

Note: When using the Balance Transfer feature, it is strongly encouraged to have a paper trail of the transfer transaction. In other words, it is better to do a Balance Transfer manually, and not through an online transaction.

## All Cash Transactions

Use “Cash Transactions” to view all deposits and checks that have ever been entered into Connected Books.

This feature is handy to search for specific transactions by a variety of search factors. See page in the “Searching and Finding Information” section of the User Manual on page 99 for more information on searching All Cash Transactions.

UHAB Connected Books - Cash Transaction Search - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <http://www.uhab.coop/cb/CashTransactionSearch.cfm>

Links Google Free Hotmail Oddpost weather.com NYTimes CitySearch MapQuest MTA

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Connected Books  
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**Cash Transaction Search**

Add Check Add Deposit Help Main Menu

Please enter at least one search criterion below. Then click the [Search](#) button at the bottom of the page.

View All Transactions -

And/Or	Field	Operator	Search Value
	Check Number	is	
And	Select Field	contains	
And	Select Field	contains	

Search Clear

The Urban Homesteading Assistance Board  
130 Wall Street, 20th Floor

Internet

There are two ways to view the All Cash Transactions feature:

To view all transactions ever posted to this account, check the box:

Under the Banking heading on the Main Menu:

→ Click on All Cash Transactions

→ Check the box labeled “View All Transactions” (see screen shot above)

→ Click “Search”

This will yield search results that will show every transaction in this account. It may take several screens to display, depending on how many transactions exist for the account.

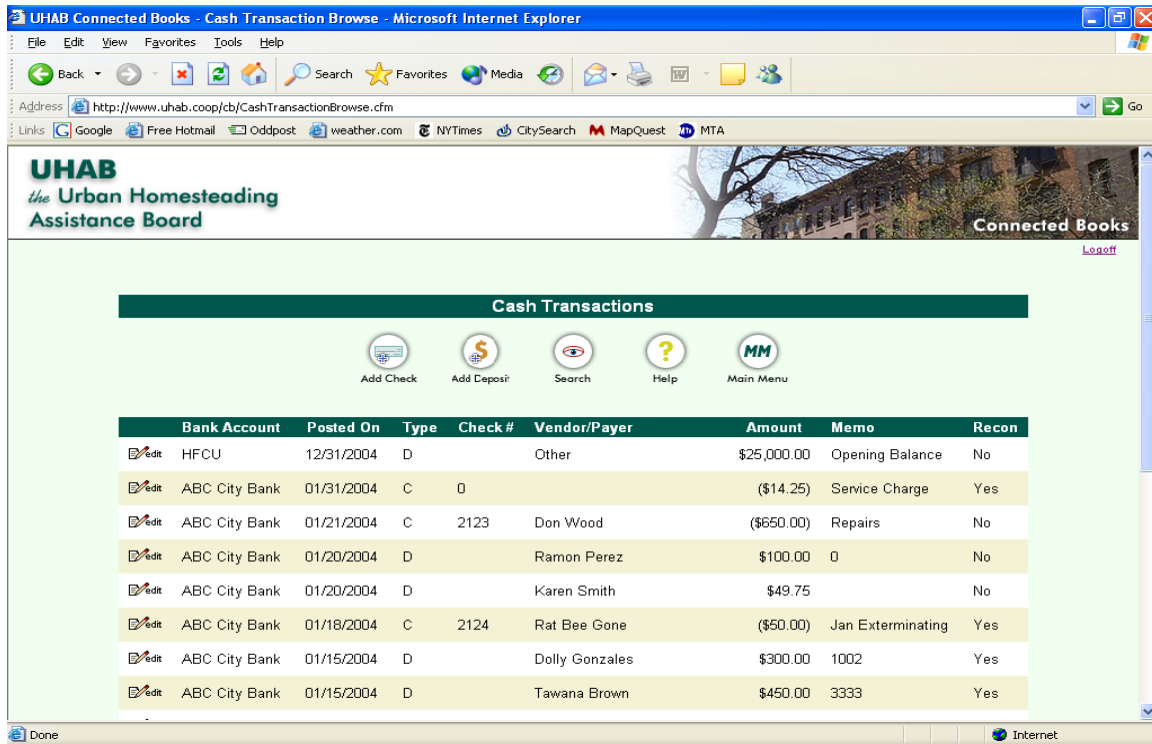
--OR--

The other method to view All Cash Transactions is through using the Search functions.

To use the search criterion, you can choose search fields and operators, and enter in search values , and join search clauses to find specific information.

