

# Spurring Improvement With Best In Class Set Up & Reporting

NAVREF 27<sup>th</sup> Annual Conference  
Suncoast Financial Management  
September 17<sup>th</sup> at 3:15 PM



# Introductions



Donna Birt, CPA, President & Founder

- Currently working with 6 NAVREF member NPC's to develop best in class QuickBooks setup & reporting
- Experienced QuickBooks ProAdvisor
- Proven success with financial and single audit preparation
- Over 25 years of experience establishing and managing high-growth accounting departments to address internal & external reporting requirements

# Agenda

- Research project data tracking
- Financial data tracking
- QuickBooks Version and cloud hosting
- Best in Class QuickBooks setup to address the unique needs of NAVREF NPC's
- Just say YES to month-end close process
- Reporting by PI, study, and residuals, and by class
- Common accounting issues: Preparing for the annual audit, 990, and NPPO Annual Report
- Board of Directors reporting

# Data for ALL Reporting Requirements

## Research Project Data Tracking

- Haspoa Horizon - Quick Base for tracking all data for clinical studies
  - Maintained by study coordinators under the guidance of the principal investigator
  - Full budget input by project for tracking actual charges against budget items
  - Used for invoicing funding source & updated with QuickBooks invoice number after month-end invoicing is complete
  - Other functions, such as tracking regulatory, are not covered in this presentation

# Data for ALL Reporting Requirements

## Research Project Data Tracking

- Alternative tracking
  - Excel spreadsheets by research project maintained by study coordinators under the guidance of the principal investigator
  - Requires networked shared folders or monthly reporting via email

# Data for ALL Reporting Requirements

## Financial Data Tracking

- QuickBooks Data Tracking for:
  - Annual Not-for-Profit or Single Audit (GAAP, financial)
  - Form 990 (annual tax filing)
  - Board of Directors Reporting (both financial & operational)
  - Study Profitability
  - PI Residuals
  - NPPO (Nonprofit Program Office) National Annual Report & Tri-Annual Audit
  - RDIS (Research & Development Information System) Annual Report
  - State Reporting / Licensing (i.e. Solicitation of Contributions Registration)

# QuickBooks Versions & Hosting

Attribute	QuickBooks Pro	QuickBooks Premier	QuickBooks Premier Plus	QuickBooks Enterprise
Cost - One-time payment	299.95	499.95		
Cost - Annual Subscription			499.95	1,039.50
Number of Users	3	5	5	30
Non-Profit Industry Edition		√	√	√
Detailed Reports	100+	150+ Industry-specific	150+ Industry-specific	150+ Industry-specific
Manage Fixed Assets				√
Print & View Past Bank Reconciliations		√	√	√
Unlimited 24/7 Support			√	√

Note: Sample Pricing

# QuickBooks Versions & Hosting

- QuickBooks Cloud Hosting with Right Networks
  - Allows your team to work from anywhere
  - Automatic software updates
  - Data is protect & secure in Tier 4 data centers
  - Excel included in Business Cloud
  - No contract required & invoiced monthly
- Requirements prior to VA opening a remote desktop port
  - Computers not on VA network
  - Hotspot to access internet



# QuickBooks Versions & Hosting

Right Networks® 
[@RightNetworks](#)
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Accounting & Tax Solutions Packaged to Fit Your Needs

Choose from our range of solutions and get the convenience and flexibility of the cloud tailored to your specific accounting needs.

	QuickBooks Desktop Cloud	Business Cloud	Application Cloud	Lacerte or ProSeries
Secure Cloud Storage	5 GB	10 GB	50 GB	70 GB
Google Chrome	✓	✓	✓	✓
PDF Editor	✓	✓	✓	✓
Printing Software	✓	✓	✓	✓
QuickBooks Desktop <sup>1</sup>	✓	✓	✓	✓
Automatic Application Updates	✓	✓	✓	✓
Contract Free	✓	✓	✓	✓
Expensify, Bill.com, & TSheets		✓	✓	✓
Microsoft Excel		✓	✓	✓
Unlimited Apps			✓	✓
Microsoft Office Standard or Office 365 <sup>2</sup>			✓	✓
Lacerte or ProSeries				✓
SmartVault, ShareFile, PDF24				✓
Right Signature				✓

# Status of VA Access to Cloud Hosting

- Angie Smith, Executive Director of North Florida Foundation for Research & Education, is working with OIT (Office of Information and Technology)
  - Requires authorization to open an outbound port to static IP addresses for individuals that require access
  - Started with SaaS group - confusion regarding governing authority
  - Requesting an SES, Senior Executive Service, to review prior to sending to an AO, Authorizing Official, to review
  - Next step is to submit the request to ESECC, Enterprise Security External Change Control, to get a “hearing” on the case

