

# Welcome

The program will start promptly at 11:00 am.

**Please note:**

Use the Q&A function to speak with the administrator if you experience any technical issues while logging into WebEx. **For the best audio quality**, please call-in **by phone** vs. connecting via your computer.

**Call: 415-655-0002**

**Access code/event number: 624 148 513**



# Best Practices for Achieving Accurate and Timely Financial Statements

Beating the Monthly Close Woes



## *Presenters*

**John Pace, CPA, CVA**  
*Partner and Director,  
Outsourced Accounting &  
Advisory Services*

**Elinor Litwack, CPA**  
*Senior Manager, Outsourced  
Accounting & Advisory  
Services*

# Housekeeping

## *General Information/Technical Questions*

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## *CPE Credit*

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- **Important:** Three (3) CPE words will be provided during the presentation. Please write them down – we will not provide them again via WebEx or email (no exceptions).
- Please complete the electronic survey that will appear automatically at the end of the webinar. **Turn off your pop-up blocker** (leaving it on could block the survey).
- Attendees seeking CPE for this presentation must complete the survey and **enter all three CPE words**. You cannot claim CPE unless we receive a completed evaluation with the correct words.
- Technical questions about the survey can be addressed to Jennifer Disharoon at [jdisharoon@grfcpa.com](mailto:jdisharoon@grfcpa.com)

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## *Webinar Objectives*

<p><b>Learning Objective</b> To provide attendees with a better understanding of how to achieve accurate and timely financial statements.</p>	<p><b>Instructional Delivery Methods</b> Group Internet-based</p>
<p><b>Recommended CPE</b> 1.0 CPE</p>	<p><b>Recommended Fields of Study</b> Accounting</p>
<p><b>Prerequisites</b> None required</p>	<p><b>Advance Preparation</b> None</p>
<p><b>Program Level</b> Basic</p>	<p><b>Course Registration Requirements</b> None</p>
<p><b>Refund Policy</b> No fee is required to participate in this session.</p>	<p><b>Cancellation Policy</b> In the event that the presentation is cancelled or rescheduled, participants will be contacted immediately with details.</p>
<p><b>Complaint Resolution Policy</b> Gelman, Rosenberg &amp; Freedman is committed to our seminar participants' 100% satisfaction and will make every reasonable effort to resolve complaints as quickly as possible. Please contact <a href="mailto:kdavis@grfcpa.com">kdavis@grfcpa.com</a> with any concerns.</p>	

# Presenters

## *Meet Your Speakers*

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**John R. Pace, CPA, CVA**

*Partner and Director, Outsourced  
Accounting & Advisory Services*



**Elinor Litwack, CPA**

*Senior Manager, Outsourced  
Accounting & Advisory Services*

# Why is this topic important?



## Management Decisions

Flawed process often leads to lack of good information for management



## Best Practices

Following best practices can reduce the stress related to closing the month, quarter and year



## Efficiency

Streamlining the data entry creates capacity for finance to provide high level analysis

# Key Strategies for the Close

## Identify the deliverables

- Internal Financial Statements
- Board Reporting
- Bank Compliance Reporting
- Grant and Funder Reporting
- Year-end deliverables / Audit & Tax Return



# Key Strategies for the Close

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## Design monthly close procedures around the deliverables and critical areas

- Create a checklist for the monthly close
- Stick to a timeline
- Include target dates for each step
- Buy-in from leadership

# Typical Bottlenecks

Timesheet entry and labor allocations	Investments
Expense reports	Project tracking
Bank reconciliation	Customized reports

# Polling Question #1

What is the longest part of your monthly close?

