CHART OF ACCOUNTS: DEFINITIONS

Summary
Use the Chart of Accounts Definitions for reporting your financials to LiRN

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Revised: May 2022

Introduction

The following definitions are for use in conjunction with the Simply Accounting Chart of Accounts. Please note that not every account available is listed here as some accounts will not be required by every association. For example, under assets, while every association is likely to have one bank account (probably a chequing account), not every association will have investments or even a savings account.

Ignore the accounts that do not apply to you, but please do not delete any accounts. Likewise, do not add any accounts or change the. All libraries must use the same standard set of accounts, using the same set of account numbers.

Questions about what account to use should be directed to the Managing Director, who will provide guidance in consultation with LiRN's Treasurer as required.

ASSETS

1020 Cash

Represents a Heading Account which is a title for a group of accounts. You cannot post any details to this account.

1050 Petty Cash

Includes any cash on hand, such as petty cash funds or a postage float.

1060 Chequing Account

Represents cash in library chequing account at a point in time, plus outstanding deposits[1] and less outstanding cheques[2].

1065 Savings Account

Represents cash in a library bank account, other than a chequing account, on which interest is paid.

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[1] Amounts that have been deposited to your account that have not been processed, according to your statements.
[2] Cheques (or other payment methods) you have issued that have not cleared your account.

1100 Investments

Represents monies invested that are expected to yield income or profit or both. (e.g. GICs, Term Deposits)

1200 Accounts Receivable

This account represents amounts due to the library for services/goods you have supplied, but for which the library has not yet received payment. When you invoice someone through the sales journal, Simply Accounting puts the amount in this account until you "receive" the amount using the receipts journal.

1280 Due from LiRN Inc.

Represents amounts due to the library from LIRN but not yet received. This account will only be used in the unusual situation where you have not received the funds that you should have received from LIRN by the end of the year (e.g. if your grant had been withheld for some reason). Do not use this account for the regular grant - use 4200.

1340 Prepaid Expenses

Represents expenses paid in advance of the period they cover (e.g. an equipment lease) or payments for goods or services made by the library in advance of receiving such goods or services. Prepaid expenses are initially recorded as assets, but their value is expensed over time onto the income statement. This account will probably come into play only at the end of the year, if you have paid in advance for something that will not arrive until the following year.

Capital Assets

1710 to1740 Computer, Accum Amort - Computer, Net - Computer, Office Furniture & Equipment, Accum Amort - Furn & Equipment, Net - Furniture & Equipment

Capital assets purchases are recorded on the balance sheet at original cost and are amortized (expensed) over their useful life (e.g. 5645 for computer, 5630 for photocopier). Assets such as computers, furniture and equipment are amortized over a period of 3 to 5 years. For example, photocopiers are generally amortized over 5 years whereas computer equipment and software can be amortized over 3 years. If the cost of the asset is a nominal amount, it may be more practical to expense it fully in the year it is purchased.

1799 Total Capital Assets

This automatically group totals the accounts 1710 to 1740.

LIABILITIES

2100 Accounts Payable

Represents amounts owed by the library to an outside party for goods or services it has received, and for which the corresponding invoices have been received, but not yet paid. When you enter invoices using the purchases journal, Simply Accounting puts the amounts in this account until you pay them using the payments journal.

2110 Accrued Liabilities

Represents costs, incurred by the library during an accounting period, for which invoices have not yet been received.

2170 Vacation Payable

Represents vacation pay earned by an employee but not yet been taken or paid out. Simply Accounting records the amounts automatically based on settings in the payroll journal.

2180 EI Payable

Represents employment insurance deducted from an employee pay (along with the employer's portion) but not yet paid to the Receiver General. Simply Accounting records the amounts automatically based on settings in the payroll journal.

2185 CPP Payable

Represents Canada Pension Plan contributions deducted from an employee's pay (along with the employer's portion) but not yet paid to the Receiver General. Simply Accounting records the amounts automatically based on settings in the payroll journal.

2190 Income Tax Payable

Represents income tax deducted from an employee's pay but not yet paid to the Receiver General. Simply Accounting records the amounts automatically based on settings in the payroll journal.

2200 WSIB Payable

This account reflects premiums deducted from an employee's pay, if applicable, (along with the employer's portion), but not yet paid to the Workers Safety and Insurance Board for coverage. Simply Accounting records this automatically based on settings in the payroll journal.

2310 GST/HST Charged on Sales

Represents any GST or HST collected on sales/revenue but not yet paid to the Receiver General. Simply Accounting records the amounts automatically based on information entered in the sales journal.