# Best in Class QuickBooks Setup

Best in Class QuickBooks setup for NAVREF NPC's for proper data tracking & reporting

## Two Options:

1. Customer:Job to track PI and studies under each PI with Classes to track Departments
2. Classes to track PI's and subclasses to track studies

**#1 is best in class** – ability to track federal & non-federal grants, subawards, IPA's, CRADA's or CTC, Education, Fundraising with individual studies in each category

# Best in Class QuickBooks Setup

## QuickBooks Setup

1. Chart of Accounts
2. Classes
3. Customer: Jobs
4. Items for Invoicing Sponsors

# Best in Class QuickBooks Setup

## 1. Chart of Accounts - Categorized to present either summary or detail AND address functional expenses

### **1000 Assets**

1010 Current Assets

### **1100 Cash**

1110 Bank Checking 1

1120 Bank Checking 2

1130 Bank Savings 1

1140 Bank Investment 1

### **1200 Accounts Receivable, Net**

1210 Accounts Receivable

1220 Allowance for Doubtful Accounts

### **1300 Other Current Assets**

1310 Prepaid Insurance

1320 Prepaid Expenses - Other

1330 Accrued Unbilled Revenue

1340 Undeposited Funds

1350 Greenhire Prepaid Reimbursement

1360 Accounts Receivable - Other

### **1000 Assets**

1100 Cash

1200 Accounts Receivable, Net

1300 Other Current Assets

1500 P, P & E

1700 Long-Term Assets

1710 Investments, Net

### **2000 Liabilities**

2100 Current Liabilities

2200 Accrued Expenses

2400 Deferred Revenue

2500 Long-Term Liabilities

# Best in Class QuickBooks Setup

Account Type  Number

Account Name   
 Subaccount of

OPTIONAL

Description

Note

Tax-Line Mapping  [How do I choose the right tax line?](#)

- <Unassigned>
- <Not tax related>
- Pt VIII-Contribs: Federated campaigns
- Pt VIII-Contribs: Membership dues
- Pt VIII-Contribs: Fundraising events
- Pt VIII-Contribs: Related organizations
- Pt VIII-Contribs: Government grants
- Pt VIII-Contribs: Other Contributions, gifts, etc.
- Pt VIII-Contribs: Noncash contribs

Account is inactive

# Best in Class QuickBooks Setup

## 2. **Classes** – Track revenue & expenses by department

### – Financial & Board reporting

- CRADA, Administrative, IPA, Grants, Subawards, Fundraising, MOU, CRC

### – Federal & Non-federal grants for single audit

- Grant – Federal, Subaward - Federal

### – Form 990

- Contributions & grants, program service

### – NPPO

- Revenue and expenses for CRADA's, IPA's, federal & non-federal grants, administrative & fundraising

# Best in Class QuickBooks Setup

## Commonly Used Classes (departments)

- CRADA (industry)
- Grant: Federal, Grant: Non-Federal
- Subaward: Federal, Subaward: Non-Federal, Subaward: Contract
- IPA
- MOU
- Administrative
- Fundraising
- Education
- CTC/CRC (if used)



# Best in Class QuickBooks Setup

## 3. Customer: Job

Allows reporting by PI for studies & residuals

Every transaction must have a Customer: Job in the name field

## Customer

- PI for CRADA, IPA, Grants, Subawards
- NPC Administrative for Admin
- NPC CTC for clinical trial center
- Separate customers for NPC Administrative, Education & Fundraising

# Best in Class QuickBooks Setup

## Customer: Job

### Job

- Establish a naming convention for each type of customer (CRADA, IPA, Grants, Subawards, IPA's)
- CRADA: Project short name, IRB/Protocol Number, Sponsor
- Grants: Project Short Name, IRB Number, Sponsor
- Subaward: Passthrough Entity, Project Title, IRB Number, Sponsor

