Finance Handbook

Guidelines for treasurers and auditors

Introduction

Welcome to the Analog Finance world! You are probably a new Treasurer or an Auditor here in Analog. This document will give you an overview of what is going on in Analogs Finances. We will try to keep this document short and without the specific details, as we do not intend for this document to be updated when new workflows are adopted. Information usually becomes obsolete quite quickly and so we really do not want a huge document that will eventually become out dated. For details about the current workflow and systems we have other documents/hand books. We hope these will be the updated short version of everything you need to keep in mind from day to day. The WORKFLOW is what we do day to day. (What we do) The POLICIES are rules and agreements we have right now. (What happens regardless) The PRINCIPLES are guidelines and values we use to make decisions. (what we aim for) We hope that you will learn a few things from this document. Best of luck, Anders The Finance guy from 2021!

Principles

In Analog we have multiple overall finance principles. Think of them as our formal agreement with the rest of the world. A principle describes an idea that we as Analog wish to comply with. Please find them in the pages below.

Legacy of Analog's finances (financial values)

Ensure the longevity of Analog

Taking care of Analog and Analog's finances means leaving it better than we found it. Avoid ticking time bombs - if something isn't right, try your best to fix it.

If there is a problem and someone has a proposal for a solution, one should consider the added value by going through with the measure and discuss how the proposal aligns with the general Analog values as well as the financial values. This should happen at a board meeting (at the very least).

For example in 2020, we decided to re-organise our finances by going back 3 years and redoing the finances. Although the process was costly (about 50.000 dkk), the board deemed it fitting as it would be an investment in the correctness, transparency and trustworthiness of Analog's accounting. The values of this proposal were as follows:

- Transparency and trustworthiness in accounting practices
- Properness: follow best practice, comply with legal requirements
- Accounting as an Analog internal practice: The board of Analog should have knowledge of Analog's finances and be able to see through the accounting structures with some introduction.

Trust the individual barista

The individual barista should have the possibility to spend xxx amount of dkk without having to ask for permission. The barista is responsible for only spending money on items/services contributing to Analog; the café, your shift, the customers, the baristas or the overall Analog spirit.

Freedom under responsibility as the main guideline.

Expenses benefitting Analog are okay

Expenses larger than the amount stated above, should be approved by a board member. As long as the expense contributes to Analog and seems rather sensible, the board member is allowed to approve it. If the board member deems the decision larger than themselves, they may then bring the decision to a board meeting or go to the Chair Person or Vice Chair.

Slow is the name of the game

Finances are not about paying people fast, and giving quick estimates. To be a truly good treasurer, you must have the spirit of a turtle. We move slow, but we do it right.

That means that paying someone late, because a receipt is missing, is a good strategy. It means that spending time making a better workflow is better than working fast with a bad workflow. It means that you may tell someone to do something differently because the practice is bad and it burdens you with extra work.

While day to day, you will find that you deviate from being the "turtle" - always remember that you can always say no and hide in your shell. To protect yourself and Analog. It is my way or **you** can be the treasurer!

For example: You may end up paying back people quickly to please them. But remember to take care of yourself and your mental health - nothing is as urgent that it can't be done tomorrow, next week or a month from now. If the whole house come burning down, contact the rest of the board, and we will do our best to assist.

Kontant princippet (Cash principle)

Analog has no physical cash in our finances, but we choose to act like our online finances are described as if we had a cash box of money. Say we pay for a service or earn money, then we bookkeep it on the same day that our money leaves or enters our bank account.

This means that if we place and order for coffee in one financial year (eg. June, 2020) and pay it in another financial year (eg. July, 2020). Then we bookkeep it as it was money spent in the financial year of the payment (eg. June, 2020). This seems counterintuitive, but it is either this or that we make sure all dates match the day that we place the order or the money is paid to us. This is a legal requirement.

We were advised to do our finances this way by **Harboe Consult** back in 2020.

Momsfritagelse

We in Analog have been advised by **Harboe Consult** back in 2020 to ask to be *"moms fritaget"*. This can be achieved if we as a volunteering organisation can live up to some criteria from SKAT defined by the danish Law. Right now we do our finances as if we are *"moms fritaget"*. This makes it easier for us to do accounting.

If you read this document in September 2021 or later. You might have some extra information that should be added here. But as of August 2021, we are still waiting on the final answer from SKAT regarding if we are *"moms fritaget"*

Kontoplan

We choose to have a kontoplan that is more specific than what is required. Say we could bookkeep every expense as a generic expense, we choose to have multiple smaller expense codes for things like coffee, milk, repairs and so on.