Under the Banking heading on the Main Menu:

- Click on All Cash Transactions
- Choose Search criteria:
  - Choose a search field from the options:  
Check Number, Date Posted, Vendor Name, Memo, Resident Last Name
  - Choose a search operator from the options:  
Contains, Begins with, Ends with, Is, Is not, Less than/ equal, Greater than/ equal, is contained in
  - Enter search values to specify the information to find
  - Combine search criteria using the And/ Or field
- Click “Search” to submit search criteria



The Search Results will give you information about: the Bank Account associated with the transaction; Date the transaction was posted; type of transaction (whether it is a Deposit or a Check); Check number (if there is one); Vendor/ Payer, Amount of the transaction, Memo description, and whether or not the transaction was Reconciled.

Clicking on the “Edit” icon at the left hand side of the transaction listings takes you to the original check or deposit form for that particular transaction.

Clicking on the “Search” icon from the Results page takes you to the Search form.

## Reconciliation

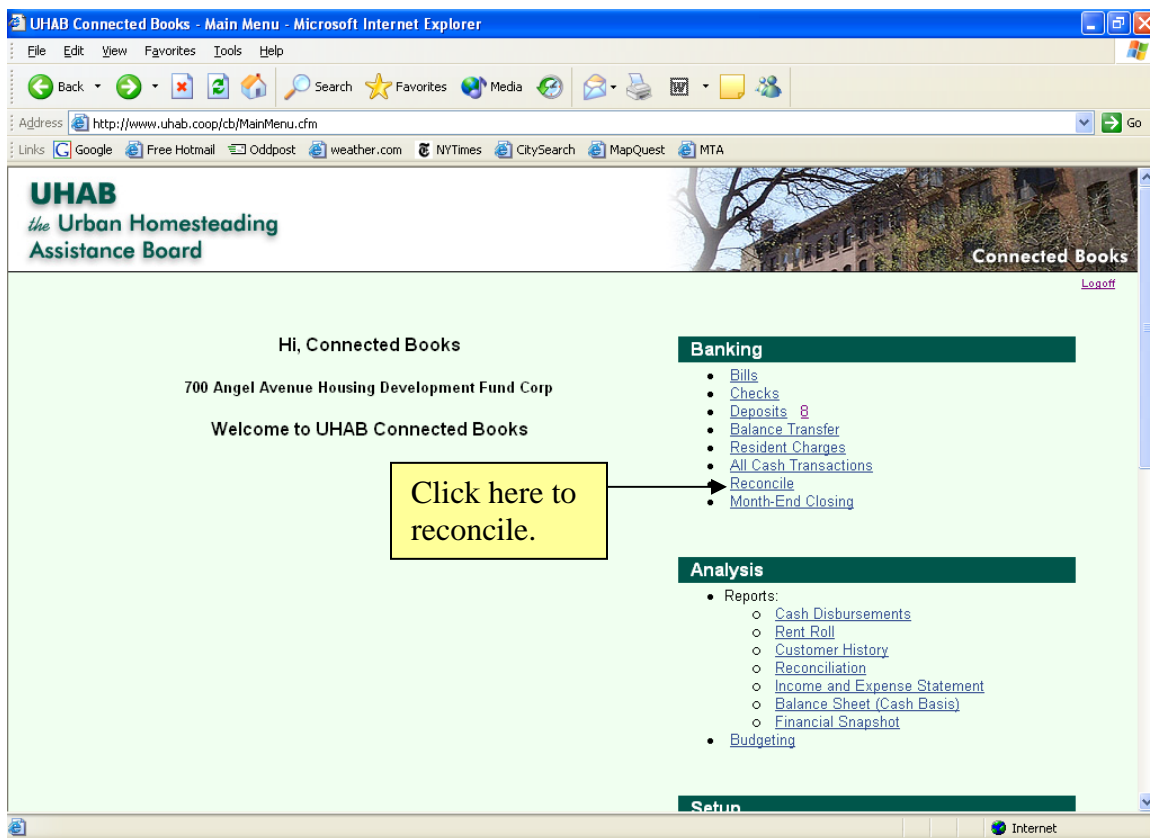
Your cooperative will receive a bank statement along with cancelled checks or copies of checks each month. The statement shows each deposit to your cooperative account and each check written, or withdrawal made, as well as bank charges and bounced checks, if any. The statement provides an opening/ beginning balance and a closing/ ending balance according to the bank's records.

It is important to compare the bank statement information with your cooperatives' records to check for errors that your cooperative or bank may have made. This comparison is what allows you to reconcile the account.

It is best if your bank issues your statement with the statement period running from the beginning to the end of the month. However that is not always possible. Regardless of when the statement arrives, the bank reconciliation should be done at that time working with your current as well as recent Maintenance/ Rent Roll and Cash Receipts and Cash Disbursement Forms.

