

# Accounting Procedures for ROTC Medal Sales

Updated 1/2/2024

## Overview of Accounting Procedures for ROTC Medal Sales

- ROTC Medal Sales information is posted on the **SFA Chapter 32-50's website** at <https://www.sfachapter32-50.org/rotc-medal-sales>
- **PayPal** processes all website credit/debit card payments and automatically transfers payments nightly to the **MidFirst Bank** Medals checking account.
- **MidFirst** Bank transactions are automatically downloaded nightly to the SFA Chapter 32-50 Medal Sales **QuickBooks Online** account.
- Transactions are posted to SFA Chapter 32-50 Medals Sales **QuickBooks Online** account.

## Sequence of Events

- Customers purchase medals on our **Green Beret ROTC Medals website** (which is linked to the **SFA Chapter 32-50's webpage** <https://www.sfachapter32-50.org/rotc-medal-sales> ) using their credit/debit cards or mailing their checks with Order Forms or Purchase Orders enclosed.
- The **Website host Wix.com automatically** sends email notifications of credit/debit card sales to **Medal Sales Coordinator**.
- **PayPal** automatically sends email notifications for processed credit/debit card sales to **Medal Sales Coordinator**.
- Upon receipt of email notifications from **WixStores** 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 using purchased **Avery Internet Shipping Labels template 5126** from the **PayPal ShipStation** website for credit/debit card orders or on the **USPS** website for mail-in orders using the customer order info.
- Coordinator packages medals purchased and ships at local US Post office using prepaid **USPS** labels.
- For credit/debit 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 **WixStores** and **PayPal** sales notifications along with the **PayPal** order form and **PayPal ShipStation** 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 **PayPal ShipStation 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 12 medals at \$18 each that cost \$8.47 apiece.) Two copies of the Invoice are printed. **(Note that after January 1, 2024, Packing and Shipping charges are included in Medal Price.)**

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<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1150	Accounts Receivable	\$216.00	
4100	ROTC Medal Sales		\$216.00
<b>Totals</b>		<b>\$216.00</b>	<b>\$216.00</b>

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
5010	SFA JROTC Medal Assembly	\$101.64	
1210	SFA JROTC Medal Assembly		\$101.64
<b>Totals</b>		<b>\$101.64</b>	<b>\$101.64</b>

Consequently, a Gross Profit of \$114.36 is created before Shipping & Packing expenses and PayPal Processing Fees are posted.

## **PAYMENT TRANSACTIONS**

When a Customer's pays online by credit/debit card, the payment is posted in **QuickBooks Online** as shown below. (The example uses the sale of 12 medals at \$18 each that cost \$8.47 apiece.)

<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1052	MidFirst Bank Checking Account	\$208.19	
1150	Accounts Receivable		\$216.00
5130	PayPal Processing Fees	\$7.81	
<b>Totals</b>		<b>\$216.00</b>	<b>\$216.00</b>

Consequently, a Net Profit of \$96.52 for credit/debit card order 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 12 medals at \$18 each that cost \$8.47 apiece.)

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<u>Account #</u>	<u>Name of Account</u>	<u>Debit Amount</u>	<u>Credit Amount</u>
1052	MidFirst Bank Checking Account	\$216.00	
1150	Accounts Receivable		\$216.00
<b>Totals</b>		<b>\$216.00</b>	<b>\$216.00</b>

Consequently, a Net Profit of \$106.52

is created because there are no PayPal Processing Fees for mail-in orders.

## SHIPPING TRANSACTIONS

When a Customer's pays online by credit/debit card, and the order is processed by PayPal, a USPS postage label is printed from the PayPal ShipStation website using purchased **Avery Internet Shipping Labels template 5126** and affixed to the shipping box. The payment (using the chapter's MidFirst debit card) is posted in **QuickBooks Online** as shown below. (The example uses the sale of 12 medals at \$18 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	\$10.03	
1052	MidFirst Bank Checking Account		\$10.03
<b>Totals</b>		<b>\$10.03</b>	<b>\$10.03</b>

Consequently, a Net Profit of \$106.52 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 using purchased **Avery Internet Shipping Labels template 5126** and affixed to the shipping box. The payment is posted in **QuickBooks Online** as shown below. (The example uses the sale of 12 medals at \$18 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	\$10.03	
1052	MidFirst Bank Checking Account		\$10.03
<b>Totals</b>		<b>\$10.03</b>	<b>\$10.03</b>

Consequently, a Net Profit of \$114.33 is created for mail-in orders after Shipping & Packing expenses are posted.

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## **ACCOUNTING SUMMARY**

<b><u>Account #</u></b>	<b><u>Name of Account</u></b>	<b><u>Amount</u></b>
4100	ROTC Medal Sales	\$216.00
<b>LESS:</b>		
5010	SFA JROTC Medal Assembly Cost	-\$101.64
<hr/>		
5020	Shipping & Packaging	-\$10.03
5130	<b>PayPal</b> Processing Fees	-\$7.81
<b>Net Profit after Expenses</b>		<b><u>\$96.52</u></b>

## **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 **WixStores** website
    - Payment Notification from **PayPal**
    - **PayPal** Order transaction
    - **Pay Pal Ship Station** 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 5<sup>th</sup> 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 5<sup>th</sup> of each month (using the previous month's bank statement received in the mail or printed from the **MidFirst** Bank website), reconcile the bank statement using the **QuickBooks Online** reconciliation feature.

1. Download the latest transactions from **MidFirst** Bank.
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 ShipStation** transactions are pre-paid **USPS** postage and should be added using 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.**