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SUGGESTED CHART OF ACCOUNTS - COMMUNITY FOUNDATIONS OF CANADA

Notes to Accompany Suggested Chart of Accounts

This suggested chart of accounts has been designed to create a balance between providing useful management information and streamlining reporting on the T3010 Charity Return annually. Individual Foundations should ensure that the financial reporting being generated suits the needs of both management and stakeholders in the organization.

Organization of the Chart of Accounts

Most accounting software will allow the use of "departments" or "project codes". The use of this feature will allow Foundations to set up their accounting records such that the main components of the operation can be kept in separate "funds". The three most common funds will be Operating, Flow-Through and Endowment. Some Foundations will have others as well.

In this sample, the three funds are set up as follows:

Operating - Department 1
Flow-Through - Department 2
Endowed - Department 3

Each fund has balance sheet and income statement accounts. Each fund also has "Due to/from" accounts to allow items to be moved between the funds by journal entry.

In general, the numbering convention suggested is as follows:

Assets - 1000 series
Liabilities - 2000 series
Net assets - 3000 series
Revenues - 4000 series
Expenses - 5000 series

Harmonization with the T3010 Charity Return

A column has been provided to help with preparing the T3010 Charity return. Revenue and expense accounts in particular should be tailored to suit the management needs of the organization. As long as thought is given to where on the T3010 Charity return expenses belong, any number of accounts can be set up. It is important though to ensure that all users of the accounting software understand what items an account is to be used for - otherwise, reporting will be inconsistent and possibly misleading.

For further information, please contact:

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Suggested Chart of Accounts - Community Foundations of Canada

Department or project	Account number	Account name	T3010 line	Notes
1	1010	Operating Bank account	4100	
1	1011	Operating term deposit	4100	
1	1150	Accrued interest receivable	4120	
1	1210	GST receivable (50%)	4120	
1	1320	Prepaid expenses	4170	
1	1921	Due to/from Operating fund		
1	2110	Accrued liabilities	4300	
1	2500	Accounts payable	4300	
1	3602	Interfund transfers - flowthrough		
1	3604	Interfund transfers - endowment		
1	3700	Net assets - Operating		
1	4001	Gifts in Kind - in	4500	if a receipt was issued;
1	4120	Fundraising revenue	4630	if no receipt issued
1	4465	Endowed fund management fee revenue	4650	
1	4485	Flow through fund management fee revenue	4650	
1	4700	Other Grants received		depends on source
1	4705	Community Leadership fund income	4650 or 4500	
1	4710	Friends of the foundation income	4650 or 4500	
1	4712	Other donations	4650 or 4500	
1	4715	Interest income	4580	
1	5410	Wage expense	4880	
1	5411	Vaction pay expense	4880	
1	5420	El expense	4880	
1	5430	CPP expense	4880	
1	5440	WCB Expense	4880	
1	5445	Education and training - staff	4870	
1	5446	Education and training - Board	4870	
1	5450	Computer software expense	4840	
1	5610	Accounting and legal	4860	
1	5630	Office rent	4850	
1	5640	Courier and postage	4840	
1	5641	Bank charges	4820	
1	5645	Credit card charges	4820	
1	5646	Amortization expense	4900	
2	1005	Flowthrough bank account	4100	
2	1215	GST receivable - Flow through	4120	
2	1925	Due to/from Flowthrough Fund		
2	3601	Interfund transfers - admin		
2	3700	Net assets - Flow through funds		
2	4199	Investment income - flow through	4580	
2	4405	Realized gains/losses on investments - flow through	4590 and 4600	
2	4502	Event sales - FT	4630	
2	4610	Flow through donations received	4500	
2	5050	Flow Through for Qualified Donees	5050	
2	5235	Management fee paid to admin	4820	
3	1113	Due to/from Endowment Fund		
3	1510	Endowment fund	4100	
3	3595	Net assets - Endowment funds		
3	3601	Interfund transfers - admin		
3	4020	Endowment Contributions	4500	
3	4022	Agency contributions	4510	
3	4027	Federal Government revenues	4540	
3	4028	Provincial Government revenues	4550	
3	4029	Municipal Government revenues	4560	
3	4411	Investment income	4580	
3	4412	Realized gains/losses on investments - endowed	4590 and 4600	
3	5505	Grants to Qualified Donees	5050	
3	5236	Management fee paid to admin	4820	