# Best in Class QuickBooks Setup

**Customer: Job**

**Examples:**

**CRADA:** Emery, Michael: ASLEAP, 201800406, Novartis

**Subaward:** Green, Mary: Aguirre NIH, UNH Subaward

**Grant:** Doherty, Jane: Panc, 1501-0372, DoD

**Administrative:** NPC Administrative: Admin Job

# Best in Class QuickBooks Setup

## 4. Items – used to invoice sponsors and code to the appropriate revenue account

Name	Description	Type	Account
IPA	First Name, Last Name, time period covered	Service	4610 - IPA Revenue
MOU Service	Service Provided	Service	4620 - MOU Revenue
MOU IDC	X% Indirect Costs	Service	4130 - MOU Administrative Assessment (IDC)
Grant Federal Service	Service	Service	4310 - Research Grant - Federal Revenue
Grant Federal IDC	X% Indirect Costs	Service	4110 - Federal Grant Administrative Assessment (IDC)
Grant Non-Fed Service	Service	Service	4320 - Research Grant - Non-Federal Revenue
Grant Non-Fed IDC	X% Indirect Costs	Service	4120 - Non-Federal Grant Administrative Assessment (IDC)
Pharmacy	Pharmacy	Service	4710 - Pharmacy Revenue
Supplies	Supplies & Materials	Service	4720 - Supplies Revenue
Salary & Fringe	Salary & Fringe Benefits	Service	4750 - Salary & Fringe Benefits Revenue
Equipment	Equipment	Service	4760 - Equipment Revenue
Subject Travel	Subject Travel	Service	4770 - Travel Revenue
Study Team Travel	Study Team Travel	Service	4770 - Travel Revenue
Participant Reimb	Participant Reimbursement	Service	4730 - Participant Reimbursement Revenue
Legal Fees	Legal Fees	Service	4740 - Legal Fees Revenue
IRB Fees	IRB Fees	Service	4780 - IRB Fees Revenue
CRADA Service	Service	Service	4410 - CRADA Revenue
Milestones	Milestones	Service	4410 - CRADA Revenue
Patient Visits	Patient Visits	Service	4410 - CRADA Revenue

# Best in Class QuickBooks Setup

Acct No	Account Name	Classes											CRC	
		CRADA	Administrative	IPA	Grant - Federal	Grant - Non-Federal	MOU	Subaward - Federal Grant	Subaward - Non-Federal Grant	Subaward - Contract	Education	Fundraising		
<b>4100</b>	<b>Assessments</b>													
4110	Federal Grant Administrative Assessment (IDC)		x											
4120	Non-Federal Grant Administrative Assessment (IDC)		x											
4130	MOU Administrative Assessment (IDC)		x											
4140	Administrative (IDC) Assessment Rev		x											
4150	Administrative Assessment Revenue		x											
<b>4300</b>	<b>Research Revenue</b>													
4310	Research Grant - Federal Revenue				x	x	x	x	x	x				
4320	Research Grant - Non-Federal Revenue				x	x	x	x	x	x				
4410	CRADA Revenue	x												
4510	Education - Federal Revenue											x		
4520	Education - Non-Federal Revenue											x		
4610	IPA Revenue			x										
4620	MOU Revenue				x	x	x	x	x	x				
4710	Pharmacy Revenue	x			x	x		x	x	x				
4720	Supplies Revenue	x			x	x	x	x	x	x				
4730	Participant Reimbursement Revenue	x			x	x		x	x	x				
4740	Legal Fees Revenue	x			x	x		x	x	x				
4750	Salary & Fringe Benefits Revenue	x		x	x	x	x	x	x	x				
4760	Equipment Revenue	x			x	x		x	x	x				
4770	Travel Revenue	x			x	x		x	x	x				
4780	IRB Fees Revenue	x			x	x		x	x	x				
<b>4800</b>	<b>Other Revenue</b>													
4810	Charitable Contributions												x	
4820	Other Income		x											

