



# Active Network Reference Document

## Accounting Manual

### ActiveNet

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## INTRODUCTION

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The ActiveNet Accounting Guide is a basic guide that outlines the financial postings associated with ActiveNet transactions. The ActiveNet Accounting Guide is not a procedural guide. Configuration of ActiveNet's accounting mechanisms should be performed with the guidance of an ActiveNet representative.

## BENEFITS OF USING ACTIVE.NET ACCOUNTING

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ActiveNet is a comprehensive registration and database management system that also functions as a sub-ledger to an organization's general ledger system. The system's financial sub-structure has been designed to operate on either a modified accrual or cash=revenue basis. Organizations typically choose to use a software program such as MUNIS, Eden, or Great Plains to manage their general ledger external to ActiveNet. The type of software used does not impact ActiveNet. The ActiveNet sub-ledger provides an organization with a number of key benefits, including:

- A comprehensive audit trail (date, time, locations and system user transaction stamps);
- Tighter financial controls (pre-defined fees, discounts, GL accounts, and security);
- Standardized policies & procedures (administration fees, cancellation policies);
- Automatic revenue recognition in compliance with today's current accounting standards;
- GL accounts assigned during ActiveNet setup allowing debits and credits to occur without staff intervention;
- Revenue deferral options;
- Customer accounts receivable tracking (billings and statements, scheduled payments, and unpaid fees);
- Customer accounts payable tracking (refund tracking, customer credits, and service transfers);
- Transparency, reduced risk of human error and fraud if the ActiveNet financial reports are used for keying transactions into the main financial system. There is also the ability to automatically post transactions to your main ledger using financial integration – modified accrual accounting only;
- No redundancy, as ActiveNet reports will not have to be transcribed onto other forms;
- Streamlined cash out procedures. Clerical staff will be able to focus on customer service instead of performing accounting tasks in order to balance each day; and
- Decentralized, one stop shopping for your customers, allowing for the ability to register and pay anywhere online. Clerks at each location will be capable of retrieving information regarding customer credit or debit balances.

## REVENUE RECOGNITION METHODOLOGY

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ActiveNet can provide revenue recognition based upon 2 methodologies: Accrual and Cash Basis Accounting.

### ACCRUAL BASIS ACCOUNTING

In order to take full advantage of the accounting functionality within the ActiveNet system, accrual basis accounting is recommended. Accrual accounting allows an organization to measure fiscal performance and position by recognizing economic events regardless of when cash transactions occur. In other words, service revenue is recognized when it is earned, rather than when payment is received. Accrual basis accounting is suitable for any organization required to track customer balances (accounts receivable), customer credits on account, activity transfers, scholarships, discounts, and deferred revenue. Accrual basis is in compliance with generally accepted accounting principles (see Appendix 2). The transactions listed throughout this document are representative of accrual basis accounting.

## CASH BASIS ACCOUNTING

ActiveNet retains the ability to provide cash basis accounting estimates. In cash basis accounting, revenue is recognized only when payments are received, therefore making it unsuitable for any organization required to track customer balances (accounts receivable), customer credits on account, activity transfers, scholarships, discounts, and deferred revenue. Cash basis is not in accordance with generally accepted accounting principles (see Appendix 2). The transactions listed throughout this document do not utilize cash basis accounting. ActiveNet can only provide cash accounting estimates.

## GENERAL LEDGER CHART OF ACCOUNTS

ActiveNet requires that certain asset, liability and revenue accounts are present in order to function, so a number of General Ledger (GL) Accounts have been provided as defaults. All accounts defined in ActiveNet (both defaults as well as those created by the organization) should also exist in your General Ledger Chart of Accounts. Following is a list of required and recommended GL Accounts which may be created in the ActiveNet sub-ledger. Please note that account names may be modified according to your preferred naming conventions.

ACCOUNT NAME	ACCOUNT TYPE	DESCRIPTION	STATUS
Customer Balance (A/R) Account	Asset	This account is used to recognize balances owing on customer accounts. There can only be one Customer Balance Account. This is sometimes referred to as Accounts Receivable.	Required
Future Customer Balance (Future A/R) Account	Asset	This account is used to recognize balances scheduled to be owed by customers in the future. The scheduling is managed by payment plans. This is sometimes referred to as Future Accounts Receivable.	Required
Customer Credits (A/P) Account	Liability	This account is used to recognize balances owed on customer accounts. There can only be one Customer Credits Account. This is sometimes referred to as Accounts Payable.	Required
Payment: Cash Account	Asset	This account is used to recognize debits and credits associated with the transfer of cash monies. If separate payment accounts are not created for the different money types, then those monies will post to this account. There can only be one Payment: Cash Account.	Required
Payment: Check Account	Asset	This account is used to recognize debits and credits associated with the transfer of check monies. If this account is not created, then the Payment: Cash Account will be used to recognize debits and credits associated with the transfer of check monies. There can only be one Payment: Check Account.	Optional
Payment: Credit Card Account	Asset	This account is used to recognize debits and credits associated with the transfer of credit card monies. If this account is not created then the Payment: Cash Account will be used to recognize debits and credits associated with the transfer of credit card monies. This account is recommended for ease of reconciling remittance payments. There can only be one Payment: Credit Card Account.	Optional
Payment: Credit Memo Account	Asset	This account is used to recognize debits and credits associated with the transfer of credit memo monies. If this account is not created then the Payment: Cash Account will be used to recognize debits and credits associated with the transfer of credit memo monies. There can only be one Payment: Credit Memo Account.	Optional
Payment: ECP Account	Asset	This account is used to recognize debits and credits associated with the transfer of ECP monies. If this account is not created then the Payment: Cash Account will be used to recognize debits and credits associated with the transfer of ECP monies. This account is recommended for ease of reconciling remittance payments. There can only be one Payment: ECP Account.	Optional
Deferred Revenue (RCIA) Account	Income	This account is used to recognize the debits and credits associated with the transfer (purchase/return) of products and services prior to their delivery. There can only be one Deferred Revenue Account.	Optional
Refund Clearing Account	Liability	This account is used to recognize the debits and credits associated with utilizing another finance or treasury department for processing refunds outside of ActiveNet. There can only be one Refund Clearing Account.	Required

