the Financial Reporting System (FRS) reports on a monthly basis? <i>Review committee minutes/reports for evidence of review of FRS reports.</i>			
— GENERAL REVIEW —			
	YES	NO	N/A
3. Did the Lodge take appropriate action on the suggestions or recommendations made by the Area Member of the Grand Lodge Auditing and Accounting Committee? <i>Review documents or changes made that are specific to the recommendation.</i>			
4. Does the Lodge use, and is the accounting system set up with, the "Grand Lodge Chart of Accounts"? <i>Ask for a copy of the Chart of Accounts list from the Lodge's accounting software. If more than one Corporation, ask for a copy of each corporation's Chart of Accounts.</i>			
5. Were all entities of the Lodge, club, dining room, health room, swimming pool, golf course, bingo, etc. included in the Combined Balance Sheet? <i>Review the Chart of Accounts for the Lodge. It should have all the Lodge's activities included. If more than one "company" comprises the Lodge's activities, ask why and note in report to State Sponsor.</i>			
6. Are budgets prepared for each entity (Lodge, club, dining room, health room, swimming pool, golf course, bingo, etc.)? <i>Ask for copy of the Budget Report from the accounting software. If no software package used, obtain copy of budget presented to the Lodge.</i>			
7. Did all separate corporations have budgets prepared with supporting Balance Sheets and P&Ls? <i>Ask for copy of the Budget Report from the accounting software. If no software package used, obtain copy of budget presented to the Lodge.</i>			
8. Was the financial data for the separate corporation submitted to the Financial Reporting System? <i>Ask for FRS Corporation Lodge number and financial data.</i>			
9. What bookkeeping system does the lodge use? QuickBooks <input type="checkbox"/> Sage/Peachtree <input type="checkbox"/> Other <input type="checkbox"/> <i>Confirm software manufacture.</i>			
10. Are postings performed currently and cash receipts records current? <i>Review the accounting system for dates of the most recent postings. In a computerized system review a Year to Date Profit and Loss Report and drill down on the Key Revenue Lines (Member Dues, Bar Sales, etc.)</i>			
11. Are regular monthly financial reports or statements reported to the membership? <i>Review meeting minutes and report(s) submitted. Obtain copy of most recent Treasurer's report. Review its content. Does it seem reasonable and provide sufficient detail about the Lodges activities.</i>			
12. Do monthly financial statements include a budget comparison? <i>If not, explain on last page what action is taken to compare actual revenue and expenses to budgeted amounts. Review the monthly report for budget comparisons.</i>			
13. Are expenditures, which are not in the budget, cleared through the Board of Trustees before being presented to the membership? (Sec. 12.070) <i>Review Board of Directors/Trustees meeting minutes for inclusion. Review meeting minutes for vote of membership.</i>			
14. Does the Exalted Ruler know that all expenditures not covered by the budget have to be presented to the Board of Trustees first, and then to the membership? <i>Inquire of the Exalted Ruler.</i>			
15. Is there evidence that decisions are made to adjust operations in order to prevent year-end losses? <i>Review minutes of Board of Directors/Trustees and Lodge meeting minute for modifications to the Budget.</i>			
16. Are 941 and 940 and state payroll reports and payments current? <i>Review latest Form 941 and review receipts covering the depositing of the Form 940 funds.</i>			
17. Are all Business/Occupation and Sales Tax Reports and payments current? <i>Review the latest monthly or quarterly returns as filed.</i>			



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Work sessions/audit sessions**

- For each Corporation is only one set of accounting records being maintained?
  - Use of multiple files for each business segment is not permitted.
- Follow up on evaluation comments requesting/requiring responses back to the Area Committee Member.
  - Were the responses adequate and were they sent?
  - If not , why not?
- Follow up on comments that have been repeated over multiple fiscal years. Why are changes not being implemented.



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Work sessions/audit sessions**

- Require that the Lodge provide you copies of the following
  - Contract with Form 990 and State return preparer (Certified Public Accountant (CPA) or Enrolled Agent (EA) unless State Sponsor approves alternate
  - Lodge Chart of Accounts – printed from accounting in your or your auditors presence
  - Meeting minutes documenting reports from Lodge Auditing and Accounting Committee (July, October, January)
- With adoption of the FRS, the DDGER is now the independent third set of eyes reviewing the Lodge's finances.



# District Deputy GER Designate Training

## Auditing and Accounting Committee

### **Auditor to the District Deputy**

- Key member of the District Deputy's suite
- Whenever possible should have working knowledge of finances in general and accounting policies and procedures if possible
- Make full use of checklists in the DDGER manual
- Should review all materials in advance to be properly prepared
- Address any questions pre or post the work session/audit session with DDGER and if necessary the Area Committee Member.
- Should never be solely a "reward" to a friend or Member of your Lodge





# District Deputy GER Designate Training

## Auditing and Accounting Committee

