



Accounting for Law Librarians

Alternate Title: Seriously....I did not go to school for this

Alternate Title 2: As the eyes glaze over

Alternate Title 3: Jacquie made me do it

My personal story



- I started doing bookkeeping for my Father's business when I started high school and continued and assisted him on a regular basis, well after he retired
- I took an accounting class in high school and almost failed it because I could not wrap my head around the terminology
- Disclaimer: I still make mistakes, and I am not perfect

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Simply Accounting/Sage 50 For County & District Libraries



Dammit Jim,

*I'm a Librarian,
Not an
Accountant*

(going OG here)



LEDGER

REVIEW
BUDGET



EXPENDITURE

ACCOUNTING



PAYABLE



ASSETS



REVENUE



Accounting explained(?)

- So basically accounting is very much like one of Newton's laws of motion: For every action, there is a reaction. Which in simple accounting terms means – every financial transaction has equal and opposite effects in at least two *different* accounts - this is what they refer to double entry accounting.
- For example – in the case of money coming in - Debit what comes in, Credit where it goes - All deposits (assets) are going to be a debit to either a chequing or petty cash account – it gets credited to where it belongs – such as LiRN grants or copy revenue.
- So when you are entering the publisher invoices (liabilities) – perhaps you are entering a number of them and paying them later – the account for collections (books/electronic resources) would be credited and a debit would go to accounts payable



My Accounting Practices

Beginning of the year

- Create folders with the Month, Library, Year using the same colour file folder
- (if you do your association accounting do the same thing but in a different colour)



Every Month

Preprint your paycheques and do your Remittance Cheque dated for the last day of the month.

Print the following:

- Balance Sheet
- Trial Balance
- Income Statement
- Reconciliation
- Cheque Log
- File the above documents along with your bank statement, any cash receipts, the LiRN statement in the appropriate monthly file



The Balance Sheet

The Balance Sheet is a snapshot at any given time (put the date in) which shows you what you have (assets/money in the bank) on one side and what you owe (liabilities – accounts payable) with what the library has (equity - surplus funds and your current unspent grant funds)

The Trial Balance

- Accountants love them, we report them
- It is an internal audit to really check that the debit and credit column totals of the general ledger accounts match each other, which helps spot any accounting errors.





The Income Statement

The Income Statement tells you not only the present, but also the past, and it can help you to create a future.

Reconciliation

Reconciliation is the act of getting two things to be compatible with one another.

If you think of it in terms of family law, it means 2 separated people who are now are a couple again –hopefully can remain compatible in their relationship

If you think of it in accounting terms, it is 2 separate things (your accounting and the bank statement) that become one and need to be compatible

Cheque Log

A cheque log is like a little trail of breadcrumbs



It will show you what cheques you have written, if you have printed them, if you have processed them. It will show you the number of the cheque you used and what date you used it.

Note to self - If you are writing out your cheques by hand and not printing them from the software, stop, just stop.

Payroll

(aka Show me the money)

Preprint your paycheques and do your Remittance Cheque dated for the last day of the month.



For the most part, you will generate 26 equal paycheques per year. Make it a recurring transaction – see the manual

Note to self - If you are paying for the payroll module software, annually, stop, please just stop. It is expensive and overkill

Source Deductions

Employee's name:	Cory Matthews		
Employer's name:	Topanga's Tapa Bar		
Pay period frequency:	Semi-monthly (24 pay periods a year)		
Date the employee is paid:	2019-06-30 (YYYY-MM-DD)		
Province of employment:	British Columbia		
Federal amount from TD1:	Minimum - 12,069.00 (Claim Code 1)		
Provincial amount from TD1:	Minimum - 10,682.00 (Claim Code 1)		
Salary or wages income		2,100.00	
Vacation pay		84.00	
Total cash income			2,184.00
Taxable income for the pay period		2,184.00	
Pensionable earnings for the pay period		2,184.00	
Insurable earnings for the pay period		2,184.00	
Federal tax deduction	234.59		
Provincial tax deduction	93.80		
Total tax deductions		328.39	
CPP deductions		103.95	
EI deductions		35.38	
Total deductions			467.72
Net amount			1,716.28

T4 Statement

[illegible]

Benefits Calculator

LTD Formula - 72% of the first \$1,250 of monthly earnings, plus 58.75% of the next \$4,083, plus 46.75% of the balance to a maximum of \$6,000 per month. – rate of 2.40 per \$100 of coverage

For salaries under \$63,996

I have used \$25,000 as example

LTD Formula	your monthly salary:	<u>\$2,083.33</u>				
72% of first \$1,250		<u>\$1,250.00 x</u>	72% =	\$900.00		
	your salary minus \$1250	<u>\$833.33</u>				
plus 58.75% of next \$4083		<u>\$833.33 X</u>	58.75% =	\$489.58		
plus 46.75% of remainder to a max of \$6000.00	remainder salary minus \$4083	<u>\$0.00 x</u>	46.75% =	<u>\$0.00</u>		
total				<u>\$1,389.58</u>		
the rate per \$100 is \$2.48		\$1,389.58 /	100 =	\$13.90 x	\$2.48 =	\$34.46
plus pst						<u>\$2.76</u>
						<u>\$37.22</u>

For salaries over \$63,996

I have used \$70,000 as example

LTD Formula	your monthly salary:	<u>\$5,833.33</u>				
72% of first \$1,250		<u>\$1,250.00 x</u>	72% =	\$900.00		
	your salary minus \$1250	<u>\$4,583.33</u>				
plus 58.75% of next \$4083		<u>\$4,083.00 X</u>	58.75% =	\$2,398.76		
plus 46.75% of remainder to a max of \$6000.00	remainder salary minus \$4083	<u>\$500.33 x</u>	46.75% =	<u>\$233.90</u>		
total				<u>\$3,532.67</u>		
the rate per \$100 is \$2.4		\$3,532.67 /	100 =	\$35.33 x	\$2.48 =	\$87.61
plus pst						<u>\$7.01</u>
						<u>\$94.62</u>

To use this formula:

Put your monthly salary in either cell d4 or d20 whichever is applicable (the red one)

It should calculate to the number in cell d6 or d22 (blue)

Put in \$ 4083.00 cell d7 or d23 (red) or if less than \$4083 put in the number from line above

The number should calculate to the monthly LTD payable in cell l13 or cell l29 (green)

This will be the monthly LTD payable (give or take a penny)

Multiply this number by 12 and divide by the number of paychecks.

Benefits and the Beatles



- Sgt. Pepper's Lonely Hearts Club Band came out in 1967. If you were born that year, there is still time to act, however, one of the tracks on that album was a song called "*When I'm Sixty-Four*"
- Some parts of your benefits will end when you turn 65 so you can stop deducting them from your paycheque 119 days prior to your birthday.

Questions????

Thank You