ACCOUNT NAME	ACCOUNT TYPE	DESCRIPTION	STATUS
Revenue Account(s)	Income	This account is used to recognize the debits and credits associated with the transfer (purchase/return) of products and services. Each product and service can be assigned an individual revenue account.	Required
Tax Account(s)	Liability	This account is used to recognize the debits and credits associated with tax collected from the transfer of products and services. There can be multiple Tax Accounts.	Optional
Gift Certificate Account(s)	Liability	This account is used to recognize the balance of gift certificates sold but not yet redeemed. There can be multiple Gift Certificate Accounts.	Optional
Scholarship Account(s)	Income	This account is use to recognize the amount of subsidized products and services. Each scholarship campaign can be assigned a unique Scholarship Account.	Optional
Adjustment Account(s)	Expense	This account is used to recognize the expense of discounting products and services. Each adjustment can be assigned a unique Adjustment Account.	Optional
ActiveNet Expense Account	Expense	This account is used to recognize the service charges charged by The Active Network for the use of Active Network software. There should only be one ActiveNet Expense Account.	Optional

## PRIMARY ACCOUNTING PROCESSES

### ACTIVITY REGISTRATION MODULE TRANSACTIONS

The following transactions are intended to illustrate how accounting is performed within the Activity Registration Module.

The following Activity will be used to illustrate Activity transactions:

- Activity Description:
  - Registration Date: Jan 1
  - Activity Start Date: Feb 1
  - Activity End Date: Mar 31
  - Activity Fee: \$50
  - Classes: Feb 1, 15 and Mar 1, 15, 29
  - Tax (where applicable): 10%

The following payment plan will be used to illustrate transactions utilizing payment plans:

- Payment Plan Description:
  - Initial Payment: \$0
  - Distribution: Evenly divide balance between scheduled payments
  - Payment Cycle: Monthly
  - First Due Date: Payment cycle for first meeting
  - Due Date: 1st of each month

### BASIC ACTIVITY TRANSACTIONS

Registration for an Activity set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Activity Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50

Registration for an Activity set for immediate payment (split between cash & credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Activity Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Jan 1	Credit card payment received	Payment: Credit Card Account	Customer Balance (A/R) Account	\$25

Registration for an Activity set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Activity Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	-	-	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Registration for an Activity set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Future Customer Balance ( Future A/R) Account	Activity Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Registration for a taxable Activity set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 1	Register in Activity	Customer Balance (A/R) Account	Activity Revenue	\$50
		Customer Balance (A/R) Account	Tax Account	\$5
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$55

## ACTIVITY TRANSFERS AND REFUNDS

Transfer from one Activity to another (of equal value):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Transfer out of Activity 1	Activity 1 Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Transfer into Activity 2	Customer Credit (A/R) Account	Activity 2 Revenue	\$50

Withdrawal from an Activity and credit customer's account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Activity	Activity Revenue	Customer Credit (A/P) Account	\$50

Withdrawal from an Activity and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Activity	Activity Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (in ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$50
Feb 16	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$50

Withdrawal from an Activity and process an immediate refund (credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Activity	Activity Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (in ActiveNet)	Customer Credit (A/P) Account	Payment: Credit Card Account	\$50

## DEFERRED ACTIVITY TRANSACTIONS

The following deferral settings can be configured in ActiveNet for the Activity Registration Module:

- Daily (Detailed Below): Daily deferral divides the total Activity Fee by the number of classes. The result is the value per class. On the day of each class the value per class is recognized as revenue.
- Weekly: Weekly deferral divides the total Activity Fee by the number of classes. The result is the value per class. For each week, the number of classes in that week is multiplied by the value per class. The result is the value for that week. On the system-selected day of the week, the value for that week is recognized as revenue.
- Monthly (Detailed Below): Monthly deferral divides the total Activity Fee by the number of classes. The result is the value per class. For each month, the number of classes in that month is multiplied by the value per class. The result is the value for that month. On the first day of the month, the value for that month is recognized as revenue.
- Quarterly: Quarterly deferral divides the total Activity Fee by the number of classes. The result is the value per class. For each quarter, the number of classes in that month is multiplied by the value per class. The result is the value for that quarter. On the first day of the quarter, the value for that quarter is recognized as revenue. Quarters are defined as Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec.
- Yearly: Yearly deferral divides the total Activity Fee by the number of classes. The result is the value per class. For each fiscal year, the number of classes in that year is multiplied by the value per class. The result is the value for that quarter. At time of registration, the value for that year is recognized as revenue. On the first day of the next fiscal year, all revenue for that year is recognized as revenue.

Registration for an Activity with daily deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Feb 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 1	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Activity Revenue	\$10

Registration for an Activity with daily deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 1	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 1	Payment is due	-	-	\$25
Mar 1	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Activity Revenue	\$10

Registration for an Activity with daily deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Future Customer Balance ( Future A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 1	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 1	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Activity Revenue	\$10

Registration for an Activity with monthly deferral and set for immediate payment:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Activity Revenue	\$20
Mar 1	Deferral posting	Deferred Revenue	Activity Revenue	\$30

Registration for an Activity with monthly deferral and set for a payment plan (see details above):

\*Payment postings will always happen on the date payment is made, not the date scheduled payment is due.



DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$20
Feb 1	Deferral posting	Deferred Revenue	Activity Revenue	\$20
Mar 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$30
Mar 1	Deferral posting	Deferred Revenue	Activity Revenue	\$30

## RESOURCE RESERVATION MODULE TRANSACTIONS

The following transactions are intended to illustrate how accounting is performed within the Resource Reservation Module.

The following rental permit will be used to illustrate Facility transactions:

- Permit Description:
  - Permit Created: Jan 1
  - Reservation Dates: Feb 1, 15 and Mar 1, 15, 29
  - Reservation Fee: \$10/reservation = \$50/permit
  - Tax (where applicable): 10%

The following payment plan will be used to illustrate transactions utilizing payment plans:

- Payment Plan Description:
  - Initial Payment: \$0
  - Distribution: Evenly divide balance between scheduled payments
  - Payment Cycle: Monthly
  - First Due Date: Payment cycle for first meeting
  - Due Date: 1st of each month

## BASIC FACILITY RESERVATION TRANSACTIONS

Reservation for a permit set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Facility Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50

Reservation for a permit set for immediate split payment (cash/credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Facility Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Jan 1	Credit card payment received	Payment: Credit Card Account	Customer Balance (A/R) Account	\$25

Reservation for a permit set for payment (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Facility Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	-	-	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Reservation for a permit set for payment (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Future Customer Balance ( Future A/R) Account	Facility Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Reservation for a permit in a taxable Facility set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Facility Revenue	\$50
		Customer Balance (A/R) Account	Tax Account	\$5
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$55