# Best in Class QuickBooks Setup

Acct No	Account Name	Classes											CRC
		CRADA	Administrative	IPA	Grant - Federal	Grant - Non-Federal	MOU	Subaward - Federal Grant	Subaward - Non-Federal Grant	Subaward - Contract	Education	Fundraising	
<b>5000</b>	<b>Payroll &amp; Benefits</b>												
5110	Salaries & Wages	x	x	x	x	x	x	x	x	x	x	x	
5120	Bonus	x	x	x	x	x	x	x	x	x	x	x	
5130	Accrued Annual Leave Expense	x	x	x	x	x	x	x	x	x	x	x	
5140	Payroll Taxes	x	x	x	x	x	x	x	x	x	x	x	
5150	Medical Insurance	x	x	x	x	x	x	x	x	x	x	x	
5160	Dental Insurance	x	x	x	x	x	x	x	x	x	x	x	
5170	Life Insurance	x	x	x	x	x	x	x	x	x	x	x	
5180	Long-Term Disability	x	x	x	x	x	x	x	x	x	x	x	
5190	401(k) Match	x	x	x	x	x	x	x	x	x	x	x	
5200	Workers Compensation Insurance	x	x	x	x	x	x	x	x	x	x		
<b>5500</b>	<b>Travel</b>												
5510	Airfare	x	x	x	x	x	x	x	x	x	x	x	x
5520	Ground Transportation	x	x	x	x	x	x	x	x	x	x	x	x
5530	Meals	x	x	x	x	x	x	x	x	x	x	x	x
5540	Lodging	x	x	x	x	x	x	x	x	x	x	x	x
<b>6000</b>	<b>Clinical Expenses</b>												
6110	Lab Supplies	x			x	x	x	x	x	x	x		
6120	Research Pharmacy	x			x	x	x	x	x	x			
6130	Lab Equipment	x			x	x	x	x	x	x	x		
6140	Equipment Rental	x			x	x	x	x	x	x	x		
6150	Clinical Office Supplies	x			x	x	x	x	x	x	x		
6160	Participant Reimbursement - Participation	x			x	x	x	x	x	x	x		
6170	Participant Reimbursement - Mileage	x			x	x	x	x	x	x	x		
6180	Participant Reimbursement - Travel	x			x	x	x	x	x	x	x		
6190	Clinical Software	x			x	x	x	x	x	x	x		
6195	Clinical Hardware	x											
6210	Outside Services	x			x	x	x	x	x	x	x		
6220	Outside Study Staff	x			x	x	x	x	x	x	x		
6230	Animal Supplies	x			x	x	x	x	x	x	x		
6240	Subaward Expenses	x			x	x	x	x	x	x	x		

# Month-End Close Process

## **Implement a checklist for monthly or quarterly closing**

### – Include:

- Invoicing and Accounts Receivable
- Bills and Accounts Payable
- Balance Sheet account reconciliations
- Posting monthly or quarterly journal entries
- Assign person responsible and timeline

# Reporting by PI, Study & Residuals

	SOLOIST, 201900265, Sanofi	UF, WARRIORS, 201701142, DoD	ODYSSEY, 201601163, NIH	PARALLAX, 201701568, Novartis	EMMINENCE, 201700230, Cirius Therapeutics	CHAMP HF, 201600374, Novartis	PARAGON, 201400865, Pfizer	Residual	Total Doherty, Jane
	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)
<b>Income</b>									
<b>4100 - Assessments</b>									
4110 - Federal Grant Admin Assess IDC	0	3,341	14,740	0	0	0	0	0	18,080
4130 - MOU Admin Assessment IDC	0	0	0	0	0	0	0	0	0
4150 - Administrative Assess Revenue	0	0	0	0	0	0	0	0	0
<b>Total 4100 - Assessments</b>	<b>0</b>	<b>3,341</b>	<b>14,740</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,080</b>
<b>4300 - Research Revenue</b>									
4310 - Research Grant-Fed Revenue	0	33,450	147,395	0	0	0	0	0	180,845
4410 - CRADA Revenue	147,500	0	0	2,143	11,719	27,750	17,198	0	206,310
4520 - Education - Non-Federal Revenue	0	0	0	0	0	0	0	0	0
4610 - IPA Revenue	0	0	0	0	0	0	0	0	0
4620 - MOU Revenue	0	0	0	0	0	0	0	0	0
4710 - Pharmacy Revenue	0	0	0	0	0	0	0	0	0
4730 - Participant Reimb. Revenue	0	0	0	0	1,278	0	847	0	2,125
<b>Total 4300 - Research Revenue</b>	<b>147,500</b>	<b>33,450</b>	<b>147,395</b>	<b>2,143</b>	<b>12,997</b>	<b>27,750</b>	<b>18,045</b>	<b>0</b>	<b>389,280</b>
<b>4800 - Other Revenue</b>									
4810 - Charitable Contributions	0	0	0	0	0	0	0	0	0
<b>Total 4800 - Other Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income</b>	<b>147,500</b>	<b>36,791</b>	<b>162,135</b>	<b>2,143</b>	<b>12,997</b>	<b>27,750</b>	<b>18,045</b>	<b>0</b>	<b>407,380</b>



