

## Home sweet HOA

Fiduciary duty is an HOA board's scope of responsibility, as we started to outline last month. Here are a few more examples of fiduciary duties the board must meet:

- Maintain the By-Laws and CC&Rs. This sounds simple but it can be a very fine balance. The CC&Rs usually outline things like parking regulations and building codes. This means the board members are the "police" when it comes to enforcing parking violations and building code restrictions such as where a satellite is mounted or how a fence is replaced. This can easily turn a neighbor into an enemy.



- Safety of the community. If someone gets hurt on a broken sprinkler they are not going to chase after the landscaper first. They are going to go through the path easily accessed: the board members that paid the landscaper. It's up to the Board to make sure their vendors are performing their service optimally to avoid future concerns brought up to the board.

- Reviewing records. According to the Davis-Stirling Act Civil Code section 1365.5 the board is required to review accounting records at least quarterly.

Managing an HOA comes with responsibility. It's a living, breathing entity that requires a team of concerned citizens who care about community.

## Quote

Love is patient, love is kind. It does not envy, it does not boast, it is not proud...It always protects, always trusts, always hopes, always perseveres. 1 Corinthians 13:4-7

## Q&A

**Client:** What do I do with old bank statements?

**BKC:** The IRS requires you to keep basic accounting records for seven years. With online banking, many companies are not bothering to print the statement. This is dangerous. The statements "drop off" as an online option eventually. We recommend saving statements as a PDF on your server for safe keeping or printing and boxing them for storage.



# KEEPING LEDGER

The Official Newsletter of  
*business-keepers consulting*



Issue 2 FEBRUARY 2011 Vol 9

## BUSINESS-KEEPERS CONSULTING

...the KEY to keeping business.  
5901 Warner Ave, #70  
Huntington Beach CA  
92649  
(714) KEY-8-KEY phone  
(714) KEY-8-535 fax

## ACCOUNT-ABLE

We finish our discussion on cash *received* in the cash flow series. This month we look at straight cash Deposits.

A straight cash deposit assumes you received money from a customer and you do not have to tie it into a specific type of sales (i.e. tied into Items) for future reference. That said, Here are some things to consider:

- If it is from someone you want to track in Quickbooks, you can enter the name right in the deposit under the Name column and add them to the Customer name list right on the fly.
- If the cash is from a whole day's sales, you will want to sum up that total and enter as one line for Income. But note in the memo that it is for that day's total sales. You should keep the register tape as a backup document.
- If the cash includes sales tax you technically can split the deposit into three lines. The first is Taxable Income, then the second line is Sales Tax Payable, and the third is just Income. But this is not the preferred method. (More on this at a later time).
- If the cash is from you, the officer or owner, as a form of a loan, you enter



## Calendar

Saturday, February 11th  
*Lincoln's Birthday*  
(observed Friday for some)  
Monday, February 14th  
*Valentine's Day*  
Monday, February 21st  
*Presidents Day (observed)*

## The Sound of Business... (ACCOUNT-ABLE continued)



your name as the Received From person, then the account is a liability account (usually starts with 2xxx if you are using account numbers), then type the amount. The debits and credits work for you in this deposit. The bank account goes up with this deposit, and the loan the company owes back to you someday goes up. You do not need to enter another transaction showing you loaned the company money. It's handled in the deposit transaction inclusively.



- Cash received as a payback from an expense. Let's say you paid the Staples bill and there was an item on there you bought for your employee and that employee gave you cash for it. You can deposit the cash and enter the account Office Expenses in this straight deposit feature. This way you are offsetting the original cost of Staples with the reimbursed cash from the employee.

This concludes our mini-series on how to receive cash. We return to our major series on cash flow next month.



5901 Warner Ave, # 70  
Huntington Beach CA 92649  
www.business-keepers.com  
(714) KEY-8-KEY



[Like our Facebook page](#) — for tips and tricks on making accounting easier.

Follow us on Twitter

We have a blog post on Tuesday and Friday of every week. All the more reason to log on and subscribe to more exciting stuff in the accounting world:

[www.business-keepers.com/blog](http://www.business-keepers.com/blog)

Important Websites:

<http://www.irs.gov>

<http://caioc.org>

<http://edd.ca.gov>

<http://boe.ca.gov>

<http://www.katchtheday.com>

[http://www.business-](http://www.business-keepers.com/blog)

[keepers.com/blog](http://www.business-keepers.com/blog)

<http://www.nps.gov/yose/>

[planyourvisit/camping.htm](http://www.nps.gov/yose/planyourvisit/camping.htm)

**Give some sweet  
to your sweetie!**

### Katch the Day

We conclude our Pacific Northwest Katch the Day tour with a not-so-out-of-state place: Yosemite National Park. On our way back to So Cal from the NW, we swung by Yosemite. You know the economy isn't doing well when you can *walk* into Yosemite Lodge at the Falls (the most coveted, reasonably priced place in the whole valley), in the dead of summer, on a Saturday night, at 5pm, and ask for a room and get the answer we got: Do



you have a preference?

Yosemite is the most beloved national park in the world and it is in California's backyard, but normally it is very hard to get in. So intense is the reservation process that you need to [reserve the day](#) the reservation slot opens for the period (up to five months out) in which you want to stay. And you want your fingers poised on the keyboard at 7am sharp to start that process because within minutes the time frame is sold!



Once you are in Yosemite, it is a wonderland. Winter months offer snow and skiing at Badger Pass, summer months (much more crowded) offer tours, horseback riding, tubing down the Merced River, ranger campfire talks, and plenty of hiking for all levels.

**KATCH THE YOSEMITE TREASURE AND LEAVE THE BUSINESS-KEEPING TO US!**