Quickbooks

Accounting System Setup Guide

Facility Engagement Management System (FEMS)

for

Doctors of BC

Specialist Services Committee

Facility Engagement Initiative

Bayleaf Software Inc.

Version 1.3
July 25, 2017

Document Version Summary

Version #	Release Date	Author	Change Summary
0.0	Sep 24, 2016	Keith Turner	Initial definition
0.1	Dec 2, 2016	Keith Turner	Final draft version for review by Doctors of BC. Some updates still pending further to clarification by Doctors of BC.
0.3	Dec 14, 2016	Keith Turner / Michelle Arduini	Incorporate changes per Michelle's version for distribution to physician society Finance Administrators. Include updates to the QuickBooks setup section due to changes in the QuickBooks user interface.
0.4	Jan 10, 2017	Keith Turner / Michelle Arduini	Updates with respect to QuickBooks tax setup, include new QuickBooks UI images that QuickBooks changed in mid-December, new QuickBooks default accounts, updates to the Transaction Pro utility subscription, and other minor changes.
0.5	Feb 6, 2017	Keith Turner / Michelle Arduini	Updates to Chart of Accounts per revised list. Address questions raised. Verify import steps, specifically configuration of taxes and default QuickBooks accounts.
1.0	Feb 8, 2017	Keith Turner / Michelle Arduini	Final version for release to physician societies.
1.1	Mar 3, 2017	Keith Turner / Michelle Arduini	Updates to Quickbooks set up section per errors identified.
1.2	April 20, 2017	Michelle Arduini	Updates to Quickbooks set up per changes to Chart of Accounts and QBO UI.
1.3	Jul 25, 2017	Michelle Arduini	Updates to Support Contact.

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FACILITY
ENGAGEMENT
An SSC Initiative
Welcome to
The Facility Engagement Management System.
Sign into your account
clee@bayleaf.com
Sign in
Remember me?
Forgot Password?
By clicking Sign in you agree to our Terms of Use and Privacy Statement.
Don't have an account?
Create your account today
Register
Members and staff of physician societies can use this web portal for registration, claim submission and tracking, activity management, and reporting.
For more information, click here: www.facilityengagement.ca/fems (please correct)
For technical and accounting support, contact XXXX"
Facility Engagement is a Specialist Services Committee Initiative, a partnership of Doctors of BC and the Ministry of Health.
SPECIALIST SERVICES COMMITTEE © DOCTORS OF BC | Terms of Use
British Columbia
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1. Document Purpose

This document provides a guide to setting up the accounting system component that is needed in conjunction with the Facility Engagement Management System (FEMS) for the Facility Engagement Initiative.

This document is only relevant to **incorporated physician societies**. Non-incorporated physician societies do not need an accounting system.

The audience for this document includes the following individuals:

1. The physician society's accountant or bookkeeper
2. The physician society's Treasurer (or person responsible for the accounting/reporting of the society's funds)
3. The roll-out and deployment team (Apollo)
4. Doctors of BC Accounting staff
5. Doctors of BC Engagement Partners (awareness of the accounting requirements and setup needs).

1.1 Support Contact

The Facility Engagement initiative is run by the Specialist Services Committee of Doctors of BC. If you need assistance, please contact us in one of the following ways:

Call us

Phone number: 604-638-4869 Toll-free number: 1-800-665-2262. You can call us from 9:00 am to 4:00 pm - Monday to Friday (excluding stat holidays).

Email us

femssupport@doctorsofbc.ca

For accounting related questions, please first contact your physician society's Finance Administrator.

2. The Facility Engagement Business Context

The goal of the Facility Engagement Initiative is to give facility-based physicians a meaningful voice and forum for improving patient care, their working environment, and to identify issues that affect medical staff. To this end, Doctors of BC through the Specialist Services Committee (SSC) constituted a joint committee between Doctors of BC and the BC provincial government, with representation from the BC health authorities. One key responsibility of the SSC is to facilitate physician participation in a facility engagement process with health authorities and the Ministry of Health. Specifically, this includes the provision of systems and processes to support the payment of physicians through local structures or "Physician Societies". The Societies will be funded via the SSC, and are required to track and report how the funds have been used within the Societies according to the associated Memorandum of Understanding (MoU).

To support the initiative, a web-based Facility Engagement Management System (FEMS) application will be used by physicians, society administrators, society executives, and Doctors of BC staff. The system components of the Facility Engagement Initiative are illustrated below.