It is very important to reconcile your account books with the bank statement account monthly and make sure every dollar and cent is accounted for.

Under the Banking heading in the Main Menu screen  
→ Click on "Reconcile"



You will get a Bank Reconciliation form where you need to input bank statement information.

The screenshot shows a web browser window titled "UHAB Connected Books - Bank Reconciliation - Microsoft Internet Explorer". The address bar shows "http://www.uhab.coop/ct/Reconciliation.cfm". The page header includes the UHAB logo and "Connected Books" with a "Logout" link. The main content area is titled "Bank Reconciliation" and features a "Help" icon and a "Main Menu" icon. The form fields are as follows:

Statement Date:	<input type="text" value="07/08/2004"/>		
Beginning Balance:	\$25,610.25		
Ending Balance:	<input type="text" value="0.00"/>		
Service Charge:	<input type="text"/>	Date:	<input type="text"/>
Service Charge:	<input type="text"/>	Date:	<input type="text"/>
Service Charge:	<input type="text"/>	Date:	<input type="text"/>
Service Charge:	<input type="text"/>	Date:	<input type="text"/>
Interest Earned:	<input type="text"/>	Date:	<input type="text"/>

A "Continue" button is located at the bottom of the form. A yellow callout box with a black border and arrows pointing to the "Statement Date" and "Ending Balance" fields contains the text: "Enter in a 'Statement Date' and 'Ending Balance.'"

→ Enter Statement Date: that which appears on the bank statement (it should be 1/31/2005)

**NOTE:** The very first time you reconcile, the bank Beginning Balance will appear as \$0.00, because the opening balance you had entered into the Bank Accounts section will be listed as a Deposit to the account. The next time you do a Bank Reconciliation, the Beginning Balance will appear.

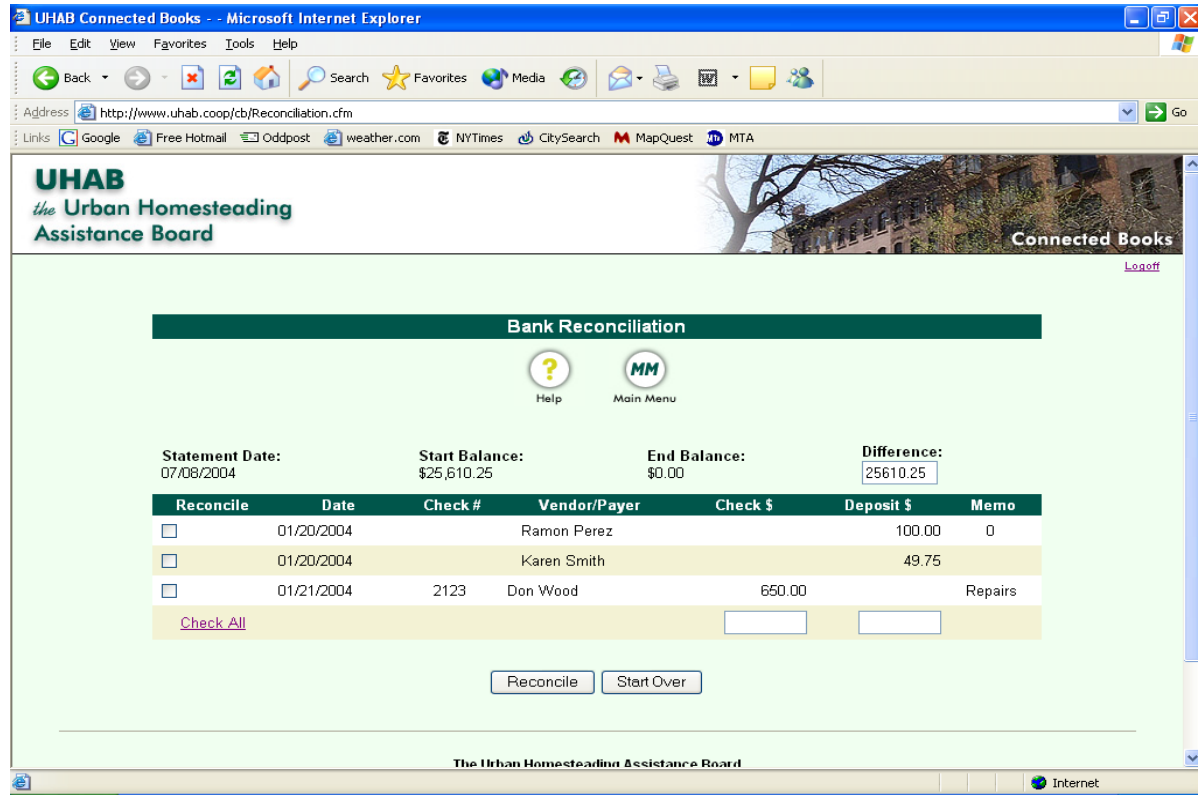
→ Enter Ending Balance which appears on the bank statement.

