

Accounting Procedures for ROTC Medal Sales

Overview of Accounting Procedures for ROTC Medal Sales

- ROTC Medal Sale information is posted on the Green Beret ROTC Medals website.
- PayPal processes all website credit card payments and transfers payments nightly to the Bank of America Medals account.
- Bank of America transactions are periodically downloaded to the Medal Sales QuickBooks account.
- Transactions are posted to QuickBooks.

Sequence of Events

- Customers purchase medals on our **Green Beret ROTC Medals website** using credit cards or mailing their checks with Order Forms or Purchase Orders enclosed.
- The **Website host My Event** sends email notifications of credit card sales to Medal Sales Coordinator.
- **PayPal** sends email notifications for processed credit card sales to Medal Sales Coordinator.
- Upon receipt of email notifications from My Event and PayPal or receipt of checks and order forms in the mail, the **Medal Sales Coordinator** prepares and prints two Sales Invoices using QuickBooks Online accounting program.
- The **Medal Sales Coordinator** prints prepaid USPS postage labels from the PayPal website for credit card orders or on the USPS website for mail-in orders using the customer order info.
- Coordinator packages medals purchased and ships them at local US Post office using prepaid USPS labels.
- For credit card orders, one copy of the Sales Invoice is enclosed in the medal package and the other Invoice copy is attached to copies of the My Event and PayPal sales notifications along with the PayPal order form and label printing receipt.
- For mail orders, one copy of the Sales Invoice is enclosed in the medal package and the other Invoice copy is attached to copies of the mail-in order form or Purchase Order and a copy of the USPS label printing receipt.

Accounting Transactions

ORDER TRANSACTIONS

When a **Sales Invoice** is created using QuickBooks Online, the two entries shown below are **automatically** created. (The example uses the sale of 4 medals at \$15 each that cost \$8.47 apiece.) Two copies of the Invoice are printed.

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1150	Accounts Receivable	\$69.00	
4100	ROTC Medal Sales		\$60.00
4110	Packing & Shipping Income		\$9.00
Totals		\$69.00	\$69.00

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<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
5010	SFA JROTC Medal Assembly	\$33.88	
1210	SFA JROTC Medal Assembly		\$33.88
Totals		\$33.88	\$33.88

Consequently, a Gross Profit of \$35.12 is created before Shipping & Packing expenses and PayPal Processing Fees are posted.

PAYMENT TRANSACTIONS

When a Customer's pays on line by credit card, the payment is posted in QuickBooks Online as shown below. (The example uses the sale of 4 medals at \$15 each that cost \$8.47 apiece.)

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1010	Bank of America Checking Account	\$66.70	
1150	Accounts Receivable		\$69.00
5130	PayPal Processing Fees	\$2.30	
Totals		\$69.00	\$69.00

Consequently, a Net Profit of \$32.82 for credit card orders is created after PayPal Processing Fees are posted.

When a Customer's pays by mail with a check, the payment is posted in QuickBooks Online as shown below. (The example uses the sale of 4 medals at \$15 each that cost \$8.47 apiece.)

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1010	Bank of America Checking Account	\$69.00	
1150	Accounts Receivable		\$69.00
Totals		\$69.00	\$69.00

Consequently, a Net Profit of \$35.12 is created because there are no PayPal Processing Fees for mail-in orders.

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SHIPPING TRANSACTIONS

When a Customer's pays on line by **credit card**, and the order is processed by PayPal, a USPS postage label is printed from the **PayPal website** and affixed to the shipping box. The payment is posted in QuickBooks Online as shown below. (The example uses the sale of 4 medals at \$15 each that cost \$8.47 apiece.)

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
5020	Shipping & Packaging	\$3.88	
1010	Bank of America Checking Account		\$3.88
Totals		\$3.88	\$3.88

Consequently, a Net Profit of \$28.94 is created for credit card payments after Shipping & Packing expenses and PayPal Processing Fees are posted.

When a Customer's pays by **mail with a check**, a USPS postage label is printed from the **USSP website** and affixed to the shipping box. The payment is posted in QuickBooks Online as shown below. (The example uses the sale of 4 medals at \$15 each that cost \$8.47 apiece.)

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
5020	Shipping & Packaging	\$3.88	
1010	Bank of America Checking Account		\$3.88
Totals		\$3.88	\$3.88

Consequently, a Net Profit of \$31.24 is created for mail-in orders after Shipping & Packing expenses and PayPal Processing Fees are posted.

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ACCOUNTING SUMMARY

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1150	Accounts Receivable	\$69.00	
4100	ROTC Medal Sales		\$60.00
4110	Packing & Shipping Income		\$9.00
Total Sales Income		\$69.00	\$69.00
5010	SFA JROTC Medal Assembly Cost	-\$33.88	-\$33.88
Gross Profit before Expenses		\$35.12	\$35.12
5020	Shipping & Packaging	-\$3.88	-\$3.88
5130	PayPal Processing Fees	-\$2.30	-\$0
Net Profit after Expenses		<u>\$28.94</u>	<u>\$31.24</u>

SHIPPING PROCEDURE

1. The ordered **Medals** are packaged in a cardboard box.
2. One copy of the paid **Invoice** is placed inside the box.
3. The prepaid USPS **postage label** is affixed to the taped box.
4. The **package** is taken and mailed at the nearest US Post Office.
5. The following documents are stapled together and filed in the **Invoice** section of the Coordinator's 3-ring notebook:
 - **Credit Card Orders**
 - One Copy of the Sales Invoice
 - Order Notification from My Event website
 - Payment Notification from PayPal
 - PayPal Order transaction
 - Pay Pal postage label receipt
 - **Mail Payment Orders**
 - One Copy of the Sales Invoice
 - Order Form
 - Purchase Order
 - USPS postage label receipt

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Monthly Financial Reports

Using the QuickBooks Manage Reports Option, prepare and email to SFA Chapter 32-50 Officers the following financial Reports on or around the 5th of each month:

1. Cover Sheet
2. Table of Contents
3. Statement of Activity (Income Statement) year-to-date
4. Statement of Financial Position (Balance Sheet) year-to-date
5. Statement of Cash Flows year-to-date
6. Inventory Valuation Summary year-to-date
7. Inventory Valuation Detail

BANK STATEMENT RECONCILIATION

On or around the 5th of each month (using the previous month's bank statement received in the mail or printed from the Bank of America website), reconcile the bank statement using the QuickBooks Online reconciliation feature.

1. Download the latest transactions from Bank of America.
2. Since all **Sales and Payments** were automatically posted when the Sales Invoices were created and the payments were applied, all those transactions listed under the "**View Tab**" should be excluded and moved to the "**Excluded Tab**" and then deleted from the "**Excluded Tab**".
3. Any remaining transaction listed under the Review Tab should be reviewed and added to the General Ledger by clicking on "**Add**" in the "**Action Column**".
4. Most of the PayPal transactions are pre-paid USPS postage and should be added using the account #5020 Shipping & Packaging and enter the Customer's name in the Customer column.
5. All other expense transaction should be viewed and posted using the correct expense account, i.e., 6010 Bank Charges, 6155 Office Expenses, 6160 Office Supplies, etc.

These Accounting Procedures should be reviewed and updated periodically.