We think that this enables better transparency. When we get reports from E-conomic, then we get a better view of our finances. You can always argue that two expense codes could be combined or made into multiple new ones. We choose to combine or split expense codes if we find that it gives a better insight into our finances. The downside to this is that it makes it a bit harder to do the bookkeeping. But it is well worth it we think.

You can always add new expense codes. But you may never remove them! As this will fuck up the old accounting. If you are unhappy about this then yell at us or E-conomic. Or the danish law. Either way there is not much we can do about it.

Automation

We are always interested in making the Analog finances more automated. We have spent quite a bit of time making sure that whenever we automate something that nothing falls in between the cracks of the automation.

An example of this is the AutoBank feature of E-conomic. We can manually import the transactions into E-conomic (as of 2020) , but we choose to pay for a service that does this automatically (as of 2020). Sometimes this stops working or it imports things more than once. This is an ongoing problem with automation.

We hope that you will take the time to look at the Policies document to get an idea of what happens automatically. We also hope you will update the document when more automation is put into place. In the end if we do our job correctly, then we can make it easier in the future.

Cards

In Analog we use Pleo for our cards. This system integrateds the accounting with the spending. Whenever a person spends money on a card, they also have to open the Pleo app and document it.

Pleo is setup, so it allways have X kr in the Pleo Wallet. This will automaticly be filled with money from the Bank Account Drift. This agreement can be found here: **Insert link to drive**

Cards:

Right now the following people have a card:

Cafe Analog:

Anders Stendevad:

Laura:

Jens:

Emil Anker Joensen:

Services payed by Analog card

Service Name	Payed each	Price	Updated
Zapier	Yearly	220 $	21/05/21
Simply	Yearly Jan/May	?	21/05/21
Spotify	Monthly	99 kr.	21/05/21
Apple	Yearly	900-1000 kr	Not yet
Cognito Froms	Yearly	166.65 $	21/05/21
MailGun	?	?	21/05/21

Corpay One	Monthly	436,25 kr.	21/05/21
Standart	Yearly Dec	?	21/05/21
Digitalocean	?	?	8/12/21

Kontoplan

May be subject to change to fit the accounting structures in economic.

Nr	Navn	Kommentarer
Omsætning		
1011	App indtægter	
1012	Kort betaling - indtægter	
1013	Andre Kopsponsorat indtægter	
Direkte omkostninger		
1340	Maskiner (service, vedligehold, reservedele)	
1341	Maskiner (leje)	
1342	Professionel rådgivning	Fødevaregruppen, Revision

Kode	Kategori	Detaljer
1343	Rengøring	Masker, afkalker, filtre, Mundbind, skraldespand, sprit
1350	Kaffe	
1351	Mælk	
1352		
1353	Andre produkter	Chai, Kakao, Kaffefiltre
1354	Kopper	
1355	Tilbehør	
1356	Merchandise salg	

Intern Pleje

Kode	Kategori	Detaljer
2600	Organisationsmøder	GA, MnG, Cleaning day, Kick Off
2620	Hangouts	
2630	Bestyrelsesmøder	
2653	Interior	Designpens and other interior
2660	Merchandise Baristas	

2754	Salt til betydningsfulde barista	

Administrationsomkostninger

3600	Kontorartikler og tryksager	
3616	Køkken - mindre anskaffelser	Køkkenting til mindre cafeen
3617	Mindre anskaffelser	Random shit :) teknologi, corona stuff
3619	Analog vagt Mindre anskaffelser	Ekstra forbrug på vagt
3628	Porto og gebyrer	Nets gebyr, kortgebyr, transaktiongebyrer mm. Bank gebyrer on another account. Will be updated eventually.
3650	Forsikringer	

3664	Web-hotel og domæner	Uno-Euro (simply), Zapier (pro audio),
3681	Økonomisystem Administrationsudgifter mm.	E-conomics, DanskeBank
3686	Transport Administrationsudgifter	ShareNow, GreenMobility
3687	Licenser Administrationsudgifter	Spotify, Koda

Current automations in Analog Finance

Invoices sent directly to Finance@cafeanalog.dk

Copenhagen Coffee Lab

Salling group

Invoices sent directly to invoices@cafeanalog.dk

Reimbursements

Automatic payments

Copenhagen Coffee Lab

E-conomic

Multiline

Nets

Fees from Danske Bank

Manual payments

Salling

Fødevaregruppen

Skat is paid Bi-Annually

We will get an Email on Fiances@cafeanalog.dk or Eboks ???