**NOTE:** Do not use commas when entering the Ending Balance! Connected Books will give an error message if you use commas.

- Enter any Service Charges and the Dates of charges.
- Enter in any Interest Earned in the field at the bottom of the screen
- Click Continue button

You'll be brought to the next reconciliation screen. Across the top of that page, it will list the Statement Date, Start Balance, End Balance and Difference (between the opening and ending balance).

Underneath that, there is a listing of all of the transactions associated with the account, with the following categories: Reconcile; Date; Check #; Vendor/Payer; Check amount; Deposit amount; Memo.



→ Compare the list of transactions to your bank statement. Click the checkbox on the left side of the transaction listing (under the “Reconcile” column) for items that appear on the bank statement. Be sure to check the reconciliation box for the Opening Balance, Interest Earned, and any Service Charges.

The “Difference” field at the top of the page will change accordingly as an item is checked off, or reconciled. The goal is to make the amount in the difference field “0”.

→ When the “Difference” zero, your account and your bank statement have been reconciled and you can click the “Reconcile” button to submit the information. If the difference between the amounts does not get to zero, then you need to click the “Start Over” button and verify the information you are entering.

**NOTE:** Items that are not clicked or reconciled will appear in next month’s reconciliation. This includes checks that have been written, but have not yet cleared.

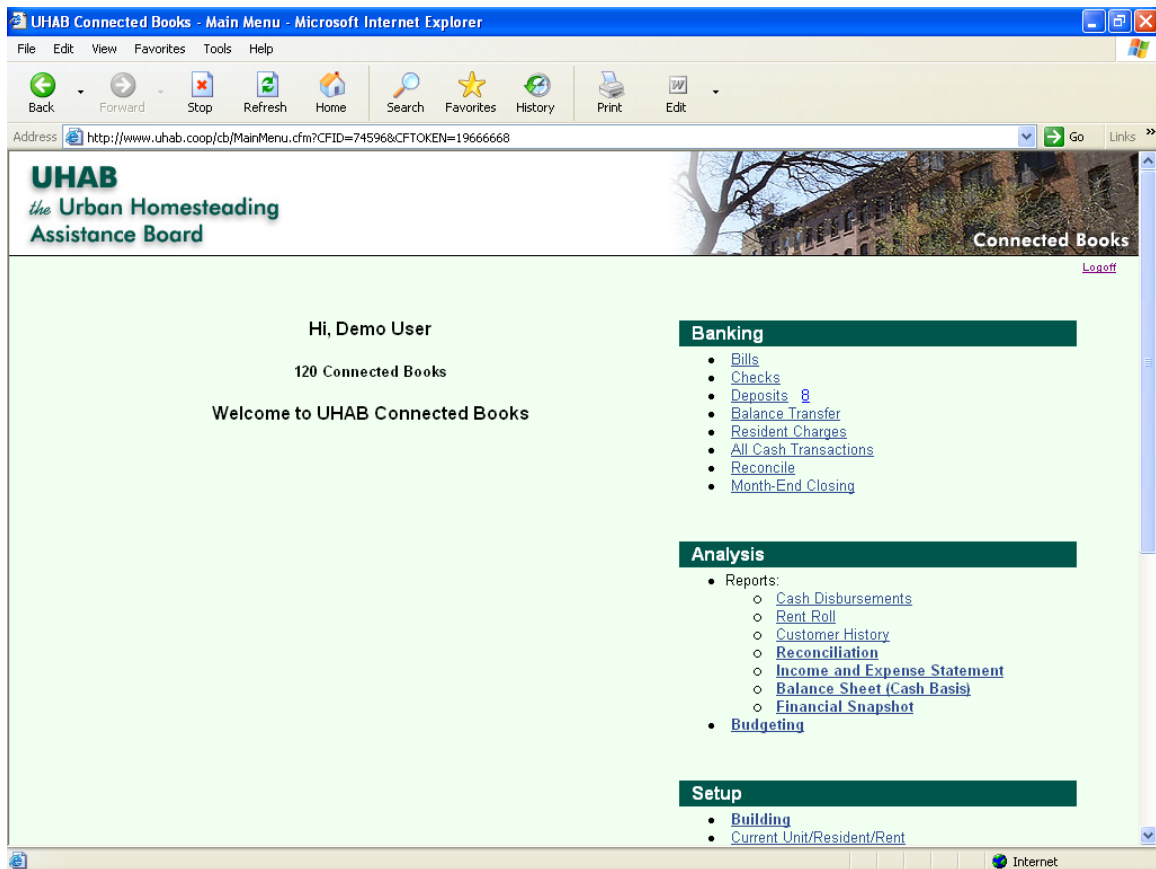
Once the reconciliation is completed, you can view the Reconciliation Report under the “Analysis” heading on the Main Menu screen.