- a. Allocations*
- b. Reconciliations*
- c. Waiting for Data*
- d. Other*

# Key Strategies for the Close

## Creating The Timeline

- Work Backwards
- Shift some functions to quarterly
- Hard deadlines for consultant submissions
- Hard deadlines for employee timesheets
- Hard deadlines for employee reports



# Key Strategies for the Close

## Is There an App for That?

- Use technology to streamline routine tasks
- Identify repeatable processes
- Automate as much as possible
- Use functions in Excel: VLookup, Pivot Table, Sumif, Name & Date Functions

*Handy Tip: Use account numbers in your accounting system*



# Excel Examples

## Pivot Table Example

1778	12/20/2016	Google Storage	Office Expenses	1.99
1779	12/21/2016	Duane Reade	Office Expenses	34.79
1780	12/21/2016	NYC Taxi	Travel	17.15
1781	12/22/2016	Roberto Bezjon	Meals	352
1782	12/24/2016	Panera Bread	Meals	8.76
1783	12/26/2016	Patricia Adams Gifts	Owner's Distributions	735.11
1784	12/26/2016	McDonald's	Meals	3.38
1785	12/29/2016	SXMSiriusxm.com	Owner's Distributions	18.21
1786	12/31/2016	Amazon	Supplies	7.01
1787	12/31/2016	Direct TV	Utilities	89.99



Row Labels	Sum of Amount
Advertising	12,024.78
Bank Fees	4,797.14
Business Insurance	975.00
Charitable Donation	2,500.00
Contractors	31,957.98
Dues & Subscriptions	1,513.58
Health Insurance	16,010.82
Lodging	2,480.06
Meals	37,704.08
Office Expenses	24,884.56
Owner's Distributions	114,428.37
Payroll Fees	843.83
Payroll Taxes	5,413.41
Postage	18.62
Professional Fees	17,722.97
Rent	131,072.08
Salaries	280,371.16
Software	6,986.08
Supplies	3,922.24
Taxes	29,145.21
Travel	20,796.01
Unemployment	1,292.46
Utilities	5,939.51
<b>Grand Total</b>	<b>752,799.95</b>

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# Excel Examples

## Date Function Example

Source data (1200+ lines long covering November 2017-February 2018)

Issue: Data needs to be summarized by month, by person, by contact (name and contract hidden)

Date	Hours	Billable?
11/1/2017	5	Yes
11/1/2017	0.75	Yes
11/1/2017	3.48	Yes
11/1/2017	0.75	Yes
11/1/2017	3.66	Yes
11/1/2017	3	Yes
11/1/2017	1.2	Yes
11/1/2017	2.2	Yes
11/1/2017	2.33	Yes
11/1/2017	2.15	Yes
11/1/2017	1	Yes
11/1/2017	3	Yes



Date	Month	Year	Hours	Billable?
11/1/2017	11.00	2017	5	Yes
11/1/2017	11.00	2017	0.75	Yes
11/1/2017	11.00	2017	3.48	Yes
11/1/2017	11.00	2017	0.75	Yes
11/1/2017	11.00	2017	3.66	Yes
11/1/2017	11.00	2017	3	Yes
11/1/2017	11.00	2017	1.2	Yes
11/1/2017	11.00	2017	2.2	Yes
11/1/2017	11.00	2017	2.33	Yes