# Reporting by PI, Study & Residuals

	SOLOIST, 201900265, Sanofi	UF, WARRIORS, 201701142, DoD	ODYSSEY, 201601163, NIH	PARALLAX, 201701568, Novartis	EMMINENCE, 201700230, Cirius Therapeutics	CHAMP HF, 201600374, Novartis	PARAGON, 201400865, Pfizer	Residual	Total Doherty, Jane
	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)	(Doherty, Jane)
8950 · Depreciation	0	0	0	0	0	0	0	0	0
<b>Total Expense</b>	<b>117,065</b>	<b>17,948</b>	<b>138,057</b>	<b>233</b>	<b>5,962</b>	<b>0</b>	<b>0</b>	<b>1,899</b>	<b>281,165</b>
<b>Net Ordinary Income</b>	<b>30,435</b>	<b>18,842</b>	<b>24,077</b>	<b>1,910</b>	<b>7,036</b>	<b>27,750</b>	<b>18,045</b>	<b>(1,899)</b>	<b>126,195</b>
9110 · Interest Income	0	0	0	0	0	0	0	0	0
9600 · Fund Transfers									
9610 · Between Projects, Same PI	0	0	0	0	0	0	0	23,566	23,566
9630 · To/From PI Residual	0	0	0	0	0	0	0	0	0
9660 · Transfer to New Class	0	0	0	0	0	0	0	0	0
<b>Total 9600 · Fund Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,566</b>	<b>23,566</b>
<b>Total Other Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,566</b>	<b>23,566</b>
9210 · Interest Expense	0	0	0	0	0	0	0	0	0
9300 · Assessment Expenses									
9330 · Administrative Assess Expense	3,393	3,341	14,740	493	1,110	6,383	4,150	0	33,608
<b>Total 9300 · Assessment Expenses</b>	<b>3,393</b>	<b>3,341</b>	<b>14,740</b>	<b>493</b>	<b>1,110</b>	<b>6,383</b>	<b>4,150</b>	<b>0</b>	<b>33,608</b>
<b>Total Other Expense</b>	<b>3,393</b>	<b>3,341</b>	<b>14,740</b>	<b>493</b>	<b>1,110</b>	<b>6,383</b>	<b>4,150</b>	<b>0</b>	<b>33,608</b>
<b>Net Other Income</b>	<b>(3,393)</b>	<b>(3,341)</b>	<b>(14,740)</b>	<b>(493)</b>	<b>(1,110)</b>	<b>(6,383)</b>	<b>(4,150)</b>	<b>23,566</b>	<b>(10,042)</b>
<b>Net Income</b>	<b>27,042</b>	<b>15,502</b>	<b>9,337</b>	<b>1,417</b>	<b>5,926</b>	<b>21,368</b>	<b>13,895</b>	<b>21,667</b>	<b>116,153</b>

# Reporting by Class

Ordinary Income/Expense	Administrative	Contributions	CRADA	CRC	Fundraising	Grant	Grant Non-	Total Grant
						Federal (Grant)	Federal (Grant)	
<b>Income</b>								
<b>4100 - Assessments Revenue</b>								
4110 - Fed Grant Admin Assess IDC Rev	208,008	0	0	0	0	131,663	0	131,663
4120 - Non-Fed Grant Admin Asses IDC R	25,588	0	0	0	0	0	30,538	30,538
4140 - Administrative (IDC) Assess Rev	0	0	17,391	0	0	0	0	0
4150 - Administrative Assessments Rev	145,911	1,300	6,204	0	0	0	0	0
<b>Total 4100 - Assessments Revenue</b>	<b>379,507</b>	<b>1,300</b>	<b>23,595</b>	<b>0</b>	<b>0</b>	<b>131,663</b>	<b>30,538</b>	<b>162,201</b>
<b>4300 - Research Revenue</b>								
4310 - Research Grant - Federal Revenue	0	0	0	0	0	395,138	0	395,138
4320 - Research Grant-Non-Federal Rev	0	0	0	0	0	0	25,000	25,000
4410 - CRADA Revenue	0	0	505,108	0	0	2,362	299,847	302,209
4520 - Education-Non-Federal Revenue	0	0	0	0	0	0	0	0
4610 - IPA Revenue	0	0	0	0	0	0	0	0
4620 - MOU Revenue	0	0	0	0	0	0	0	0
4710 - Pharmacy Revenue	0	0	3,900	0	0	0	0	0
4720 - Supplies Revenue	0	0	5,228	0	0	2,870	0	2,870
4730 - Participant Reimbursement Reven	0	0	0	0	0	6,188	0	6,188
4750 - Salary & Fringe Benefits Revenue	0	0	87,737	0	0	105,376	0	105,376
4770 - Travel Revenue	0	0	250	0	0	375	0	375
<b>Total 4300 - Research Revenue</b>	<b>0</b>	<b>0</b>	<b>582,223</b>	<b>0</b>	<b>0</b>	<b>512,308</b>	<b>324,847</b>	<b>837,155</b>
<b>4800 - Other Revenue</b>								
4810 - Charitable Contributions	0	23,300	0	0	0	0	0	0
<b>Total 4800 - Other Revenue</b>	<b>0</b>	<b>23,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income</b>	<b>379,507</b>	<b>24,600</b>	<b>605,819</b>	<b>0</b>	<b>0</b>	<b>643,971</b>	<b>355,385</b>	<b>999,356</b>