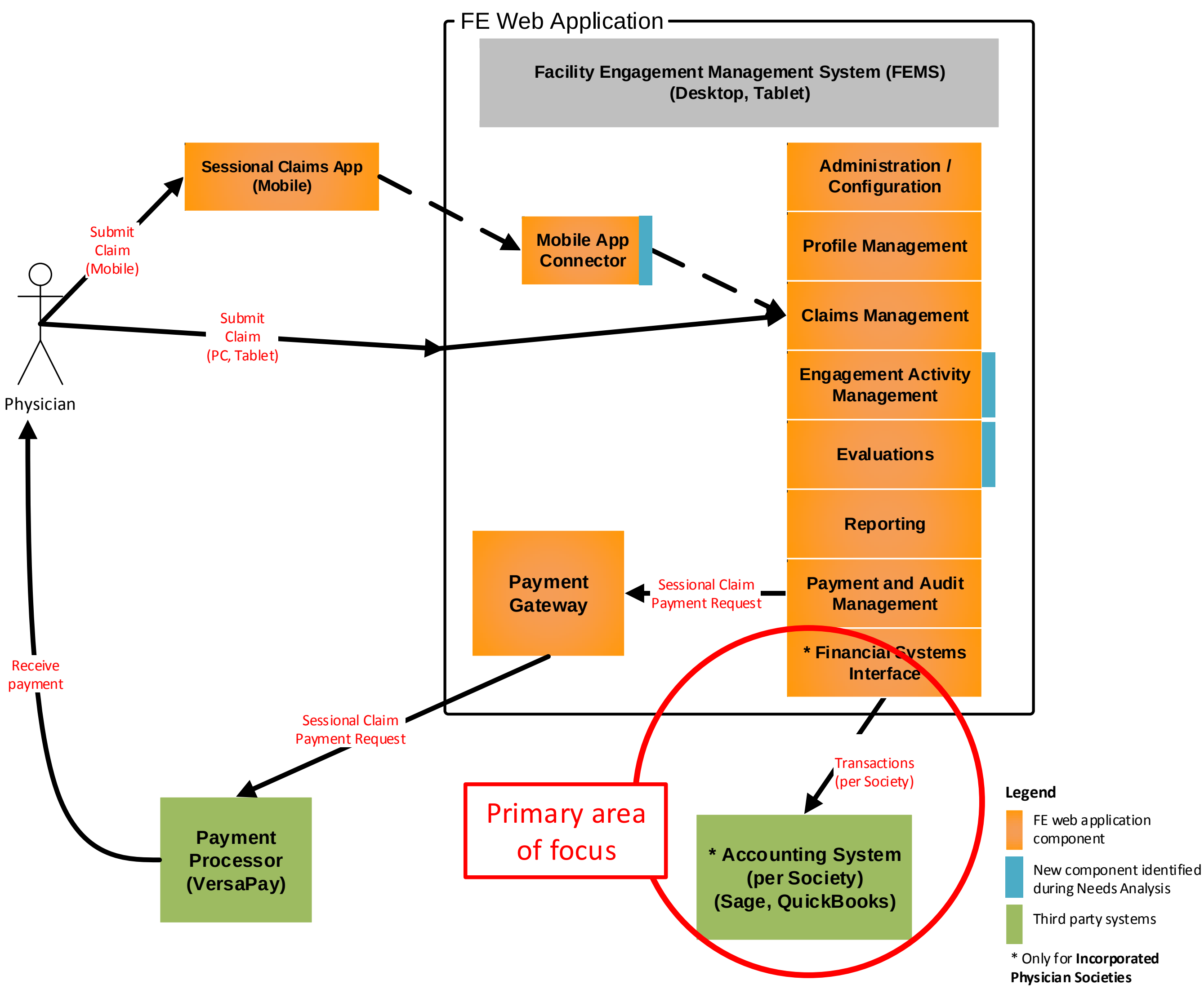

Figure 1: System Components for Facility Engagement

When establishing a new physician society, the primary sequence of events and funding flows are as noted below and illustrated in the diagram.

1. On completion of the application process so start a physician society in a particular health facility (or across facilities), a new physician society is created within FEMS.
2. Doctors of BC assign a budget allocation to the physician society (say $100,000).
3. The physician society then allocates those funds to engagement activities. An Engagement Activity represents the assignment of funds (i.e. a "funding bucket") to achieve an outcome or set of objectives. It always has a budget amount, a Lead, and an MoU Category. It is the highest level entity against which a claim can be submitted.
4. Optionally, Engagement Activities can also be tagged (using the Theme descriptor on the engagement activity) to facilitate searches. For example, find all engagement activities across all physician societies that are working on "Wait times", or "Scheduling", or some other specified theme tag. To be truly effective, this will require a list of standardized themes for use across the province.
5. Engagement Activities within a physician society can also be associated into a logical set of engagement activities (using the descriptor Grouping). This can be used to facilitate reporting.
6. Physicians and Allied Health Professionals then participate in meetings, undertake research, attend a conference, perform tasks, and do whatever other activities are needed to achieve the outcomes or expected deliverables for that engagement activity.
7. They submit a claim for their time (and any incidental expenses) against the appropriate engagement activity using FEMS (either the desktop version, or the mobile app).
8. The physician society is responsible for tracking and managing the funds for the engagement activity and across all engagement activities.