## Month-End Closing

The Month-End Closing function creates the receivables information, and forwards the receivables, balance, and arrears information to create the following month's Rent Roll. It essentially calculates the arrears and payments information to create an up-to-date receivables report.

**NOTE:** At the end of the month, it is very important to do a "Month-End Closing" to process prior months before entering the next month's data. This ensures that the balance and arrears information will be forwarded to the next month. This must be done every month.

This function is very important to the Rent Roll feature in Connected Books; closing out a month forwards those figures to the opening balance of the following month. Unless a month is closed, the figures will not forward, which may affect the figures and calculations for following months as well as the Rent Roll Report.





## When should I do a Month-End Closing?

After you have completed the following sections for a given month:

- Resident Charges
- Deposits

**NOTE:** Do not perform the Month-End Closing for a specific month until these sections have been entered for that month. Otherwise, the arrears category for the Reports will not include the payments or charges applied within the month.

- Prior to viewing the Rent Roll Report or Customer History Report

To do a Month-End Closing:

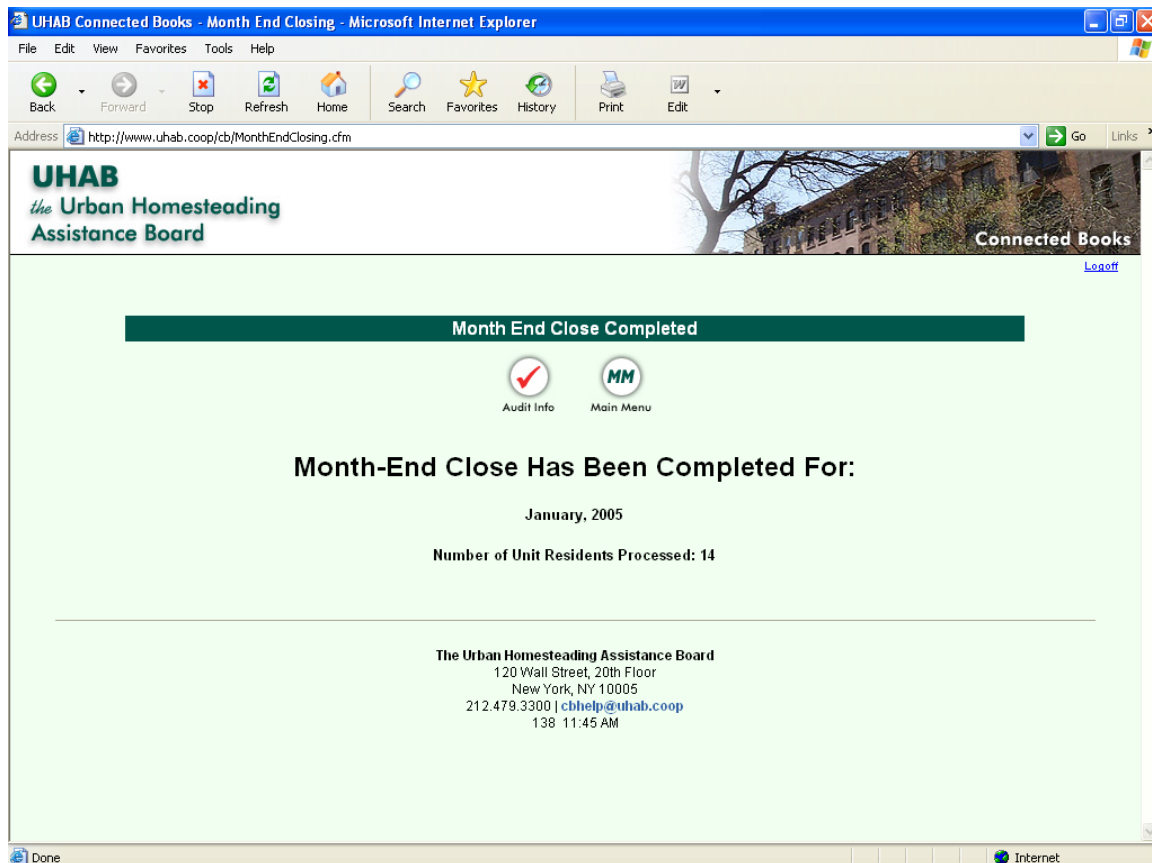
Under the Banking heading on the Main Menu screen

- Click on “Month-End Closing”
- Choose the month you want to process in the pull-down menu
- Choose the year you want to process in the pull-down menu
- Click on the “Close Month” button.