## PERMIT CHANGES, CANCELATIONS, AND REFUNDS

Transfer reservation from one Facility to another (of equal value):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Remove reservation from permit	Facility Revenue 1	Customer Credit (A/P) Account	\$10
Feb 15	Add reservation to permit	Customer Credit (A/P) Account	Facility Revenue 2	\$10

Cancel permit and credit customer's account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Cancel permit	Facility Revenue	Customer Credit (A/P) Account	\$50

Cancel permit and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Cancel permit	Facility Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$50
Feb 16	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$50

Cancel permit and process an immediate refund (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 1	Cancel permit	Facility Revenue	Customer Credit (A/P) Account	\$50
Feb 1	Process refund (ActiveNet)	Customer Credit (A/P) Account	Bank Account	\$50

## DEFERRED FACILITY RESERVATION TRANSACTIONS

The following deferral settings can be configured in ActiveNet for the Facility Reservation Module:

- **Daily (Detailed Below):** Daily deferral recognizes the value of each reservation as revenue on the day of the reservation.
- **Weekly:** Weekly deferral recognizes the value of all reservations in a week as revenue on the system-selected day of the week.
- **Monthly (Detailed Below):** Monthly deferral recognizes the value of all reservations in a month as revenue on the first day of the month.
- **Quarterly:** Quarterly deferral recognizes the value of all reservations in a Quarter as revenue on the first day of the Quarter. Quarters are defined as Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec.
- **Yearly:** Yearly deferral recognizes the value of all reservations in that fiscal year at time of reservation. On the first day of the next fiscal year, all revenue for that year is recognized as revenue.

Reservation for a permit made with daily deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Feb 15	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 1	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 15	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar \$29	Deferral posting	Deferred Revenue	Facility Revenue	\$10

Reservation for a permit made with daily deferral and set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 1	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 1	Payment is due	-	-	\$25
Mar 1	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Activity Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Facility Revenue	\$10

Reservation for a permit made with daily deferral and set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Future Customer Balance ( Future A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 1	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 1	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Facility Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Facility Revenue	\$10

Reservation for a permit made with monthly deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Facility Revenue	\$20
Mar 1	Deferral posting	Deferred Revenue	Facility Revenue	\$30

Reservation for a permit made with monthly deferral and set for payment plan (see details below):

\*Payment postings will always happen on the date payment is made, not the date scheduled payment is due.

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Reserve	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$20
Feb 1	Deferral posting	Deferred Revenue	Facility Revenue	\$20
Mar 1	Payment	Payment: Cash Account	Customer Balance (A/R) Account	\$30
Mar 1	Deferral posting	Deferred Revenue	Facility Revenue	\$30

## MEMBERSHIP REGISTRATION MODULE TRANSACTIONS

The following transactions are intended to illustrate how accounting is performed within the Membership Registration Module.

The following membership will be used to illustrate Membership transactions:

- Membership Description:
  - Enrolment Date: Jan 1
  - Membership Effective Date: Feb 1
  - Membership End Date: Mar 31
  - Membership Fee: \$118
  - Tax (where applicable): 10%

The following payment plan will be used to illustrate transactions utilizing payment plans:

- Payment Plan Description:
  - Initial Payment: \$0
  - Distribution: Evenly divide balance between scheduled payments
  - Payment Cycle: Monthly
  - First Due Date: Payment cycle for first meeting
  - Due Date: 1st of each month

## BASIC MEMBERSHIP TRANSACTIONS

Enrollment in a Membership set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Membership Pass Revenue	\$118
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$118

Enrollment in a Membership set for immediate payment (split between cash & credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Membership Pass Revenue	\$118
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Jan 1	Credit card payment received	Payment: Credit Card Account	Customer Balance (A/R) Account	\$59

Enrollment in a Membership set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Membership Revenue	\$118
Feb 1	Payment is due	-	-	\$59
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Mar 1	Payment is due	-	-	\$59
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59

Enrollment in a Membership set for payment plan payment (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Future Customer Balance ( Future A/R) Account	Membership Revenue	\$118
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$59
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$59
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59

Enrollment in a taxable Membership set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Membership Pass Revenue	\$\$118
		Customer Balance (A/R) Account	Tax Account	\$11.80
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$129.80

## MEMBERSHIP TRANSFERS AND CANCELLATIONS

Transfer enrollment from one Membership to another (of equal value):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Transfer out of Membership 1	Membership Pass Revenue 1	Customer Credit (A/P) Account	\$118
Feb 15	Transfer into Membership 2	Customer Credit (A/P) Account	Membership Pass Revenue 2	\$118

Withdrawal from a Membership and credit customer's account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Membership	Membership Pass Revenue	Customer Credit (A/P) Account	\$118

Withdrawal from a Membership and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Membership	Membership Pass Revenue	Customer Credit (A/P) Account	\$118
Feb 15	Process refund (in ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$118
Feb 16	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$118

Withdrawal from a Membership and process an immediate refund (Credit Card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Membership	Membership Pass Revenue	Customer Credit (A/R) Account	\$118
Feb 15	Process refund (in ActiveNet)	Customer Credit (A/R) Account	Payment: Credit Card Account	\$118

## DEFERRED MEMBERSHIP TRANSACTIONS

The following deferral settings can be configured in ActiveNet for the Membership Registration Module:

- Daily (Detailed Below): Daily deferral divides the total Membership Fee by the number of days the membership is valid. The result is the value per day. Each day the value per day is recognized as revenue.
- Weekly: Weekly deferral divides the total Membership Fee by the number of valid days. The result is the value per valid day. For each week, the number of days in that week is multiplied by the value per valid day. The result is the value for that week. On the system-selected day of the week, the value for that week is recognized as revenue.
- Monthly (Detailed Below): Monthly deferral divides the total Membership Fee by the number of valid days. The result is the value per valid day. For each month, the number of days in that month is multiplied by the value per valid day. The result is the value for that month. On the first day of the month, the value for that month is recognized as revenue.
- Quarterly: Quarterly deferral divides the total Membership Fee by the number of valid days. The result is the value per valid day. For each quarter, the number of days in that quarter is multiplied by the value per valid day. The result is the value for that quarter. On the first day of the quarter, the value for that quarter is recognized as revenue. Quarters are defined as Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec.
- Yearly: Yearly deferral divides the total Membership Fee by the number of valid days. The result is the value per valid day. For each fiscal year, the number of valid days in that year is multiplied by the value per valid day. The result is the value for that year. At time of enrolment, the value for that year is recognized as revenue. On the first day of the next fiscal year, all revenue for that year is recognized as revenue.