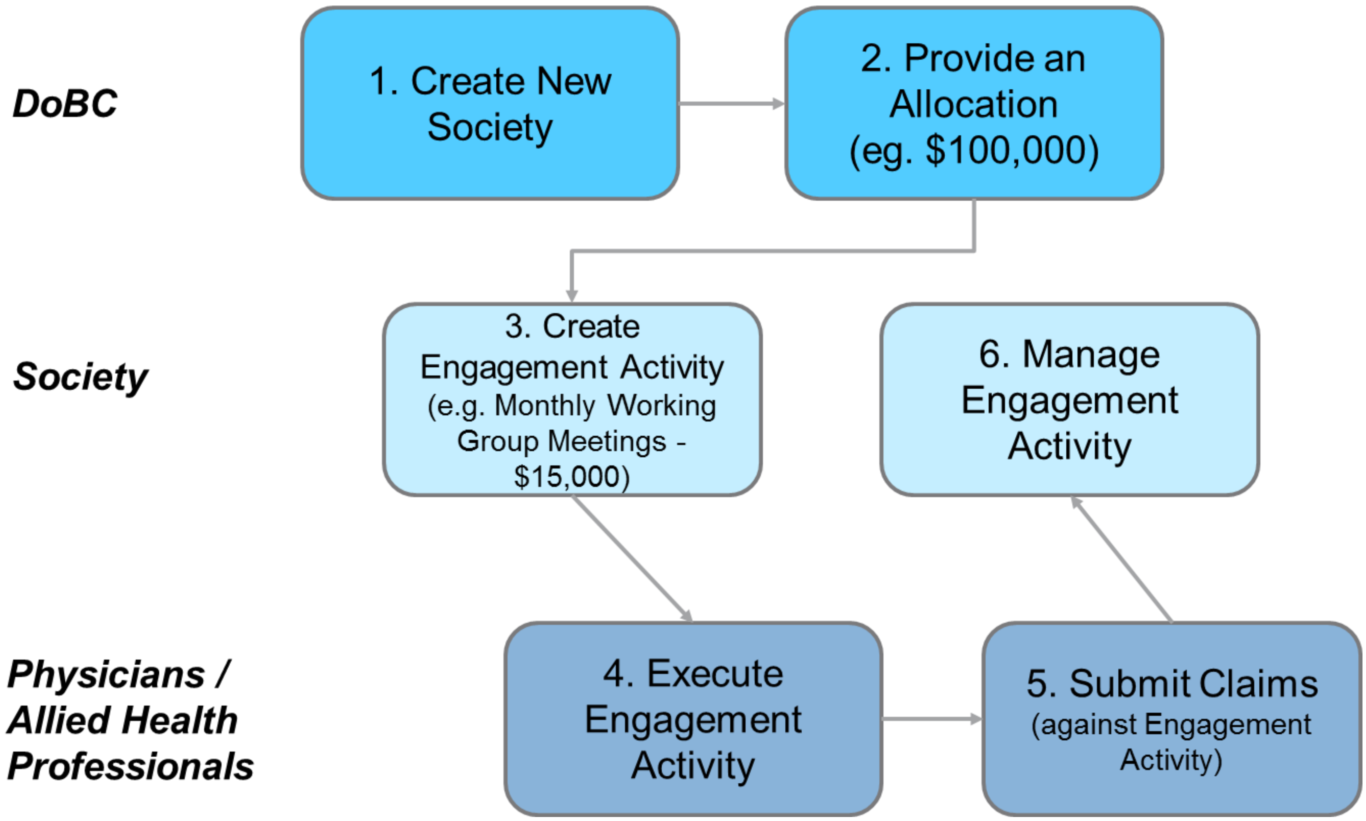

Figure 2: Sequence of Events and Funding Flows

FEMS provides the tool to manage the physician society, the engagement activities, and the submission and settlement of claims.

If a physician society chooses to become an incorporated, not-for-profit society, then it is required to maintain its own set of books and provide financial reporting to Canada Revenue Agency (CRA) per the Societies Act. In this case, the society will need an accounting system as illustrated above in Figure 1. The accounting systems that a physician society can use are limited to QuickBooks or Sage 50.

The focus of this document is on the installation and configuration of one of the above accounting systems.

2.1 FEMS Transaction Download

All claims and expenses captured into FEMS will generate the corresponding financial entries in FEMS and will be available for download to the physician society (for incorporated societies only). This enables the society's accounting package to have a full representation of operations and to facilitate financial reporting to CRA.

When the financial interface is in place for Release 2, all claims processed within FEMS will be extracted and downloaded as journal transactions directly into the accounting system. There is no need for the physician society accountant or bookkeeper to capture any transactions related to claims within their accounting system. This means that the physician society's books will correctly reflect the consequence of the claims processed within FEMS.

Step-by-step details of this download process will be developed and delivered to physician societies at that time.

2.2 Accounting Entries to be Captured within the Accounting System

Some accounting entries will only be captured within the physician society's accounting system. These are typically asset purchases (e.g. a computer), or internal operating expenses associated with the operation of the physician society. This is outlined in more detail in section 8. The volume of these entries is expected to be low.

3. Sequence of Releases

The Facility Engagement Management System is delivered in two releases, with the initial features coming out quickly to allow the capture of claims data to begin as soon as possible, and additional functionality to follow.

The key capabilities of the two releases are:

- **Release 1 (September 2016):** Capture sessional claim data electronically, establish and manage engagement activities, pay claims by via Electronic Funds Transfer (EFT) or cheque, physician and physician society profile management
- **Release 2 (January 2017):** Extend base capabilities from release 1 and export financial transactions to the Society's accounting system (for incorporated societies only), complete reporting and remaining functionality.

3.1 Transactions Needed before the Financial Interface is in Place

Physician societies should begin capturing internal operating expenses at their convenience once the accounting system has been installed and configured. However, this should be limited to only internal operating expenses (please see section 8 for a discussion on the different expense types, namely Internal Operating Expenses vs. Engagement & Consultation Expenses).