The screenshot shows a web browser window titled "UHAB Connected Books - Month End Close - Microsoft Internet Explorer". The address bar shows "http://www.uhab.coop/cb/MonthEndClosing.cfm". The page content includes the UHAB logo (Urban Homesteading Assistance Board) and a "Month End Close Form". The form has three icons: a checkmark for "Audit Info", a question mark for "Help", and "MM" for "Main Menu". Below these is the instruction "Please Select The Month/Year That You Want To Close:" followed by two dropdown menus: "Month:" set to "January" and "Year:" set to "2005". A "Close Month" button is positioned below the dropdowns. At the bottom of the page, contact information for The Urban Homesteading Assistance Board is provided: 120 Wall Street, 20th Floor, New York, NY 10005, 212.479.3300 | cbhelp@uhab.coop, and the timestamp 138 11:44 AM.



You will get a confirmation screen verifying that the month was closed, which will also state how many residents were processed in the Month-End Closing.



Always close out the previous month before viewing your building's Reports. This ensures that the correct information is being forwarded to the next month's opening balance.

If you notice that there is discrepant information in the Rent Roll Report or the Customer History Report, double check that the information was properly entered, and that the Month-End Closing has been done for that period of time. Pay particular attention to the Beginning Arrears column, and Ending Arrears column. Often times, an error in the report occurs due to failure to do the Month-End Closing function.

If you are not sure of which months you have performed a Month-End Closing for, Connected Books will display that information to you.

Under the Banking heading on the Main Menu screen

→ Click on "Close History"

This will display the months that have been closed, and the date it was closed.

## **Budgeting**

In this section we will go over the functions of Budgeting.

### **Main Menu**

- Under the Analysis section in the Main Menu- Click on Budgeting.
- Click on [Click Here](#).
- Select the year of the creation of the Budget and the Starting month for the Budget. Type in a description for the Budget.
- Click on Submit to continue.

### **Budget 2007 Worksheet**

- The Budget 2007 Worksheet is where you will project the expenses for the upcoming Budget year.
- This worksheet automatically calculates the buildings expenses based on the Past Actuals of the building.
- For example, the amount of money spent on Repairs/Maintenance is calculated based on how much money the building spent on this expense in the last year.
- *Connected Books calculates this data by counting 12 months of data before the last date of the previous month of the current year.*

#### **Let's take a look at each column in the Budget 2007 Worksheet.**

##### **Current:**

- The Current column gets information for the different expenses from the previous budget. These numbers state the amount of expenses that were projected for the current budget year.
- If you do not have a prior budget in Connected Books, this column will be empty.

##### **Past Actuals:**

- The Past Actuals is a calculation for all your expenses for the previous year.
- It is calculated from the last 12 months of data entry.
- For example, if you are creating a budget in October 2007 for the year 2008. The Past Actuals from the expenses in the time period: October 1<sup>st</sup>, 2006 – September 30<sup>th</sup>, 2007.

##### **Unpaid Bills:**

- The information for the Unpaid Bills column comes directly from the 'Unpaid Bills' section under Banking in the Main Menu.
- The unpaid bills will show up until the actual date of the creation of the budget. For instance, if you are creating a Budget in October 2007; all the unpaid bills from January 1<sup>st</sup> 2007 – September 30<sup>th</sup> 2007 will show up.
- If you have any unpaid bills for the month of October or if you are expecting or if you have any large bills that are coming up in the future that you want to record, you can enter them in the Adjustments column.

- For example, if you create a budget from January 2008 – December 2008. But you actually create the budget in November 1<sup>st</sup>, 2007. Then any unpaid bills recorded in Connected Books from November 1<sup>st</sup> 2007 – December 31<sup>st</sup> 2007 will not show up in the budget. This is because the budget is created from Nov 1<sup>st</sup> 2006- Oct 31<sup>st</sup> 2007 in order to reflect a full years worth of data.

**Annualized:**

- The Annualized column is used when the building does not have a full years worth of data entry to work with.
- In the event that there is only data entry in the building’s Connected Books account for eight months, then this column projects how much each expense would cost the building for a full year, based on the average monthly cost of each expense.