2315 GST/HST Paid on Purchases

Represents any GST paid on purchases that can be claimed as an Input Tax Credit but has not yet been claimed. Simply Accounting records the amounts automatically based on information entered in the purchases journal.

EQUITY

Equity or Operating surplus (deficit) represents the difference between revenues (money coming in) and expenses (money being paid out). The surplus or deficit is an "accumulated" amount (ie. a running total of the revenue and expense difference over time). Simply Accounting calculates this automatically based on all your revenue and expense transactions.

3560 Accumulated Surplus

Reflects the operating (surplus) at the beginning of the year.

REVENUE

4100 Membership Fees

If the Association is still collecting fees locally for library purposes, please enter the amount here.

4200 LSO Members' Contribution (LiRN)

This figure should reflect the quarterly grants as received from LiRN only. These monies are based on LSO members' dues. In the rare occasion that other monies are received from LiRN, see account 4320.

4220 Photocopy Revenue

This account reflects any revenue generated through the use of the photocopier in law library.

4230 Fax Revenue

This account reflects any revenue generated through the use of the fax machine in the law library.

4240 Research Revenue

This account reflects any revenue generated through research services offered in the law library.

4260 Print Revenue

This account reflects any revenue generated through the use of printer(s) in the law library. (i.e. if a charge is levied for printing information from CD Rom products, Quicklaw or the Internet, the printing fees collected should be recorded here.)

4295 Total Library Revenue

This automatically totals the accounts 4200 to 4260.

4300 Other Revenue

Represents a Heading Account which is a title for a group of accounts. You cannot post any details to this account.

4310 Interest Revenue

This account reflects interest earned on your library's savings account or investments.

4320 Miscellaneous Revenue

Record special or extraordinary funding received from LiRN.

4395 Total Revenue

This automatically totals the accounts 4310 to 4320.

EXPENSES

5000 Collection Expenses

Represents a Heading Account which is a title for a group of accounts. You cannot post any details to this account.

5110 Textbooks and Annuals

This account reflects the legal texts which are required to practice law. They are often also called monographs or treatises. They are generally bound texts (as opposed to being in updateable looseleaf or electronic format) but may be either paper or hard bound. They may also come in a binder that does not require updating (e.g. Continuing Education Materials from the Law Society or Insight Press). They may be published only once (i.e. Sherrin's , The Criminal Lawyer's Guide to Disclosure and Production) or every few years (e.g. Hogg's Liability of the Crown, 3d ed.) or on an annual basis" (e.g. Macdonald's, The 2006 Annotated Ontario Family Law Act). Also, if you purchase the contents of looseleafs annually, or at some other interval, instead of subscribing to the release service, enter the amount here.

5120 Law Reports & Digests

This account reflects the Law Reports that contain the Judge-made law in full or in summary (digest) format. These are referred to as many things: decisions, judgements or case law. Typically, they are issued in paper parts and after a certain number of parts a bound volume is published (e.g. The Reports of Family Law, the Supreme Court Reports, the Ontario Reports etc). Record here subscriptions to those law reports and digests that are held in paper format (as opposed to electronic formats).

5130 Periodicals

This refers to journals, magazine, and newspaper subscriptions in your law library. (e.g. Journal of Environmental Law and Protection, or the National or Canadian Lawyer or The Lawyers Weekly or The Globe and Mail).

5140 Looseleaf Services

These are legal texts that are kept up to date by replacement pages issued on a regular or irregular basis. They may be in a single volume format or in multi-volume sets. Typically, the releases are priced separately, but the work might also be set up as an annual subscription.

5150 Government Documents

These are documents that are published by government bodies. They are mostly primary materials as in the Statutes of Ontario, Regulations of Ontario, Statutes of Canada, and Canada Gazette, (Parts I, II and III). But they also may be reports published by the Queens Printer or under the auspices of a government department such as the Attorney General or Ontario or the Canada Department of Justice or the Department of Education etc.

5160 Binding

Materials issued in parts that are worth retaining should be bound for ease of use and to ensure that the parts do not go missing. Record here the costs of binding runs of periodicals or the costs of rebinding materials that need serious repair.

5170 Electronic Subscriptions (Online, CD-ROMs)

Record here the costs for any electronic products that are selected, purchased and paid for locally (e.g. Divorce Mate). Do not include the centralized purchases LiRN makes on behalf of county law libraries. Also record here the costs, if you have any, for additional licenses you may purchase to use various electronic products.