All costs associated with Engagement Activities will be captured in FEMS, the financial transactions generated within FEMS, and then downloaded to the physician society's accounting system via the financial systems interface (to be available in Release 2).

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4. Accounting Packages Supported

An accounting package needs to be acquired by incorporated physician societies to manage their financial position. This is required both by Doctors of BC and by Canada Revenue Agency (CRA). One of the following accounting systems will be supported as part of the Facility Engagement Initiative:

1. Option 1: Sage 50c Premium 2-user with Payroll, or
2. Option 2: QuickBooks Essentials 3-user with Payroll

The acquisition and product details for each of these are described below.

The minimum technical specifications to use the FEMS system is noted in the appendix (see section 9.2).

4.1 Payroll Support - Handling Governance-Type Claims

Because of the need to handle compensation for physicians who are directors of their physician society, the Society Act requires that source deductions be made on their compensation (as opposed to physicians who are participating in physician society activities and are compensated the gross amount of their claims). The physician society can choose to determine the source deductions and employer contributions for governance payments in one of the following ways:

- Acquire the payroll component associated with the accounting system that the physician society is using;
- Use a payroll processing service (such as ADP); or
- Determine the deductions and contributions manually (e.g. using tools such as the CRA Payroll Deductions Online Calculator).

Regardless of the option chosen, the source deductions and employer contributions must be included within the physician society's accounting system. The option chosen and the setup required should be done in conjunction with the physician society's Finance Administrator.

5. Chart of Accounts

A standard Chart of Accounts has been prepared for use by all incorporated physician societies. As noted in the Funds Transfer Agreement, **it is a mandatory requirement for all physician societies to use this standard chart of accounts** to facilitate coordinated and consolidated reporting to Doctors of BC and to the Ministry of Health.

The standard chart of accounts list is included in the appendices (see section 9.1). In conjunction with this document, you will also receive a file containing the standard chart of accounts in the format required for the accounting system of choice.

The chart of accounts will be imported into the accounting system as described below.

5.1 Need for New Accounts within the Accounting System

In the event that your physician society needs a new account that is currently not reflected within the standard chart of accounts, please raise this with your Engagement Partner so that it can be decided at an overall initiative level.

6. Step-by-Step Accounting System Setup for QuickBooks

6.1 Copy the Standard Chart of Accounts File to a Convenient Location

Along with these setup instructions, you will also have received a file containing the standard Doctors of BC Chart of Accounts to be used by all physician societies. This needs to be located in a place where it can be imported into the online QuickBooks company that you create.

1. Place the file “QuickBooks - Standard Chart of Accounts.xlsx” into a folder of your choice.
2. This could be for example as follows: C:\Users\kturner\Documents\

6.2 Acquire QuickBooks Accounting Software License

1. Go to the QuickBooks website at url: https://quickbooks.intuit.ca/accounting-software/quickbooks-online-accounting/buy-quickbooks-sale/
2. Click on the button Buy Now for the option “Essentials”. This supports a cloud-based version with access by 3 users.
3. If you already have an Intuit account, click the “Sign In” link. Otherwise provide the registration information required and then click the button “Sign Up”.
4. Follow the purchase instructions per the website.

6.3 Create the New Physician Society within QuickBooks Online

On the initiating page dialogue:

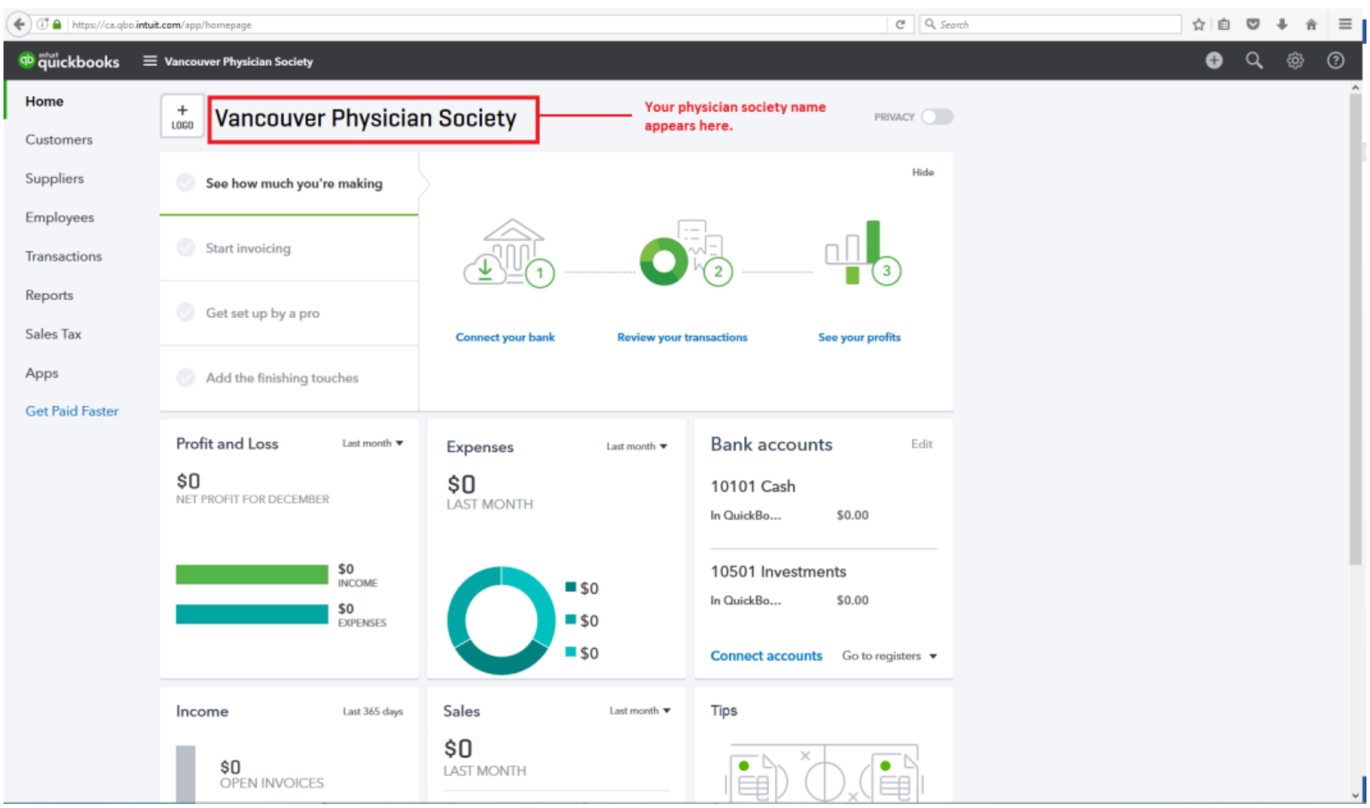
1. “What’s your business called?”, specify the business name of the physician society.
2. “How long have you been in business?”, choose “Less than 1 year”.