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# Polling Question #2

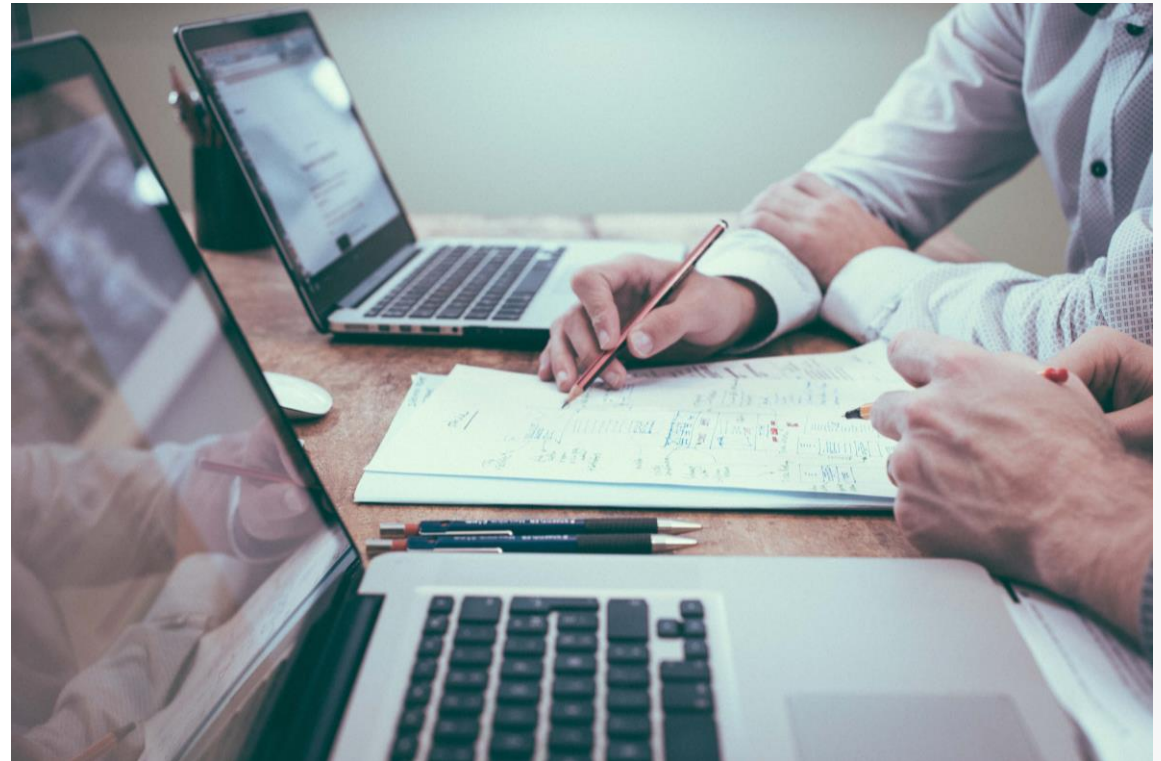
What is your most useful automation tool?

- a. Online Accounts Payable (Bill.com, etc.)*
- b. Online Expense Management (Expensify, Concur, Tallie, etc.)*
- c. Timekeeping Software*
- d. Other*

# Key Strategies for the Close

## Helpful Tips

- Don't hold up the close for minor items
- Create journal entries in advance
  - Deferred Rent
  - Depreciation
  - Principal/Interest
  - Deferred Revenue
- Estimated journal entries as placeholders
- Consider the use of Clearing Accounts in the G/L



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# Key Strategies for the Close

## Treat the close as an ongoing process

- Be organized and proactive
- Real-Time collection of data
- Real time project cost tracking
- Create an Audit File
- Create a Tax File
- Seek help from vendors



# Polling Question #3

Are your monthly close procedures documented?

- a. Yes*
- b. No*
- c. Somewhat/Partially*

# Key Strategies for the Close

## Document your accounting procedures

- Useful Accounting Manual
  - Critical Process Descriptions
- Regular updates to the manual
- Cross-train the finance team
- Invest in staff training





# Questions?

*We'd like to hear from you!*

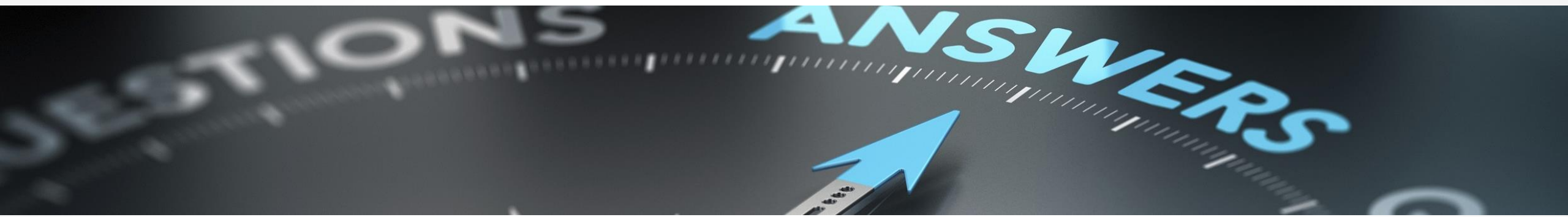
# Join us again

***“Preparing for Changes Ahead with  
Employee Benefit Plan Audits and Avoid  
Common Mistakes” (webinar)***

*April 19<sup>th</sup>, 2018, 11:00 a.m. to 12:00 p.m.*

*Register at [www.grfcpa.com/events](http://www.grfcpa.com/events)*

# Get In Touch



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