# Reporting by Class

	Administrative	Contributions	CRADA	CRC	Fundraising	Grant Federal (Grant)	Grant Non- Federal (Grant)	Total Grant	IPA
<b>Total Expense</b>	<b>290,380</b>	<b>330</b>	<b>355,469</b>	<b>37,149</b>	<b>17,393</b>	<b>508,072</b>	<b>143,702</b>	<b>651,773</b>	<b>11,693</b>
<b>Net Ordinary Income</b>	<b>89,127</b>	<b>24,270</b>	<b>250,349</b>	<b>-37,149</b>	<b>-17,393</b>	<b>135,900</b>	<b>211,683</b>	<b>347,583</b>	<b>6,848</b>
<b>Other Income/Expense</b>									
<b>Other Income</b>									
<b>9100 - Other Income</b>									
<b>9110 - Interest Income</b>	459	0	0	0	0	0	0	0	0
<b>Total 9100 - Other Income</b>	<b>459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9600 - Fund Transfers</b>									
<b>9620 - Transfers Between Proj Diff PI</b>	0	0	-9,769	11,267	0	0	0	0	0
<b>Total 9600 - Fund Transfers</b>	<b>0</b>	<b>0</b>	<b>-9,769</b>	<b>11,267</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Other Income</b>	<b>459</b>	<b>0</b>	<b>-9,769</b>	<b>11,267</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Expense</b>									
<b>9300 - Assessment Expenses</b>									
<b>9320 - Administrative Assessment Expen</b>	0	1,300	142,744	0	0	131,663	30,538	162,201	0
<b>Total 9300 - Assessment Expenses</b>	<b>0</b>	<b>1,300</b>	<b>142,744</b>	<b>0</b>	<b>0</b>	<b>131,663</b>	<b>30,538</b>	<b>162,201</b>	<b>0</b>
<b>Total Other Expense</b>	<b>0</b>	<b>1,300</b>	<b>142,744</b>	<b>0</b>	<b>0</b>	<b>131,663</b>	<b>30,538</b>	<b>162,201</b>	<b>0</b>
<b>Net Other Income</b>	<b>459</b>	<b>-1,300</b>	<b>-152,513</b>	<b>11,267</b>	<b>0</b>	<b>-131,663</b>	<b>-30,538</b>	<b>-162,201</b>	<b>0</b>
<b>Net Income</b>	<b>89,585</b>	<b>22,970</b>	<b>97,837</b>	<b>-25,881</b>	<b>-17,393</b>	<b>4,236</b>	<b>181,145</b>	<b>185,382</b>	<b>6,848</b>

# Reporting by Class

	IPA	MOU	Education	Residual	Subaward Contract (Subaward)	Subaward Federal (Subaward)	Subaward Non-Federal (Subaward)	Total Subaward	TOTAL
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
<b>4100 - Assessments Revenue</b>									
4110 - Fed Grant Admin Assess IDC Rev	0	0	0	0	0	64,593	0	64,593	404,264
4120 - Non-Fed Grant Admin Asses IDC R	0	0	0	0	0	0	5,381	5,381	61,507
4140 - Administrative (IDC) Assess Rev	0	0	0	0	0	0	0	0	17,391
4150 - Administrative Assessments Rev	0	0	0	0	5,156	0	26	5,182	158,597
<b>Total 4100 - Assessments Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,156</b>	<b>64,593</b>	<b>5,407</b>	<b>75,156</b>	<b>641,759</b>
<b>4300 - Research Revenue</b>									
4310 - Research Grant - Federal Revenue	0	0	0	0	0	45,000	0	45,000	440,138
4320 - Research Grant-Non-Federal Rev	0	0	0	0	0	0	12,710	12,710	37,710
4410 - CRADA Revenue	0	0	0	0	20,625	0	100	20,725	828,042
4520 - Education-Non-Federal Revenue	0	0	4,050	0	0	0	0	0	0
4610 - IPA Revenue	18,541	0	0	0	0	0	0	0	18,541
4620 - MOU Revenue	0	35,100	0	0	0	0	0	0	35,100
4710 - Pharmacy Revenue	0	0	0	0	0	0	0	0	3,900
4720 - Supplies Revenue	0	0	0	0	0	6,696	0	6,696	14,793
4730 - Participant Reimbursement Reven	0	0	0	0	0	1,667	0	1,667	7,855
4750 - Salary & Fringe Benefits Revenu	0	0	0	0	0	207,639	0	207,639	380,752
4770 - Travel Revenue	0	0	0	0	0	2,415	0	2,415	3,040
<b>Total 4300 - Research Revenue</b>	<b>18,541</b>	<b>35,100</b>	<b>4,050</b>	<b>0</b>	<b>20,625</b>	<b>263,417</b>	<b>12,810</b>	<b>296,852</b>	<b>1,769,870</b>
<b>4800 - Other Revenue</b>									
4810 - Charitable Contributions	0	0	0	0	0	0	0	0	23,300
<b>Total 4800 - Other Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,300</b>
<b>Total Income</b>	<b>18,541</b>	<b>35,100</b>	<b>4,050</b>	<b>0</b>	<b>25,781</b>	<b>328,010</b>	<b>18,217</b>	<b>372,007</b>	<b>2,434,929</b>