3. Leave the checkbox "I've been using QuickBooks Desktop and want to bring in my data." unchecked.
4. Click Next when completed.

On the second page dialogue:

"What can we take off your plate?":

5. Click "Track expenses".
6. Click the green button "All set" in the bottom lower right hand corner.
7. The QuickBooks landing page is then shown:



6.4 Purge the Existing Default Accounts

When your new user account is established within QuickBooks Online, a default chart of accounts is created with 51 accounts. However, we will import the Facility Engagement Initiative's standard chart of accounts. It is best to clear all the exiting accounts by executing the following url to purge the default chart of accounts.

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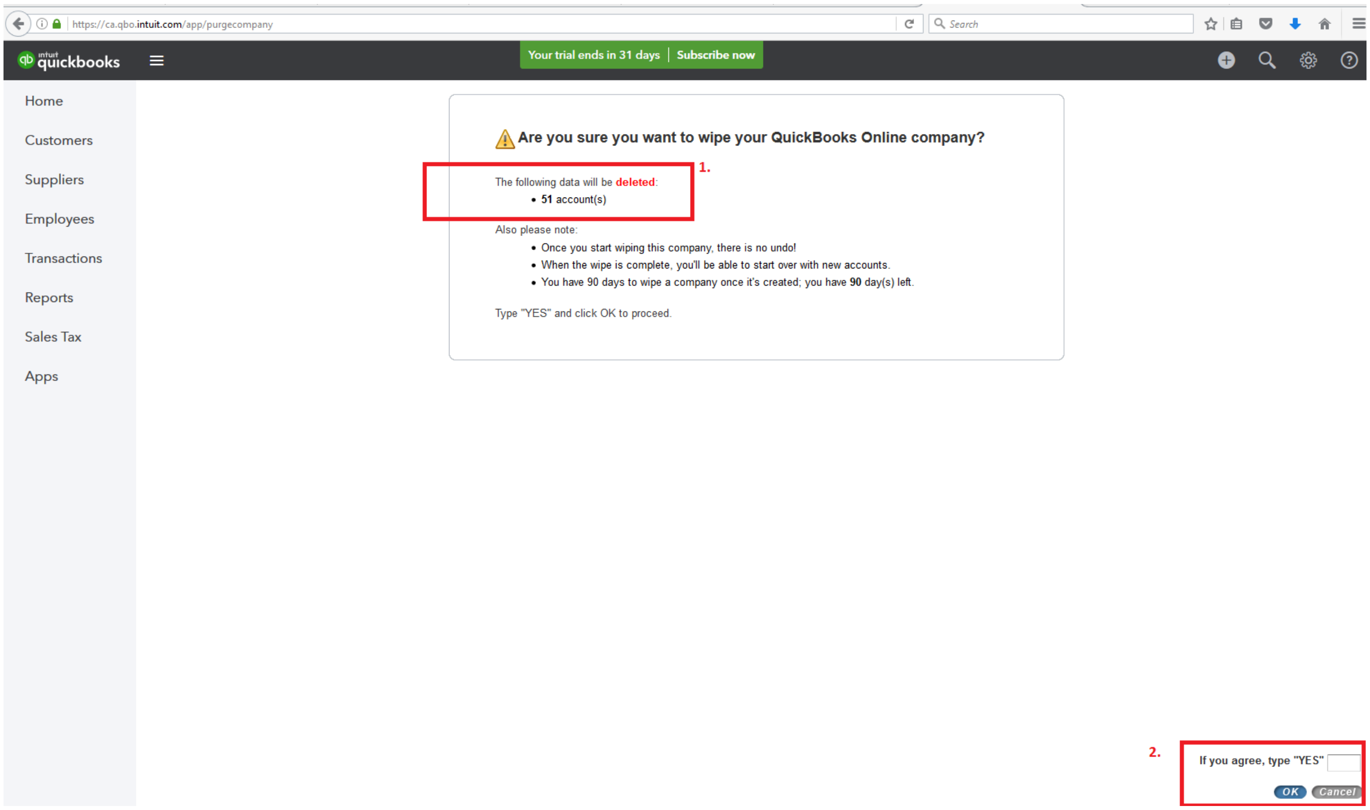
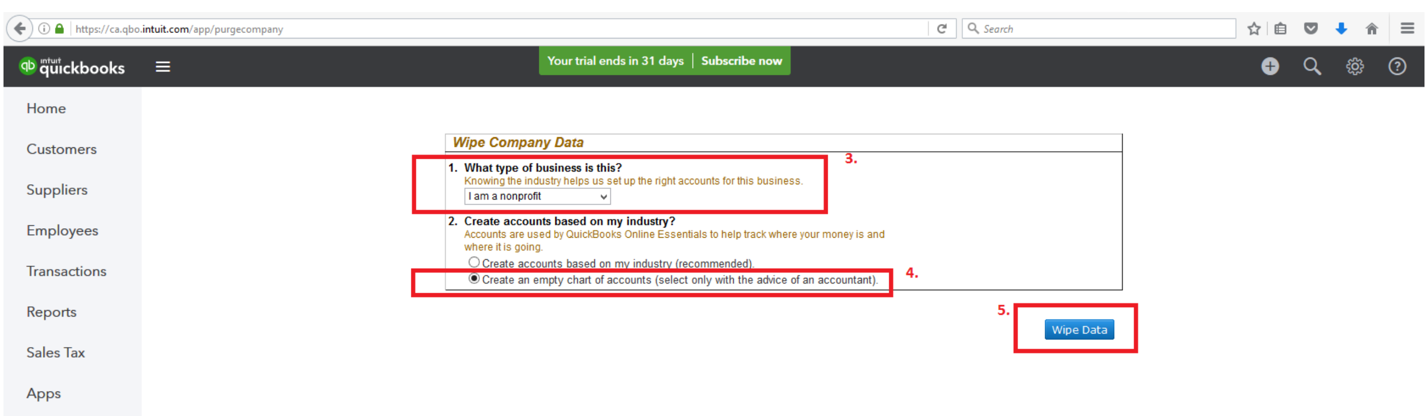
From the landing page, change the url:

https://ca.qbo.intuit.com/app/homepage to https://ca.qbo.intuit.com/app/purgecompany and hit Enter. The following page will be displayed:



1. It indicates that 51 accounts will be deleted.
2. In the box in the bottom right hand corner, type in "YES" and click OK.
   A confirmation dialogue will now appear:



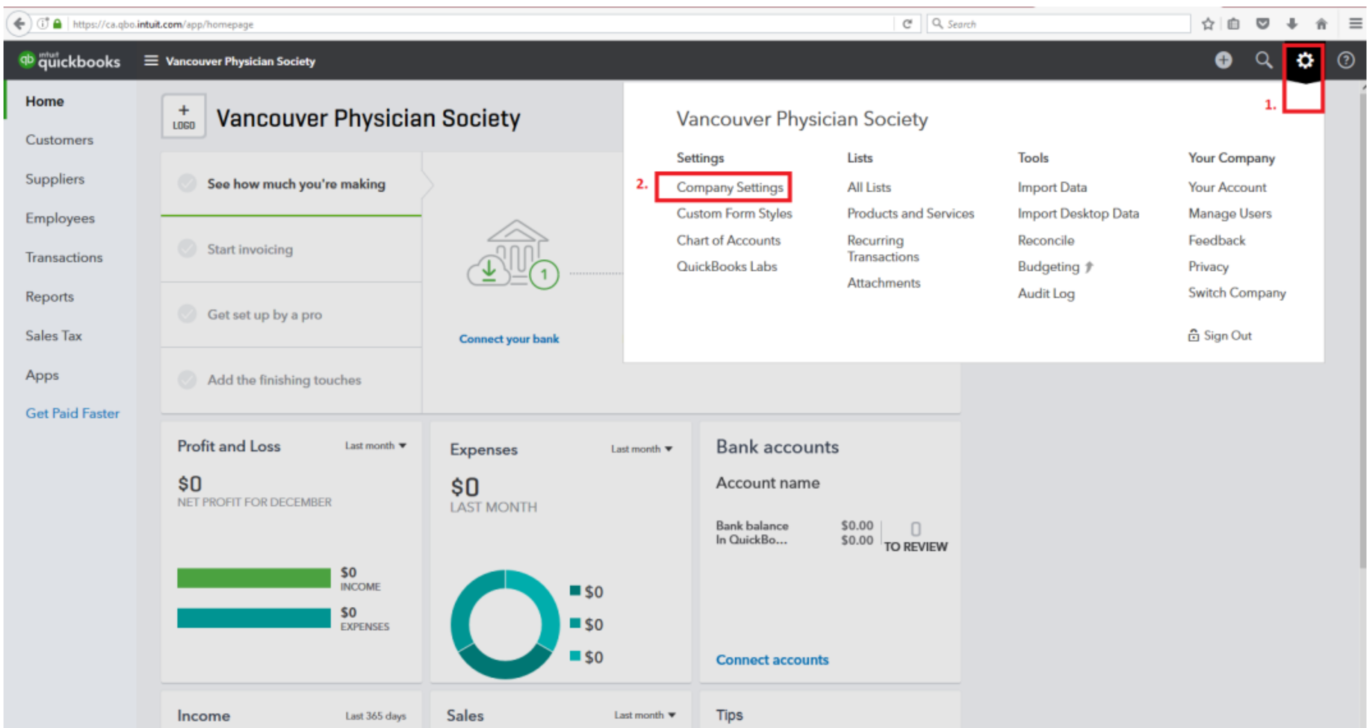
3. For option 1: "What type of business is this?", select "I am a nonprofit".