We have the following services

Spotify

KODA - Film and music licence. Paid by Scrollbar

E-conomic

Corpay

Pleo

Automation

Automatic Bank Transfers

Cash Reserve

150.000 kr transfer to **Drift**

- every 1. bank day of month

Drift

Automatic Transfer to **Cash Reserve** so 200.000 is what is left on **Drift**

- every 2. bank day of month

Automatic transfer to Pleo wallet of 10.000 dkk when Pleo Wallet has less than 5.000 dkk.

Terminal

Automatic Transfer to **Cash Reserve** so 5.000 is what is left on **Terminal**

- every Monday

Mobile pay

Automatic Transfer to **Cash Reserve** so 5.000 is what is left on **Mobile pay**

- every Monday

Pleo

Automatic Transfer from **Drift** to **Pleo** With 10.000 kr.

When Pleo Wallet goes under 5.000 kr.

Autobank

We pay for a service in E-conomic that automatically imports the transactions from our bank into E-conomic. This needs to be reenabled once in a while as of 2020. Make sure this is set up.

Step by step guide to Finance

Step 1:

Check the Finance@cafeanalog.dk Email on Webmail. Make sure that invoices are forwarded to invoice@cafeanalog.dk.

Step 2:

The inbox in invoice@cafeanalog.dk should only be invoices. Check whether they are paid or not. You can check this in the bank or on E-conomic "Bankafstemning".

Step 3:

Pay invoices that are not paid.
(Find the suppliers who are automatically paid through "leverandørservice" under our chapter "policies".)

Payment is done by going into DanskeBank District (Business Online), where payment only happens through the "Drift"-account. If there is not enough money on "Drift" - you can manually transfer more from "Cash reserve". Though this should not be an issue as we have set up automatic transfer. Also in "policies".

Step 4:

Make sure that everything in "Bankafstemning" has been bookkeept.

The right side is automatic banking, which resembles the actual transaction in Danske Bank.

The left side is inserted by the treasurer, but not bookkept before the green sign can be found next to the transaction .

To Bookkeep:

Step 4.1:

Tick the relevant transaction, and then click on "overfør in upper right corner".

Step 4.2:

A new window will appear. Register the Konto/Kunde/leveran., which is applicable. For this case it is Salling, which is oftentimes milk from Netto. There is an account "1351 - mælk produktionsudgifter", which we will use if the money was spent on milk.

(You can find a sheet with the "kontoplan" explained in detail in the folder.

Click on "Overfør til kassekladde" when the correct account has been chosen.)

Step 4.3:

you will now be able to find the transaction in the "Kasseklasse". Here it is important to find the invoices and attach them to each transaction.

The invoices can either be downloaded locally on your computer or be found under "indsendte", which are invoices forwarded automatically to E-conomic by forwarding the mail to " 787bilag1420565@e-conomic.dk".

Step 5:

Keep this flow until the "bankafstemning" is fully bookkept and looks good.

Closing the year:

Please see other page

Extra stuff when done

Make sure to look at the Analog Eboks.

Make sure this document and the Policies document is up to date.

Think about what things can be automated.

Think about Analogs finances. Do they make sense?

Closing a financial year

A step by step guide to closeing a financial year in Analog TLDR: At the end of the year there are several steps to do before closing is possible. Below are some pointers to keep in mind: - Check "lager beholdning", insert the value of clips that have been bought, but not yet used. This should be inserted in the konto: (hensat til ubrugte klip) - If the numbers do not match, check previous months. Check if there are things that are not bookkept. - When things are registered in 2020, but paid in 2021, these should change as we use "kontakt princippet". - If we have outstanding money, then money should be bookkept as "andre tilgodehavende", and deducted when it receives our account - Do as economic recommends at last when closing the year - do not "clear all".

Step 1 - Checking all bank accounts and Pleo

The first thing to do is to check that all transactions from bank accounts and pleo are bookkept in Economic.

In other words. Check the "bankafstemning" in economic for floating expenses. No floating transations in "bankafstemning" is allowed. Sometimes it will have the same line twice. You should make sure that every transation is unique.

- **Danske Bank - Drift** - sammenlign ultimosaldo i economic med bankens ultimosaldo (per 30/06)
- **Danske Bank - Terminal** - sammenlign ultimosaldo i economic med bankens ultimosaldo (per 30/06)
- **Danske Bank - Cash Reserve** - sammenlign ultimosaldo i economic med bankens ultimosaldo (per 30/06)
- **Danske Bank - MobilePay** - sammenlign ultimosaldo i economic med bankens ultimosaldo (per 30/06)
- **Pleo Wallet** sammenlign ultimosaldo i economic med Pleos ultimosaldo (per 30/06)

When every account shows the same amount (per 30/06). That means that it is very likely, that you have every transation in your "regnskab". That is a good sign.