**Over/Under:**

- The Over/Under column shows you the difference between expenses from the previous budget and expenses for the projected budget. It shows you the amount by which the spending has increased or decreased for a particular expense.
- This Over/Under column is the difference between the Current column and the Annualized column.

**Percentage Increase:**

- The Percentage Increase column is the first column you can edit in the Budget Worksheet page.
- The Percentage Increase column defaults to a 2% increase for all expenses to account for inflation.
- You must change the Percentage Increase for a particular expense if you know that that expense will increase by a large amount. For example, the buildings fuel expenses for the upcoming year will probably increase by 10%.

**Working:**

- The Working column calculates your expenses by taking into account the original projected expense and the Percentage Increase that has been factored in.
- The numbers for the Working column are calculated by multiplying the expense under Annualized with the Percentage Increase for that particular expense.

**Adjustments:**

- The Adjustments column is used when you want to project an increase in an expense with a full dollar amount instead of a Percentage Increase.
- You can also use the Adjustments column to account for expenses that you anticipate for the next few months and that have not been entered into Connected Books.
- For example, if you are creating a Budget in September 2007 for 2008, you will have to enter in an Adjustment for Fuel to account for the expensive winter months.
- When you enter in an Adjustment amount, be sure to explain your Adjustment in the Adjustment Info/ Comment column.

**Final:**

- The Final column is a calculation of your Final amount for that particular expense.
- It calculates the Working amount and accounts for the increase in the event that there was an Adjustment and then gives you a Final Amount for that expense.

*The Total Amounts for all the columns are calculated at the end of the Budget Worksheet page.*

**Let's take a look at the individual expenses on the Budget Worksheet.**

*The following are estimates for Projected Increases. These have to be evaluated independently based on each individual building.*

**Insurance:**

Insurance usually goes up by 5% every year. But you should check with your buildings insurance broker to get an exact estimate.

**Management:**

The Management expenses are calculated either by calculating how much the building pays its Board Members for Management services or by calculating how much the building pays its Management Company.

The Management fee for the Board Members is estimated at 8% of the buildings income unless the building has a flat Management fee.

Outside Manager's Fees: Some buildings hire an outside manager to help manage the buildings finances and also to work on maintenance and upkeep of the building. Ask the Management Company for a quote for the following year and project your Management expenses.

**Legal:**

As a co-op, you should continue to budget for legal fees associated with housing court actions. You will also need to budget for an attorney to provide corporate legal advice to your HDFC co-op, on issues concerning corporate documents and policies such as resale and subletting.

Base your projection on last year's expenses, but adjust for the expected level of court actions for the coming year.

**Administration:**

This category includes all office expenses incurred by the HDFC. For example, expenses such as office supplies (paper, ink, etc.), expenses on travel reimbursement (taxi, etc.). When the HDFC has reimbursed an officer or a shareholder for an expense it would be an Administrative expense.

This expense does not have a specific amount. Look at your Past Actuals for this expense and increase it by at least 2%.

**Other Professional:**

*Bookkeeping fees:* Some buildings hire a bookkeeper to help maintain their day to day financial records. Typically this includes maintaining the monthly rent roll, cash disbursement forms, bank reconciliations and monthly summary sheet. Bookkeepers typically work on an hourly rate though some will agree to work for a monthly fee. Estimate the amount based on last year's contract, or a quote from a new bookkeeper.

*Accounting fees:* Every HDFC needs to hire an accountant to prepare their annual financial statement of income and expenses, which by law must be distributed each year to every shareholder in the building. The accountant will also prepare the building's federal corporate income tax filing.

Buildings should check to see if they require a Certified Auditor to audit their buildings. In the event that they are required to do a Certified Audit, they should factor a higher auditing expense.

Most accountants will meet with your Board to discuss their proposed work and fees before you sign a contract. The more complete and organized your records, the less time your accountant will have to spend, and the less it will cost. If you give your accountant a shopping bag full of receipts and cancelled checks, it will take them more time and thus be more costly.

If your records are in a similar condition, your accountant's fee should be similar to your past actual.

**Repairs/ Maintenance:**

**Maintenance Contracts:** All buildings should have at least one maintenance contract: for their boiler. This contract should cover both the annual cleaning and servicing when necessary. A boiler maintenance contract can be obtained either from your fuel company or from an independent boiler service company. Allow for a 2% increase due to inflation.

Also, consider if you have any large repairs coming up in the following year. You will also want to allow for needed upgrades and major repairs to maintain your building in the future as recommended by your Maintenance and Repair Committee. Projections for specific repairs could be based on contractor quotes, the advice of other TIL buildings and co-ops, or cost guidelines available from HPD or technical assistance providers like UHAB.

Keep in mind that a very large amount of repair can be recorded as Capital Improvement for the building.