4. For option 2: “Create accounts based on my industry?”, select the second option: “Create an empty chart of accounts (select only with the advice of an accountant)”.
5. Click the blue button “Wipe Data”.
6. Once completed, you will be returned to the QuickBooks Online Home page.

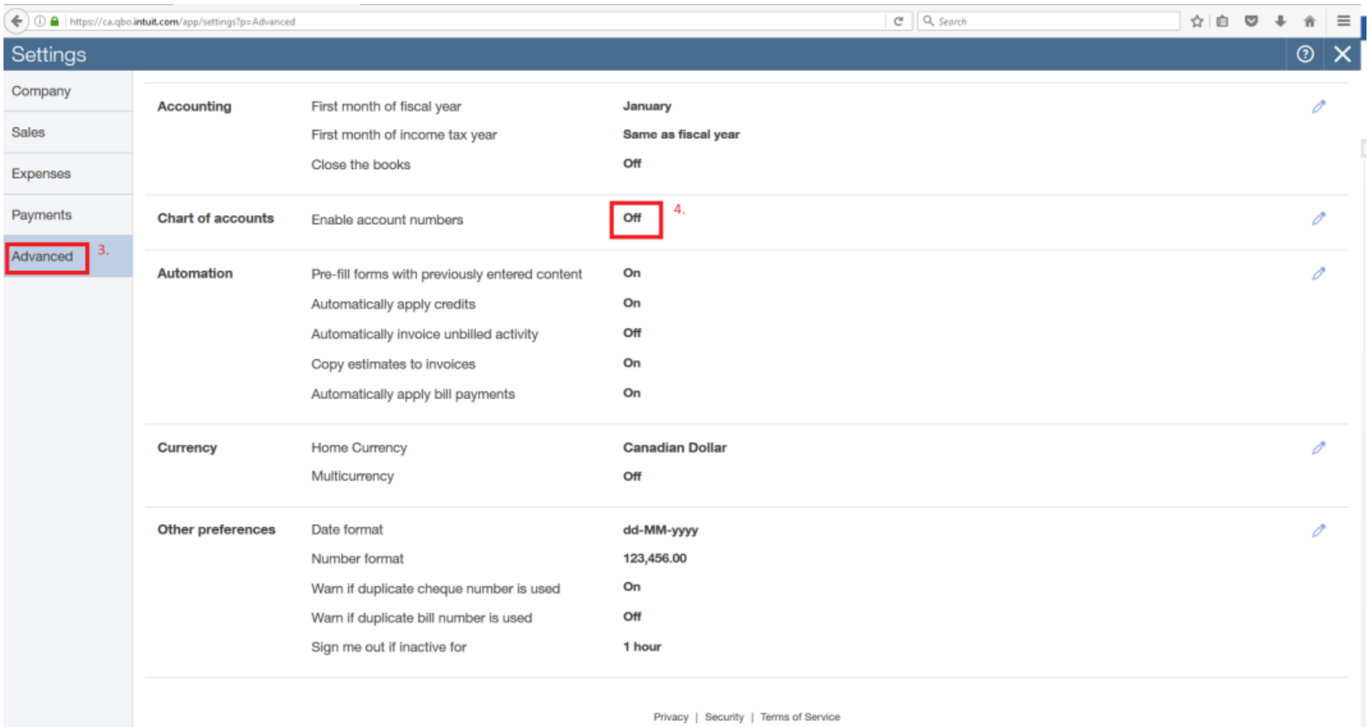
6.5 Configure the New Physician Society

From the landing page:

1. Click on the Gears icon in the upper right hand corner. This displays a pop-up menu as shown below.
2. Under the Settings list, click on the option “Company Settings”.