Remeber! This is the last chance to make sure that all income has been bookkept correctly. Be aware of Terminal and Mobile pay. The income being reported correct is your responsibility.

Now we go on to step 2. Checking that our internal accounts are correct.

Step 2 - Making sure we bookkept our accounts correctly

Say we have bookkept a travel expense as a Board meeting. Then this will show up incorectly when we make the report.

To avoide mistakes like this. We go through the report and check that expenses are marked correctly. Fees from the bank is a good example of something that is usally bookkept wrong.

Here we are mostly looking at what we have for expenses.

In step 3 we look at our assets

Step 3 - Our assets, unused clipcards and debt

Here we are focused and capturing how analogs finances look in the bigger picture. We want to know how much of our money is tied up in clipcards and stock.

Clipcards:

We have an obligation to give people money back on their clipcards up to 3 years after they bought them. Therefore we need to adjust how much of our asserts are tied up in clipcards. Even though the money is in the bank. We cannot see it as our money until the clipcards have expired. (In a sense expired clipcards can still be used. But we do not have an obligation to refund them).

We use this sql code to get the info on how much money is tied up in clipcards from the day we close the year (30/06) and three years back.

The date **xxxx-06-30 00:00** should be replaced with the year you are closing the finicial year minus 3 years.
Say **2028-06-30 00:00** in **2031-06-30 00:00**

```
SELECT
 YEAR(t.DateCreated) AS 'Purchase Year',
 p.Id  as 'ProductId',
 p.Name AS 'Product',
 Count(t.Id) AS 'Unused tickets',
 (ph.Price / ph.NumberOfTickets) AS 'Per ticket incl moms', -- Product price as the time of
purchase
 (ph.Price / ph.NumberOfTickets) * COUNT(t.Id) AS 'Subtotal incl moms' -- Subtotal of unused
tickets with purchase price
FROM
 Tickets t
INNER JOIN Purchases ph ON
```

```
 ph.Id = t.Purchase_Id
INNER JOIN Products p ON
 t.ProductId = p.Id
WHERE
 ph.Completed = 1 -- Only look at completed Purchases
 AND t.IsUsed = 0 -- and unused tickets
 AND ph.DateCreated > ' XXXX-06-30 00:00' -- fromDate exclusive (only look at unused tickets
after this date)
GROUP BY
 p.Id,
 p.Name,
 YEAR(t.DateCreated),
 (ph.Price / ph.NumberOfTickets)
ORDER BY
 YEAR(t.DateCreated)
```

Danish for what to do (Sorry)

- **Ubrugte kaffeklip.** Ubrugte kaffeklip opgøres og reguleres på lignende vis som med regulering af varelager. Analog er forpligtet til at tilbagebetale ubrugte kaffeklippekort op til 3 år efter købsdatoen, dv.s. lukkes regnskabet for 2020, tælles ubrugte kaffeklip fra 2017 med.

  - Kør et dataudtræk fra AnalogIO's AppSalg database :
    https://github.com/AnalogIO/analog-core/blob/develop/utils/db_scripts/unusedclipcards-by-year-and-purchase-price.sql og udregn det samlede beløb.
  - Beregn differencen mellem tidligere konto *6952 Ubrugte kaffeklip* saldo og det nye beløb af ubrugte kaffeklip. Differencen bogføres med 6952 Ubrugte kaffeklip som konto og 1011 App indtæger som modkonto.

Varelager:

- **Varelager**. Tæl Analogs varelager op for varer af en væsentlig værdi fx kaffe, chai, plantemælk. Mindre ting som fx rørepinde kan udelades. Varelagerets værdi beregnes udfra indkøbsprisen inkl. Moms.

- Dernæst skal varelager reguleres. *Konto 5520* Varelager vil allerede have en saldo fra tidligere regnskabsår. Differencen mellem den eksisterende varelager saldo og det optalte varelager, bogføres på konto *5520 Varelager* med *1330 Regulering af varelager* som

modkonto.