Enrollment in a Membership with daily deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Deferred Revenue	\$118
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$118
Feb 1	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 2	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 3	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 4 – Mar 29	Deferral posting	Deferred Revenue	Membership Revenue	\$108
Mar 30	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Mar 31	Deferral posting	Deferred Revenue	Membership Revenue	\$2

Enrollment in a Membership with daily deferral and set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Deferred Revenue	\$118
Feb 1	Payment is due	-	-	\$59
Feb 1	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Feb 2	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 3-28	Deferral posting	Deferred Revenue	Membership Revenue	\$52
Mar 1	Payment is due	-	-	\$59
Mar 1	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Mar 2	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Mar 3-31	Deferral posting	Deferred Revenue	Membership Revenue	\$58

Enrollment in a Membership with daily deferral and set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Future Customer Balance ( Future A/R) Account	Deferred Revenue	\$118
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$59
Feb 1	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Feb 2	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Feb 3-28	Deferral posting	Deferred Revenue	Membership Revenue	\$52
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$59
Mar 1	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Mar 2	Deferral posting	Deferred Revenue	Membership Revenue	\$2
Mar 3-31	Deferral posting	Deferred Revenue	Membership Revenue	\$58

Enrollment in a Membership with monthly deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Deferred Revenue	\$118
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$118
Feb 1	Deferral posting	Deferred Revenue	Membership Revenue	\$56
Mar 1	Deferral posting	Deferred Revenue	Membership Revenue	\$62



Enrollment in a Membership with daily deferral and set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

. DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Deferred Revenue	\$118
Feb 1	Payment is due	-	-	\$59
Feb 1	Deferral posting	Deferred Revenue	Membership Revenue	\$56
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Mar 1	Payment is due	-	-	
Mar 1	Deferral posting	Deferred Revenue	Membership Revenue	\$62
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59

Enrollment in a Membership with daily deferral and set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

. DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Enroll	Customer Balance (A/R) Account	Deferred Revenue	\$118
Feb 1	Payment is due	-	-	\$59
Feb 1	Deferral posting	Deferred Revenue	Membership Revenue	\$56
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59
Mar 1	Payment is due	-	-	
Mar 1	Deferral posting	Deferred Revenue	Membership Revenue	\$62
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$59

## FLEXIBLE REGISTRATION MODULE TRANSACTIONS

The following transactions are intended to illustrate how accounting is performed within the Flexible Registration Module.

The following program will be used to illustrate FlexReg transactions:

- Program Description:
  - Registration Date: Jan 1
  - Program Start Date: Feb 1
  - Program End Date: Mar 31
  - Program Fee: \$50
  - Registered Dates: Feb 1, 15 and Mar 1, 15, 29
  - Tax (where applicable): 10%

The following payment plan will be used to illustrate transactions utilizing payment plans:

- Payment Plan Description:
  - Initial Payment: \$0
  - Distribution: Evenly divide balance between scheduled payments
  - Payment Cycle: Monthly
  - First Due Date: Payment cycle for first meeting
  - Due Date: 1st of each month

## BASIC FLEXREG TRANSACTIONS

Registration for a Program set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Program Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50

Registration for a Program set for immediate payment (split between cash & credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Program Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Jan 1	Credit card payment received	Payment: Credit Card Account	Customer Balance (A/R) Account	\$25

Registration for a Program set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Program Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	-	-	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Registration for a Program set for payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Future Customer Balance ( Future A/R) Account	Program Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Registration for a taxable Program set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Program Revenue	\$50
		Customer Balance (A/R) Account	Tax Account	\$5
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$55

## FLEXREG TRANSFERS AND WITHDRAWALS

Transfer from one Program to another (of equal value):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Transfer out of Program 1	Program 1 Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Transfer into Program 2	Customer Credit (A/R) Account	Program 2 Revenue	\$50

Withdrawal from a Program and credit customer's account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Program	Program Revenue	Customer Credit (A/P) Account	\$50

Withdrawal from a Program and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Program	Program Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (in ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$50
Feb 16	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$50

Withdrawal from a Program and process an immediate refund (credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from program	Program Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (in ActiveNet)	Customer Credit (A/P) Account	Payment: Credit Card Account	\$50

## DEFERRED FLEXREG TRANSACTIONS

The following deferral settings can be configured in ActiveNet for the FlexReg Module:

- Daily (Detailed Below): Daily deferral divides the total Program Fee by the number of days booked. The result is the value per booked day. On the day of each booking the value per booked day is recognized as revenue.
- Weekly: Weekly deferral divides the total Program Fee by the number of days booked. The result is the value per booked day. For each week, the number of bookings in that week is multiplied by the value per booking. The result is the value for that week. On the system-selected day of the week, the value for that week is recognized as revenue.
- Monthly (Detailed Below): Monthly deferral divides the total Program Fee by the number of days booked. The result is the value per booked day. For each month, the number of bookings in that month is multiplied by the value per booking. The result is the value for that month. On the first day of the month, the value for that month is recognized as revenue.
- Quarterly: Quarterly deferral divides the total Program Fee by the number of days booked. The result is the value per booked day. For each quarter, the number of booked days in that quarter is multiplied by the value per booked day. The result is the value for that quarter. On the first day of the quarter, the value for that quarter is recognized as revenue. Quarters are defined as Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec.
- Yearly: Yearly deferral divides the total Membership Program Fee by the number of days booked. The result is the value per booked day. For each fiscal year, the number of booked days in that year is multiplied by the value per booked day. The result is the value for that year. At time of registration, the value for that year is recognized as revenue. On the first day of the next fiscal year, all revenue for that year is recognized as revenue.

Registration for a Program with daily deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Program Revenue	\$10
Feb 15	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 1	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 15	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Program Revenue	\$10

Registration for a Program with daily deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 1	Deferral posting	Deferred Revenue	Program Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 1	Payment is due	-	-	\$25
Mar 1	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Program Revenue	\$10

Registration for a Program with daily deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Future Customer Balance ( Future A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 1	Deferral posting	Deferred Revenue	Program Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 1	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Program Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Program Revenue	\$10

Registration for a Program with monthly deferral and set for immediate payment:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Program Revenue	\$20
Mar 1	Deferral posting	Deferred Revenue	Program Revenue	\$30

Registration for a Program with monthly deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	-	-	\$20
Feb 1	Deferral posting	Deferred Revenue	Program Revenue	\$20
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$20
Mar 1	Payment is due	-	-	\$20
Mar 1	Deferral posting	Deferred Revenue	Program Revenue	\$30
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$30

Registration for a Program with monthly deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Program	Future Customer Balance ( Future A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$20
Feb 1	Deferral posting	Deferred Revenue	Program Revenue	\$20
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$20
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$20
Mar 1	Deferral posting	Deferred Revenue	Program Revenue	\$30
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$30

## PRIVATE LESSONS MODULE TRANSACTIONS

The following transactions are intended to illustrate how accounting is performed within the Private Lessons Module.