**Plumbing:**

For many buildings, plumbing expenses are ongoing and significant, warranting a separate expense category. Use last year's actual expenses as a general guideline for your projection. Allow for a 2% increase due to inflation.

**Exterminator:**

If the HDFC does not have an exterminator, it is recommended that they hire one at least for public areas and basements. The expenses for an Exterminator depend on the individual fee's and the size of the building.

If the HDFC currently hires an Exterminator, you should increase the expenses by 2%. If the HDFC does not have an Exterminator but is planning to hire one, they can always call any company for a free quote and include it in the budget.

**Fuel:**

Estimate a 10% increase in the cost of Fuel for the following year. But fuel prices have been fluctuating yearly, so it good to consult your UHAB coordinator for this expense.

**Utilities:**

Base your projection on last year's actual expense and allow for a 2% increase due to inflation.

**Water/ Sewer:**

Base your projection on last year's actual expense and allow for at least a 6% increase due to inflation. Do not look at the Past Actual's for your Water/ Sewer expenses but look at the actual water bill for your building. Add the four quarters and increase the amount by at least 6%.

**Building Improvement:**

Building Improvement (also known as Capital Improvement) expenses are any major expenses which increase the value of the property. This includes but is not limited to: new roof, new boiler, windows, brick pointing (whole walls). These are expenses that are too major to be considered just repairs.

**Transfer to SA:**

Calculate how much the building puts away for Reserves every year. It should be at least \$200 per unit per year.

**Payment of DEBT:**

This category is calculated from the payments made by the HDFC towards loans that it has to pay back. Take a look at your Amortization schedule to calculate how much your HDFC owes towards its Payment of DEBT for the following year.

**Payroll:**

Payroll expenses include the amount of money paid as a salary to all the employees of the HDFC. The building must *not* include the taxes that you pay for your Payroll expense. Payroll Taxes will be calculated as an expense under Other Taxes.

**RE Taxes:**

Calculate how much your Taxes would increase based on your bill for the previous year. Increase your previous bill by at least 6-7% and estimate your taxes for the following year.

**Other Taxes:**

Other Taxes are Payroll Taxes and Corporate Taxes.

Corporate taxes are based on the income and expenses that the HDFC makes over the course of a year. Your accountant will prepare this report and advice on any payment due. The IRS report is due within two months after your fiscal or calendar year. **HDFC's are exempt from city and state corporate income taxes.** If your income was much higher this year compared to last year, you should budget for additional money for corporate taxes.

The Payroll Taxes are calculated based on the amount of expense incurred by the buildings Payroll Account.

**Other Expenses:**

Other expenses include the following expenses for Permits and Licenses that have to be paid by the HDFC. The following is just a minimum of expected Other Expenses, your HDFC may not be limited to these expenses.

Boiler - \$35

Fuel tank/ Fire Dept - \$90  
MDR (Multiple Dwelling Registration) - \$13  
Dept. of Environmental Control - \$110  
Two Violations - \$50  
Total = \$298.

**Once you have estimated your expenses for the following year you can look at the Total expenses in the last row.**

### **Budget Worksheet Income.**

The Budget Worksheet Income page lists:

- The Total Yearly Projected Expenses.
- Projected Yearly Income From Renters.
- Projected Yearly Commercial Income.
- Projected Yearly Other Income.

#### **Explanation of the different rows in the Budget Worksheet Income page:**

The Total Yearly Projected Expenses:

- This number comes from the calculation of the Projected Expenses from the Budget Worksheet page.

Projected Yearly Income from Renters:

- The number in the first column is the Total Yearly Income and the building currently receives from renters.
- If you would like to increase the income from renters and hence increase the Rent amounts for tenants you can edit this number by using *either* the Percentage Increase column or the Adjustment column.
- The final amount will be your projected income from renters and will appear in the Subtotal column.

Projected Yearly Commercial Income:

- The number in the first column is the Total Yearly Income that the building currently receives from commercial units.
- If you would like to increase the income from the buildings commercial units and hence increase the commercial income amounts for tenants you can edit this number by using *either* the Percentage Increase column or the Adjustment column.
- The final amount will be your Projected Commercial Income and will appear in the Subtotal column.

Projected Yearly Other Income:

- The number in the first column is the Total Yearly Other Income that the building currently receives.
- If you would like to increase the Other Income charged to the buildings residents you can edit this number by using *either* the Percentage Increase column or the Adjustment column.
- The final amount will be your Projected Other income and will appear in the Subtotal column.

**The last column is the Total column. The first row calculates the Total Projected Expenses for the building for the following year and the last row calculated the Total Projected Income (not including**