# Reporting by Class

	IPA	MOU	Education	Residual	Subaward Contract (Subaward)	Subaward Federal (Subaward)	Subaward Non-Federal (Subaward)	Total Subaward	TOTAL
<b>Total Expense</b>	11,893	0	0	126,198	7,449	253,119	12,690	273,258	1,763,643
<b>Net Ordinary Income</b>	6,848	35,100	4,050	-126,198	18,332	74,891	5,526	98,750	671,286
<b>Other Income/Expense</b>									
<b>Other Income</b>									
<b>9100 - Other Income</b>									
9110 - Interest Income	0	0	0	0	0	0	0	0	459
<b>Total 9100 - Other Income</b>	0	0	0	0	0	0	0	0	459
<b>9600 - Fund Transfers</b>									
9620 - Transfers Between Proj Diff PI	0	0	0	0	0	0	0	0	1,498
<b>Total 9600 - Fund Transfers</b>	0	0	0	0	0	0	0	0	1,498
<b>Total Other Income</b>	0	0	0	0	0	0	0	0	1,957
<b>Other Expense</b>									
<b>9300 - Assessment Expenses</b>									
9320 - Administrative Assessment Expen	0	0	0	0	5,156	64,593	5,381	75,130	381,375
<b>Total 9300 - Assessment Expenses</b>	0	0	0	0	5,156	64,593	5,381	75,130	381,375
<b>Total Other Expense</b>	0	0	0	0	5,156	64,593	5,381	75,130	381,375
<b>Net Other Income</b>	0	0	0	0	-5,156	-64,593	-5,381	-75,130	-379,418
<b>Net Income</b>	6,848	35,100	4,050	-126,198	13,176	10,298	145	23,620	291,868

# Common Accounting Issues

## Proper Revenue & Expense Recognition (ACCRUAL Accounting)

- All expenses should be entered as bills in the period incurred
  - VA pharmacy expenses are billed in October for the period July to September – enter the bill with a September 30<sup>th</sup> date to record expense in proper period
- Invoice the funding source (sponsor) in the period the work was completed
  - Funding source pays you in October for work performed in September; enter the invoice to the sponsor with a September 30<sup>th</sup> date to record revenue in the period earned

# Common Accounting Issues

## Proper Accounting for Net Assets & Residuals

- Establish a written policy for classifying net assets as:
  - Restricted (donor designated)
  - Unrestricted
  - Unrestricted Board Designated
  - Policy should include disposition of net assets when study is closed (typically transferred to PI Residuals, another study or Admin)
- Invoice the funding source (sponsor) in the period the work was completed
  - Funding source pays you in October for work performed in September; enter the invoice to the sponsor with a September 30<sup>th</sup> date to record revenue in the period earned
  - Deferred revenue – record receipt from sponsor on balance sheet if money is received before expenses are incurred

# Common Accounting Issues

## Proper Accounting for Net Assets & Residuals

- Expense Allocation
  - Payroll: wages, taxes & benefits properly classified (to specific study, CRC, Admin, IPA)
  - Direct Expenses: charge to appropriate study
  - Prepaid expenses & accrued expenses to ensure expense is reported in appropriate period
  - Ensure that EVERY transaction is assigned to a customer: job & class
- Invoice the funding source (sponsor) in the period the work was completed
  - Funding source pays you in October for work performed in September; enter the invoice to the sponsor with a September 30<sup>th</sup> date to record revenue in the period earned