The following program will be used to illustrate private lesson transactions:

- Private Lesson Description:
  - Registration Date: January 1st
  - Activity Start Date: Feb 1st
  - Activity End Date: Mar 31st
  - Activity Fee: \$50
  - Lessons: Feb 1, 15 and Mar 1, 15, 29
  - Tax (where applicable): %10

The following payment plan will be used to illustrate transactions utilizing payment plans:

- Payment Plan Description:
  - Initial Payment: \$0
  - Distribution: Evenly divide balance between scheduled payments
  - Payment Cycle: Monthly
  - First Due Date: Payment cycle for first meeting
  - Due Date: 1st of each month

## BASIC PRIVATE LESSON TRANSACTIONS

Registration for Private Lessons set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Private Lessons	Customer Balance (A/R) Account	Private Lessons Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50

Registration for Private Lessons set for immediate payment (split between cash & credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Private Lessons	Customer Balance (A/R) Account	Private Lessons Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Jan 1	Credit card payment received	Payment: Credit Card Account	Customer Balance (A/R) Account	\$25

Registration for a Private Lesson set for payment plan (see payment plan details above):

\*System Setting = Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Program Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	-	-	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Registration for a Private Lesson set for payment plan (see payment plan details above):

\*System Setting = Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Future Customer Balance ( Future A/R) Account	Program Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Registration for taxable Private Lessons set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 1	Register in Private Lessons	Customer Balance (A/R) Account	Private Lessons Revenue	\$50
		Customer Balance (A/R) Account	Tax Account	\$5
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$55

## PRIVATE LESSON TRANSFERS AND REFUNDS

Transfer from one set of Private Lessons to another (of equal value):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Transfer out of Private Lessons 1	Private Lesson 1 Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Transfer into Private Lessons 2	Customer Credit (A/R) Account	Private Lesson 2 Revenue	\$50

Withdrawal from Private Lessons and credit customer's account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Private Lessons	Private Lesson Revenue	Customer Credit (A/P) Account	\$50

Withdrawal from Private Lessons and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Private Lessons	Private Lesson Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$50
Feb 16	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$50

Withdrawal from Private Lessons and process an immediate refund (credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 15	Withdraw from Private Lessons	Activity Revenue	Customer Credit (A/P) Account	\$50
Feb 15	Process refund (ActiveNet)	Customer Credit (A/P) Account	Payment: Credit Card Account	\$50

## DEFERRED PRIVATE LESSON TRANSACTIONS

The following deferral settings can be configured in ActiveNet for the Private Lessons Module:

- **Daily (Detailed Below):** Daily deferral divides the total Private Lesson Fee by the number of booked lessons. The result is the value per lesson. Each day the value per lesson is recognized as revenue.
- **Weekly:** Weekly deferral divides the total Private Lesson Fee by the number booked. The result is the value per lesson. For each week, the number of lessons booked in that week is multiplied by the value per lesson. On the system-selected day of the week, the value for that week is recognized as revenue.
- **Monthly (Detailed Below):** Monthly deferral divides the total Private Lesson Fee by the number booked. The result is the value per lesson. For each month, the number of lessons booked in that month is multiplied by the value per lesson. The result is the value for that month. On the first day of the month, the value for that month is recognized as revenue.
- **Quarterly:** Quarterly deferral divides the total Private Lesson Fee by the number booked. The result is the value per lesson. For each quarter, the number of booked lessons in that quarter is multiplied by the value per lesson. The result is the value for that quarter. On the first day of the quarter, the value for that quarter is recognized as revenue. Quarters are defined as Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec.
- **Yearly:** Yearly deferral divides the total Private Lesson Fee by the number booked. The result is the value per lesson. For each fiscal year, the number of booked lessons in that year is multiplied by the value per lesson. The result is the value for that year. At time of registration, the value for that year is recognized as revenue. On the first day of the next fiscal year, all revenue for that year is recognized as revenue.

At time of purchase, ActiveNet does not require that all purchased lessons be booked. Non-booked lessons can be recognized in one of the following ways:

- **End of Activity:** Revenue for all non-booked Private Lessons is recognized on the last day Private Lessons are available to be booked. The last available day is configured during setup.
- **End of Season:** Revenue for all non-booked Private Lessons is recognized on the last day of the season within which the Private Lessons occur. The last day of the season is configured during setup.
- **End of Fiscal Year:** Revenue for all non-booked Private Lessons is recognized on the last day of the fiscal year in which the Private Lessons occur. If the Private Lessons occur over two fiscal years then the revenue will be recognized at the end of the second fiscal year



Registration for Private Lessons with daily deferral and set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Private Lessons	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Feb 15	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 1	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 15	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10

Registration for Private Lessons with daily deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment plan is set up

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	-	-	\$25
Feb 1	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 1	Payment is due	-	-	\$25
Mar 1	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10

Registration for an Activity with daily deferral and set for a payment plan (see payment plan details above):

\*System Setting → Post amount due to A/R Account when payment comes due

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Activity	Future Customer Balance ( Future A/R) Account	Deferred Revenue	\$50
Feb 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Feb 1	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Feb 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Feb 15	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 1	Payment is due	Customer Balance (A/R) Account	Future Customer Balance ( Future A/R) Account	\$25
Mar 1	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 2	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25
Mar 15	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10
Mar 29	Deferral posting	Deferred Revenue	Private Lesson Revenue	\$10

Registration for Private Lessons with monthly deferral and set for immediate payment:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Private Lessons	Customer Balance (A/R) Account	Deferred Revenue	\$50
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Feb 1	Deferral posting	Deferred Revenue	Private Lessons Revenue	\$20
Mar 1	Deferral posting	Deferred Revenue	Private Lessons Revenue	\$30

Registration for Private Lessons with monthly deferral and set for a payment plan (see details above):

\*Payment postings will always happen on the date payment is made, not the date scheduled payment is due.

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Register in Private Lessons	Customer Balance (A/R) Account	Deferred Revenue	\$50
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$20
Feb 1	Deferral posting	Deferred Revenue	Private Lessons Revenue	\$20
Mar 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$30
Mar 1	Deferral posting	Deferred Revenue	Private Lessons Revenue	\$30

## POINT OF SALE MODULE TRANSACTIONS

The following transactions are intended to illustrate how accounting is performed within the Point of Sale Module.