5194 Miscellaneous Expenses - Collection

This account reflects any other collection expenses (e.g. charges levied by a library outside the county system for lending a book). This account is not likely to be used very much. For any miscellaneous operating expenses use 5690.

5195 Total Collection Expenses

This automatically totals the accounts 5110 - 5194.

5400 Personnel Expenses

Represents a Heading Account which is a title for a group of accounts. You cannot post any details to this account.

5405 Law Library Salaries

This account reflects the salary/salaries of all library staff whether full time, part time, or contract.

5420 EI Expense

Represents employer amounts of Employment Insurance sent to Receiver General for Canada. Simply Accounting calculates this automatically based on settings in the payroll journal.

5430 CPP Expense

Represents employer amounts of Canada Pension sent to Receiver General for Canada. Simply Accounting calculates this automatically based on settings in the payroll journal.

5435 WSIB Expense

Represents employer amounts of Workplace Safety and Insurance Board premiums sent to the WSIB (if the association is registered for WSIB). Simply Accounting calculates this automatically based on settings in the payroll journal.

5440 Other Wages

Represents any additional wages that are paid to Library Staff. (ie. bonuses, honorariums etc.) Use this account for payments made for occasional casual labour (e.g. student help). If you pay for bookkeeping or accounting services, use 5680.

5470 Pension Contributions

Use for benefits not otherwise accounted for. (This may include such benefits as employee bonuses, RRSP contributions etc.)

5495 Total Payroll Expense

This automatically totals the accounts 5405 to 5470.

5600 Operating Expense

Represents a Heading Account which is a title for a group of accounts. You cannot post any details to this account.

5610 Telephone and Internet

Reflects costs of telephone, internet long distance, leasing equipment etc. Only telephones located in the library should be paid from the library account. If the association also pays for telephones in the Registry Office, for example, they should be paid from the Association's accounts.

5615 Insurance

LiRN pays for standard insurance policy covering books equipment etc. Include here only additional insurance that your library may have, if any.

5620 Facsimile

Record here all costs related to fax machine(s) including equipment leasing agreement(s), contract(s), maintenance charges, service agreements, toner, etc.

5630 Photocopy

Record here all costs related to photocopier(s) including equipment leasing agreement(s), contract(s), maintenance charges, service agreements, toner, etc.

5640 Printer

Record here all costs related to printer(s) including equipment leasing agreement(s), contract(s), maintenance charges, service agreements, toner etc.

5645 Computer (Equipment & Tech)

Record here all costs related to computer(s) including equipment leasing agreement(s), contract(s), maintenance charges, service agreement, desktop software etc.

5660 Office supplies

Record here all office supplies. This includes stamps, paper for use in all equipment etc.

5680 Audit and Accounting

Record here any fees associated with banking and/or auditing library accounts. Any outsourcing of accounting /financial assistance for library accounts should be recorded here. (e.g. if a Bookkeeper is employed to do banking, payroll, paying of library invoices, preparing financial reports etc. their fee for the library-related work should be recorded here.) The work they do on behalf of the Association should be paid out of Association funds.

5685 Professional Development

Record here costs related to Professional Development of Library staff (not the professional development of lawyers.) This includes:

- Registration fees for continuing education courses (e.g. Excel courses, Simply Accounting training etc.)
- Registration fees for conferences and professional meetings, seminars, workshops etc. For other expenses related to the above, see account 5695.

Note that this account does not include the Association's membership in the Federation of Ontario Law Associations). This is not a library cost and should be paid out of Association funds not library funds.

5690 Miscellaneous Operating Expenses

Record expenses not otherwise identified by a specific account.

5695 Travel

Record all other costs associated with attending training courses, conferences, professional meetings, seminars, workshops etc., including travel, hotel and meals.

5700 Fees & Dues

Record fees or dues paid directly by the Library. This would include fees paid on behalf of a staff member for membership in OCLA or the Canadian Association of Law Libraries (CALL). This does not include the Association's membership in the Federation of Ontario Law Associations (FOLA), which is not a library expense.

5705 Bank Charges & Interest

This account reflects and service charges and/or interest.

5710 Repairs & Maintenance

This account reflects any charges incurred for the repair and maintenance to the library or equipment not covered under a maintenance agreement. Only use this account for charges that do not fit into 5620-5645 (for example repairs to a postage meter or similar miscellaneous equipment).

5715 Courier & Delivery

This account reflects any charges incurred when using a courier/delivery service.

LiRN
Legal Information and Resource Network

5720 Equipment Leases

This account reflects any other equipment leases.

5795 Total Operating Expenses

This automatically totals the accounts 5610 to 5720.