- *Eksempelvis hvis konto 5520 Varelager har en saldo på 3.000 kr. og det optalte varelager er på 5.000 kr., laves der et finansbilag på 2.000 kr. (debet).*
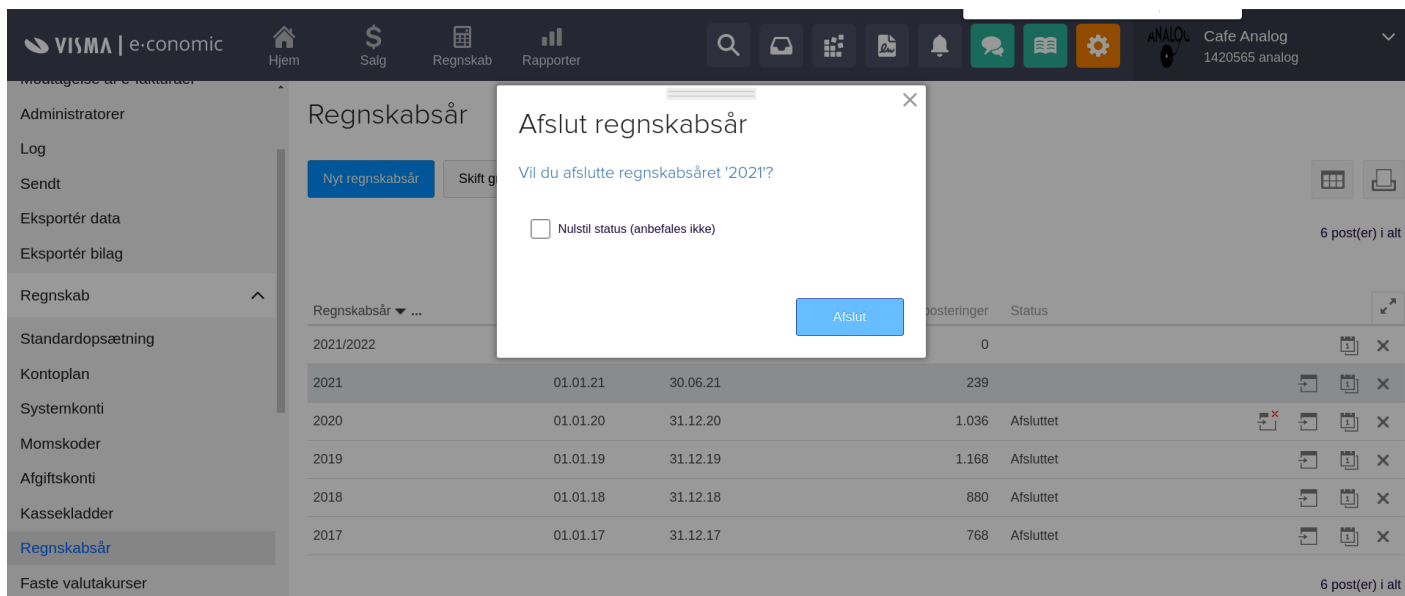
Debt:

If analog has debt, then it might make sense to add it to the bookkeeping. This will make it visual. And when you present the final report, then it will give a better understanding of Analog. We have done this in 2020-2021 with Punktafgift. Because we had money we owed. That they at that time had not asked for yet. We wanted to show it in the report. So the amount in the bank did not look like a profit, when it in reality was not ours.

This is best practise.

Step 4 - Close it

Before you do this, double check with experts, other people, etc. There is no exact deadline, so please make sure you do it right rather than quickly. Note: when you do it, DO NOT X THE BOX as shown below.

Semester Changelog / Report

This Chapter will contain the ideas that the finance team worked with for specfic semester. Feel free to go back and see what happend in earlier semesters!

2022 Spring

Semester Goals:

- Make the plan
- Do the thing

2021 Fall

Semester Goals:

- Make the plan
- Do the thing

2021 Spring

Semester Goals:

- Make the plan
- Do the thing

2020 Fall

Semester Goals:

- Finish the accounting
- Automate tasks
- Clean out the mails

Report:

2020 Spring

Semester Goals:

- Move to Izettle terminals
- Get rid of Mobile Pay in Cafe
- Find accounting software
- Redo Finances from 2017 to 2020

Report:

The semester went by quite fast. First of all Analog moved to Izettle instead of nets terminals and mobilepay. This resulted in more transparcy in the accounting where individual items could be linked to a transaction either through izettle or the APP. Mobilepay had the problem where people would pay for coffee, but without talking to a Barista (Self Service).

We also started the process of cleaning up the finances from 2017 through 2020. This was because the accounting was done in Podio. This had the problem that they did not match the real world 1:1. To help us with this we reached out to Harboe Consult. They could help us by redoing the finances from 2017 to 2019. They could also help us pick a new accounting software. It was their adwise that we picked Economic.

We ended the smester with a half finished report. Finding new software and redoing all the finance flows meant that there were alot more work than normal. Though at this time the finance year was calender year, so it was not a big problem that we were not done.

We also learned about the oputunity to get a VAT Exception.

The goals for the next semester would be to finish the accounting. And apply for a VAT Exception.

From the beginning of time...

History

New Board what to do

Write to foreningdirekte@danskebank.dk that there is a new board. They will need a signature and address on everyone in the board. Maybe also passport and other documentation.