The following Product will be used to illustrate POS transactions:

- Product Description:
  - Price: \$20
  - Tax (where applicable): 10%

## BASIC POINT OF SALE TRANSACTIONS

Sale of Product set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Sell Product	Customer Balance (A/R) Account	Merchandise Revenue	\$20
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$20

Sale of Product set for immediate payment (split between cash & credit card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Sell Product	Customer Balance (A/R) Account	Merchandise Revenue	\$20
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$10
Jan 1	Credit card payment received	Payment: Credit Card Account	Customer Balance (A/R) Account	\$10

Sale made for taxable Product set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Sell Product	Customer Balance (A/R) Account	Merchandise Revenue	\$20
		Customer Balance (A/R) Account	Tax Account	\$2
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$22

## POINT OF SALE RETURNS

Return Product and credit customer's account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Return Product	Merchandise Revenue	Customer Credit (A/P) Account	\$20

Return Product and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Return Product	Merchandise Revenue	Customer Credit (A/P) Account	\$20
Jan 1	Process refund (In ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$20
Jan 2	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$20

Return Product and process an immediate refund (Credit Card):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Return Product	Merchandise Revenue	Customer Credit (A/P) Account	\$20
Jan 1	Process refund (In ActiveNet)	Customer Credit (A/P) Account	Payment: Credit Card Account	\$20

## THIRD PARTY BILLING

ActiveNet supports third party billing for the Activity Registration, Facility Reservation, Membership Registration, Flexible Registration, and Point of Sale modules.

The need for third party billing can arise for a variety of reasons:

- A customer's company pays for a portion of their membership;
- A child is assisted in attending a day camp by being sponsored by several agencies;
- An insurance company pays for a activity or membership as part of a customer's rehabilitation program;
- A grandparent pays for their grandchild's activity in full;
- A governmental agency pays for a portion of a child's daily daycare charge; or
- A league or team is sponsored by a company.

ActiveNet represents transactions associated with Third Party billing within its sub-ledger in the same manner as the sample transactions listed previously.

## VOIDED RECEIPTS AND CANCELLED PAYMENTS

ActiveNet maintains the ability to both void receipts and cancel payments depending on the circumstances. Receipt voids are utilized only for erroneous transactions, while payments may be cancelled due to NSF checks, credit card disputes, or to fix errors (e.g. a payment that was never actually received). The following transactions are intended to illustrate how accounting is performed within ActiveNet for voided receipts and cancelled payments.

**Voided Receipts:** Voiding a receipt does not reverse the original GL postings, it deletes them. It is therefore essential that all voids be completed on the same day the original transaction occurred.

**Cancel Payment** from a Registration for an Activity set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Original Registration	Customer Balance (A/R) Account	Activity Revenue	\$50
Jan 1	Original Cash Payment	Payment: Cash Account	Customer Balance (A/R) Account	\$50
Jan 2	Cancel Cash Payment	Customer Balance (A/R) Account	Payment: Cash Account	\$50

## DISCOUNTS, COUPONS, AND SCHOLARSHIPS

ActiveNet has the ability to manage discounts, coupons, and scholarships. The following transactions are intended to illustrate how accounting is performed within ActiveNet for discounts, coupons, and scholarships.

### USING AN OFFSET GL ACCOUNT

Using a GL Account allows an organization to recognize the full value of the service provided while simultaneously keeping track of various expenses. It is recommended that scholarships are always configured to use an offset account so that reimbursement amounts (from external organizations or departments for example) may be easily determined.

Registration for an Activity set for immediate payment (cash) with a \$25 discount:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Registration	Customer Balance (A/R) Account	Activity Revenue	\$75
Jan 1	Discount applied	Discount Account	Activity Revenue	\$25
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$75

Registration for an Activity set for immediate payment (cash) with a \$25 coupon:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Registration	Customer Balance (A/R) Account	Activity Revenue	\$75
Jan 1	Coupon Applied	Coupon Account	Activity Revenue	\$25
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$75

Registration for an Activity set for immediate payment (cash) with a \$25 scholarship:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Registration	Customer Balance (A/R) Account	Activity Revenue	\$75
Jan 1	Scholarship Applied	Scholarship Account	Activity Revenue	\$25
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$75

\*In the above examples the net credit to the Activity Revenue account is \$100.

## WITHOUT USING AN OFFSETTING GL ACCOUNT

If discounts or coupons are configured without an offsetting GL Account, the transaction accounting will be as follows.

Registration for an Activity set for immediate payment (cash) with a \$25 discount:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Registration	Customer Balance (A/R) Account	Activity Revenue	\$100
Jan 1	Discount applied	Activity Revenue	Customer Balance (A/R) Account	\$25
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$75

Registration for an Activity set for immediate payment (cash) with a \$25 coupon:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Registration	Customer Balance (A/R) Account	Activity Revenue	\$100
Jan 1	Coupon Applied	Activity Revenue	Customer Balance (A/R) Account	\$25
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$75

\*In the above examples the net credit to the Activity Revenue account is \$75.

## GIFT CERTIFICATES

ActiveNet has the ability to manage and track Gift Certificates. Gift Certificate Revenue is held in a liability account until it is redeemed by a customer for goods or services. The following transactions are intended to illustrate how accounting is performed within ActiveNet for Gift Certificate transactions.

Sale of a \$25 Gift Certificate set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Sell Gift Certificate	Customer Balance (A/R) Account	Gift Certificate Account	\$25
Jan 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

Redemption of a \$25 Gift Certificate towards \$50 of merchandise set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 1	Sell Product	Customer Balance (A/R) Account	Merchandise Revenue	\$50
Feb 1	Gift Certificate Redeemed	Gift Certificate Account	Customer Balance (A/R) Account	\$25
Feb 1	Cash payment received	Payment: Cash Account	Customer Balance (A/R) Account	\$25

\* Note that Gift Certificates may be valid for an indefinite time or they may be set to expire. If they are set to expire no accounting transactions will automatically occur. A manual posting will be required in order to move the funds from the Gift Certificate Account to a revenue account.

## PAYROLL

ActiveNet has the ability to calculate Instructor Payroll. Once reviewed, ActiveNet can perform the GL postings associated with Payroll. Both a clearing and expense account must be indicated and can be set either globally or on a per activity basis. The following transactions are intended to illustrate how accounting is performed within ActiveNet for posting Payroll.