# Board of Directors Reporting

**NPC Alpha Inc**  
**Statements of Financial Position**

	6/30/2019	6/30/2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Equivalents	1,181,280	733,693
Accounts Receivable, Net of Allowance	285,654	409,166
Other Assets	14,460	7,500
Total Current Assets	1,481,394	1,150,359
<b>Fixed Assets</b>		
Lab Equipment, Net of Accum. Depreciation	20,556	0
Total Fixed Assets	20,556	0
Total Assets	1,501,950	1,150,359
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable	1,660	2,517
Accrued Expenses	50,609	29,548
Deferred Revenue	35,146	87,694
Total Liabilities	87,415	119,760
<b>Net Assets</b>		
Unrestricted	1,270,255	575,865
Net Income (Loss) for the Period	144,280	454,733
Total Net Assets	1,414,535	1,030,599
Total Liabilities and Net Assets	1,501,950	1,150,359

# Board of Directors Reporting

**NPC Alpha Inc.**  
**Statements of Activities**  
**For the Nine Months Ended 06/30/19 & 06/30/18**

	YTD Q3 FY19	YTD Q3 FY18	\$ Var	% Var
<b>Revenues</b>				
IDC Revenue	47,354	0	47,354	
Research Grants	114,553	0	114,553	
CRADA Revenue	483,229	872,111	(388,883)	-45%
Education Revenue	41,054	0	41,054	
IPA Revenue	271,415	217,122	54,293	25%
MOU Revenue	31,305	0	31,305	
Pharmacy & Supplies Revenue	18,120	0	18,120	
Participant Reimb Revenue	11,214	0	11,214	
Total Research Revenue	<u>1,018,243</u>	<u>1,089,233</u>	<u>(70,990)</u>	<u>-7%</u>
Other Incomes	35	14	21	149%
Total Revenue	<u>1,018,278</u>	<u>1,089,247</u>	<u>(70,969)</u>	<u>-7%</u>
<b>Expenses</b>				
Payroll & Benefits	745,790	535,827	209,964	39%
Travel & Entertainment	7,014	6,494	520	8%
Clinical Expenses	49,681	28,222	21,459	76%
Marketing & Advertising	609	934	(325)	-35%
Professional Fees	54,092	37,679	16,413	44%
Office Expenses	7,876	5,323	2,553	48%
Conferences & Development	3,105	13,233	(10,128)	-77%
Insurance	3,504	6,866	(3,362)	-49%
Depreciation	2,284	0	2,284	
Total Expenses	<u>873,955</u>	<u>634,576</u>	<u>239,378</u>	<u>38%</u>
<b>Other Income &amp; Expense</b>				
Interest Income	5	62	(58)	-92%
Interest Expense	48	0	48	
Total Other Income & Expense	<u>(43)</u>	<u>62</u>	<u>(105)</u>	<u>-169%</u>
<b>Changes in Net Assets</b>				
	144,280	454,733	(310,453)	-68%
Beginning of Period	<u>1,270,255</u>	<u>575,865</u>	<u>694,390</u>	
End of Period	<u>1,414,535</u>	<u>1,030,598</u>	<u>383,937</u>	

# Board of Directors Reporting

NPC Alpha Inc. Cash Position Analysis					
	06/30/19	03/31/19	12/31/18	09/30/18	06/30/18
Checking	849,160	784,947	629,469	603,183	401,691
Savings	12,678	12,675	12,675	12,674	12,672
Investment	319,442	337,504	328,668	328,227	328,022
<b>Total Cash</b>	<b>1,181,280</b>	<b>1,135,126</b>	<b>970,812</b>	<b>944,084</b>	<b>742,385</b>
Accounts Receivable	295,047	328,480	504,909	468,490	419,398
Less 20%	(59,009)	(65,696)	(100,982)	(93,698)	(83,880)
<b>Total Accounts Receivable</b>	<b>236,038</b>	<b>262,784</b>	<b>403,927</b>	<b>374,792</b>	<b>335,519</b>
Prepays	14,460	9,295	15,720	14,721	7,500
<b>Liquidity Available from Assets</b>	<b>1,431,778</b>	<b>1,407,205</b>	<b>1,390,459</b>	<b>1,333,597</b>	<b>1,085,403</b>
Accounts Payable	1,660	1,670	6,430	4,249	2,517
Accrued Expenses	50,609	72,814	50,736	55,704	29,548
	52,269	74,484	57,166	59,953	32,065
<b>Net Available</b>	<b>1,379,509</b>	<b>1,332,721</b>	<b>1,333,293</b>	<b>1,273,644</b>	<b>1,053,338</b>
Monthly Expense Burden	97,106	93,707	82,241	73,073	70,456
<b>Number of Months Available to Cover Current Expenses</b>	<b>14.2</b>	<b>14.2</b>	<b>16.2</b>	<b>17.4</b>	<b>15.0</b>