Post \$10,000 of Payroll:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Post Payroll	Clearing Account (Wages Payable)	Expense Account (Labor)	\$10,000
Jan 15	Pay Staff (Outside of ActiveNet)	Bank	Clearing Account (Wages Payable)	\$10,000

## MANUAL ACCOUNT ADJUSTMENTS

ActiveNet can perform GL account adjustments through the use of journal entries, journal transfers, and adjusting customer credits and balances. The following transactions are intended to illustrate how accounting is performed within ActiveNet for manual account adjustments.

### JOURNAL ENTRIES

Journal Entries assume a debit to the Payment: Cash Account and allow for an offsetting credit to any non-system GL Account. Journal Entries are ideal for processing payments not originally collected through ActiveNet.

### JOURNAL TRANSFERS

Journal Transfers allow for a debit and credit to any GL Account. Journal Transfers must net to zero. Journal Transfers are ideal for amending incorrect postings.

### CUSTOMER BALANCE ADJUSTMENT (DEBIT)

Debit Customer Balance Adjustments assume either a debit to the Customer Balance (A/R) Account (payment plan selected) or a debit to the Payment Account (payment type selected). The offsetting credit can be applied to any non-system GL Account. Customer Balance Adjustments are ideal for debiting a customer's account for miscellaneous fees incurred by the customer (i.e. NSF charges).

### CUSTOMER BALANCE ADJUSTMENT (CREDIT)

Credit customer balance adjustments assume a credit to the Customer Credit (A/P) Account. The offsetting debit can be applied to any non-system or payment GL Account. Customer Balance Adjustments are ideal for taking payments on account or crediting a customer's account due to incorrect charges.

Journal Entry: Enter money collected for product from a remote location without access to ActiveNet.

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 01	Journal Entry	Payment: Cash Account	Product Revenue	\$50

Journal Transfer: Transfer funds received into an incorrect GL account to a correct account.

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 01	Journal Transfer	Incorrect GL Account	Correct GL Account	\$50

Customer Balance Adjustment (Debit): Charge NSF set for immediate payment (cash):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 01	Customer Balance Adjustment (Debit)	Payment: Cash Account	NSF GL Account	\$50

Customer Balance Adjustment (Debit): Charge NSF set for payment plan (due today):

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 01	Customer Balance Adjustment (Debit)	Customer Balance (A/R) Account	NSF GL Account	\$50

Customer Balance Adjustment (Credit): Customer makes payment (cash) on account:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Feb 01	Customer Balance Adjustment (Debit)	Payment: Cash Account	Customer Balance (A/R) Account	\$50

## TRANSFERRING TO MAIN ACCOUNTS PAYABLE FROM ACTIVE.NET

If a customer has a credit on their account from a transaction such as a cancelled activity, a check refund may be initiated in ActiveNet. Requesting a refund check will debit the customer account and credit the Refund Clearing Account.

On the day the refund is processed, the Account Distribution Report and Refund Report will reflect a debit balance in the Refund Clearing Account. The Refund Report should be sent to the department responsible for writing checks to notify them of the check request. The Account Distribution Report should be sent to Finance to update the organizations general ledger (For further detail, refer to the section, 'Transferring ActiveNet Accounting Postings to the General Ledger' below)

Upon receiving the Refund Report, the department responsible for writing the check should cut the check against the Refund Clearing Account. If there are no outstanding checks then the Refund Clearing Account in the general ledger should net to zero.

The following transactions are intended to illustrate how accounting is performed within ActiveNet for processing refunds.

Return merchandise and process a check refund:

DATE	TRANSACTION	DEBIT	CREDIT	AMOUNT
Jan 1	Return Product	Merchandise Revenue	Customer Credit (A/P) Account	\$20
Jan 1	Process refund (In ActiveNet)	Customer Credit (A/P) Account	Refund Clearing Account	\$20
Jan 2	Process check (Outside ActiveNet)	Refund Clearing Account	Bank Account	\$20



## RECONCILING ACTIVE.NET REMITTANCE

### AGENCY PAYMENT REPORT

The Agency Payment Report is used to reconcile the remittance check that is received from The Active Network to ActiveNet.

- Receipt Amount is the total value of the receipt including products, services and processing fee, if applicable.
- Amount Paid is the total amount paid toward the value of the receipt and does not include any processing fees.
- CC Amount is the total amount paid with credit card toward the value of the receipt and includes the processing fee, if applicable.
- CC Fee is the additional credit card charges for front desk transactions.
- Trans Fee is the total base service charges for all transactions.
- Amt Due Org is the total amount of monies owed to the agency by The Active Network.

### RECONCILIATION

In order to reconcile the remittance check received from The Active Network to the Agency Report:

Note the effective dates of the remittance check (included with the check from The Active Network).

Run the Agency Report for the dates noted above.

Compare the Amt Due Org column with the remittance check total.

- 1.1. If there is a discrepancy between the totals please notify support at 1.800.663.4991.

Reconcile Agency Report to Cash Receipts and Refunds Report (Optional).

Note the effective dates of the remittance check (included with the check from The Active Network).

Run the Agency Report for the dates noted above.

Run the Cash Receipts Report for the dates noted above.

Run the Refund Report for refund type Mail Check for the dates noted above.

Take the Grand Total From Account from the Cash Receipts Report plus cancelled payment amounts (check, cash, from account, credit memo) and subtract the Grand Total from the Refund Report. The result is the Internal Report Total.

Compare the Internal Report Total to the Amount Paid column of the Agency Report.

- 1.2. If there is a discrepancy between the totals, please notify support at 1.800.663.4991.

- 1.3. Voiding receipts from a previous remittance period affect the audit report on the day of the original receipt; voiding receipts affect the agency payment report on the day of the void.

Account for Monies Received and Expenses Incurred.

Note the effective dates of the remittance check (included with the check from The Active Network).

Run the Agency Report for the dates noted above.

Add the CC Fee to the Trans Fee from the Agency Report. The result is the Total Expense Amount.

In the financial general ledger the below transactions should occur:

TRANSACTION	DEBIT	CREDIT	AMOUNT
Receive Check	Payment: Cash	Payment: Credit Card Account	Amount Due Organization
	ActiveNet: Expense	Payment: Credit Card Account	Total Expense Amount

## TRANSFERRING ACTIVE.NET ACCOUNTING POSTINGS TO THE GENERAL LEDGER

ActiveNet does not store balances of any of the General Ledger accounts. Instead, it stores a record of all the changes made to GL accounts. ActiveNet also stores a balance for each customer account. The GL account balances are stored on your main General Ledger system. Since no GL balances are stored in ActiveNet, the revenue accounts do not need to be closed each fiscal year in ActiveNet. Again this is done on an organization's main General Ledger system.

Postings are transferred from ActiveNet to your main General Ledger with the Account Distribution Report. It records all the changes to GL accounts for a given time period. The Account Distribution Report can be run for any arbitrary period instead of just a day. Weekly, Monthly, Yearly or Year to Date reports can be run as well as from any starting date to any ending date.

A common error in running this report is to not include a date when transactions occur. This can happen if the report is run before business day end or if non-cash transactions such as a transfer between equal value activities or a withdrawal and refund occurs. Since no cash has changed hands, staff could erroneously believe that the report does not need to be run.

# FINANCIAL REPORTS

## CASH RECEIPTS REPORT (SUMMARY)

Page : 1 of 1

### Cash Receipts Report (Summary)

7/5/2010

5:29 PM

Receipt Date/Time: From Jul 5, 2010 4:28 pm through Jul 5, 2010 11:59 PM

#### Cash Drawer Totals

Cash: +	\$30.00
Cash Refunds: -	\$0.00
<b>Sub-Total Cash: =</b>	<b>\$30.00</b>
Check: +	\$0.00
<b>Sub-Total Cash/Check: =</b>	<b>\$30.00</b>
Gift Certificates: +	\$0.00
<b>Sub-Total Cash/Check/GC: =</b>	<b>\$30.00</b>
Memo: +	\$0.00
<b>Sub-Total Cash/Check/GC/Memo: =</b>	<b>\$30.00</b>
Credit Card: +	\$200.00
Credit Card Refunds: -	\$0.00
<b>Total Cash Drawer: =</b>	<b>\$230.00</b>

#### Grand Totals

<b>Total Cash Drawer: +</b>	<b>\$230.00</b>
<b>Sub-Total Manual Deduct: +</b>	<b>\$0.00</b>
<b>Grand Total: =</b>	<b>\$230.00</b>
<b>Sub-Total From Account: +</b>	<b>\$0.00</b>
<b>Grand Total With From Account: =</b>	<b>\$230.00</b>
<b>Sub-Total From ECP: +</b>	<b>\$ 0.00</b>
<b>Grand Total With ECP: =</b>	<b>\$ 230.00</b>
<b>Sub-Total From Journal Entries: +</b>	<b>\$ 0.00</b>
<b>Grand Total With Journal Entries: =</b>	<b>\$ 230.00</b>

#### Credit Card Totals

Visa:	\$200.00
MasterCard:	\$0.00
American Express:	\$0.00
Payroll Deduction:	\$0.00
<b>Sub-Totals Credit Cards:</b>	<b>\$200.00</b>

## ACCOUNT DISTRIBUTION REPORT (SUMMARY)

Page: 1 of 1

### Account Distribution Report (Summary)

7/5/2010

5:30 PM

Transaction Date/Time: From Jul 5, 2010 4:28 pm through Jul 5, 2010 11:59 PM

Account Name	Account Number	Transactions	Debited	Credited	Transferred
Activity Revenue: Arts	1234-1234-5555	1	\$0.00	(\$100.00)	(\$100.00)
Customer Balance (A/R) Account	1234-5555-7777	1	\$100.00	\$0.00	\$100.00
Deferral Account	1234-4444-4444	5	\$0.00	(\$230.00)	(\$230.00)
Payment : Cash Account	1234-2222-2222	3	\$30.00	\$0.00	\$30.00
Payment: Credit Card	1234-2222-3333	2	\$200.00	\$0.00	\$200.00
<b>Totals:</b>		<b>12</b>	<b>\$330.00</b>	<b>(\$330.00)</b>	<b>\$0.00</b>

R01

## AGENCY PAYMENT REPORT (DETAIL)

Page: 1 of 1

### Agency Payment Report (Detail)

7/5/2010

5:37 PM

Count	Date	Receipt Amt	Amount Paid	CC Amount	CC Fee	Trans Fee	Amt Due Org
1	7/5/10 4:29 PM	1000007.001	\$101.50	\$100.00	\$101.50	\$0.00	\$100.00
2	7/5/10 5:20 PM	1000151.002	\$100.00	\$0.00	\$0.00	\$1.50	-\$1.50
3	7/5/10 5:22 PM	1000152.002	\$100.00	\$100.00	\$2.99	\$1.50	\$95.51
4	7/5/10 5:24 PM	1000153.002	\$30.00	\$30.00	\$0.00	\$0.45	-\$0.45
<b>Day Subtotal:</b>		<b>\$331.50</b>	<b>\$230.00</b>	<b>\$201.50</b>	<b>\$2.99</b>	<b>\$3.45</b>	<b>\$193.56</b>
<b>4</b>	<b>Grand Total:</b>	<b>\$331.50</b>	<b>\$230.00</b>	<b>\$201.50</b>	<b>\$2.99</b>	<b>\$3.45</b>	<b>\$193.56</b>

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## APPENDIX 1: FUND ACCOUNTING

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The ActiveNet accounting system was not specifically designed to handle multiple fund accounting.

## APPENDIX 2: ACCOUNTING STANDARDS

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Generally Accepted Accounting Principles (GAAP) refers to a common set of accounting principles, standards and procedures. It is a combination of authoritative standards (set by policy boards) and the accepted ways of performing accounting.

According to the standards set by GAAP, recipients are required to report their financial results on an accrued expenditure basis. GAAP requires non-profit organizations to use the accrual basis of accounting in measuring financial position and results of financial operations. Items (revenues and expenses) that can be accurately estimated are accrued. The modified accrual basis of accounting refers to a combination of accrual and cash accounting. If the items cannot be accurately estimated, then the cash basis of accounting and reporting is used. Modified accrual accounting also refers to cash basis accounting, with accruals calculated and recorded in the records or on worksheets for inclusion in required reports.

Accrual basis accounting records the financial effects of transactions and other events and circumstances that have cash consequences in the periods in which those transactions, events and circumstances occur, regardless of the timing of related cash flows.

This means that (in a very basic definition) accrual accounting matches the results, or revenues collected, with the efforts, or costs, it took to produce them. Put another way, revenue is recognized when the cost of providing the service is incurred, not when the associated payment is collected. When a customer pays in advance for an activity, a rental permit or a membership, the revenue is recognized on the date of the activity, facility booking, or over the span of the membership.