3. On the Settings landing page, select “Advanced” in the left hand navigation.

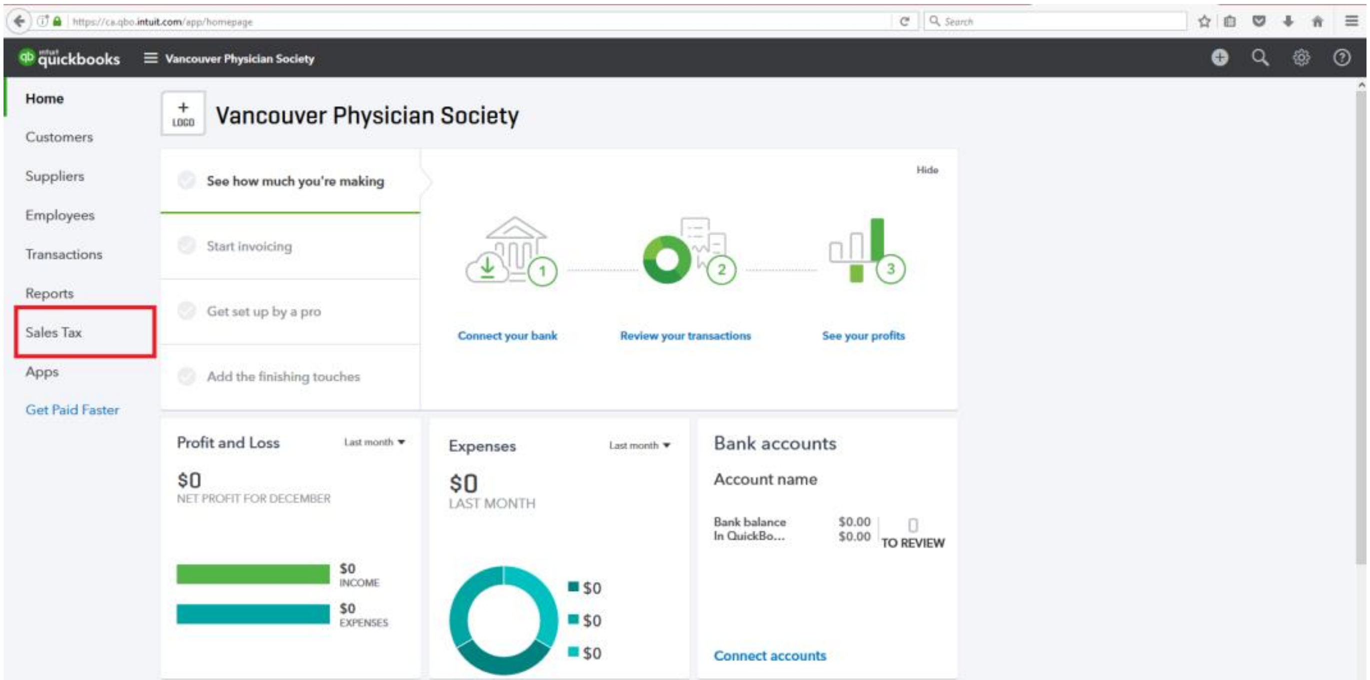


4. Click on the row "Chart of accounts". Check the checkbox "Enable account numbers", Check the checkbox "Show account numbers", and click Save.
5. On the same Settings page, update the Accounting preferences:
    - First month of fiscal year – select April
    - First month of income tax year – select "Same as fiscal year"
    - Click Save.
6. Specify any other preferences as needed, and click Save accordingly.
7. On the left hand navigation tab "Company", update the Company name, Contact info, and Business Number (BN) as needed.
8. When finished, click on the button "X" in the top right hand corner.

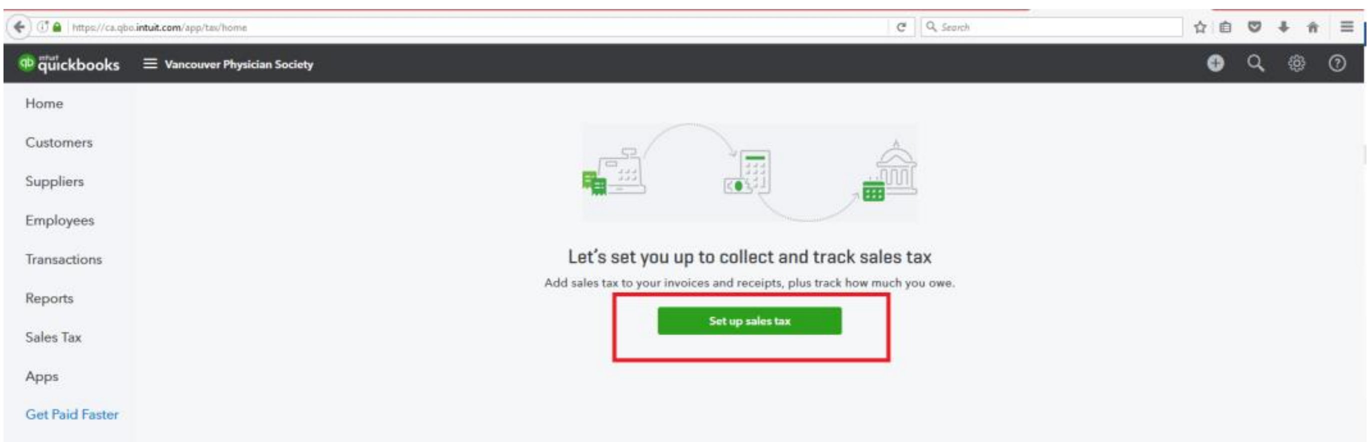
6.6 Set Up Tax Codes

Ensure that the applicable tax codes are set up. The physician society Finance Administrator should complete this section as required.

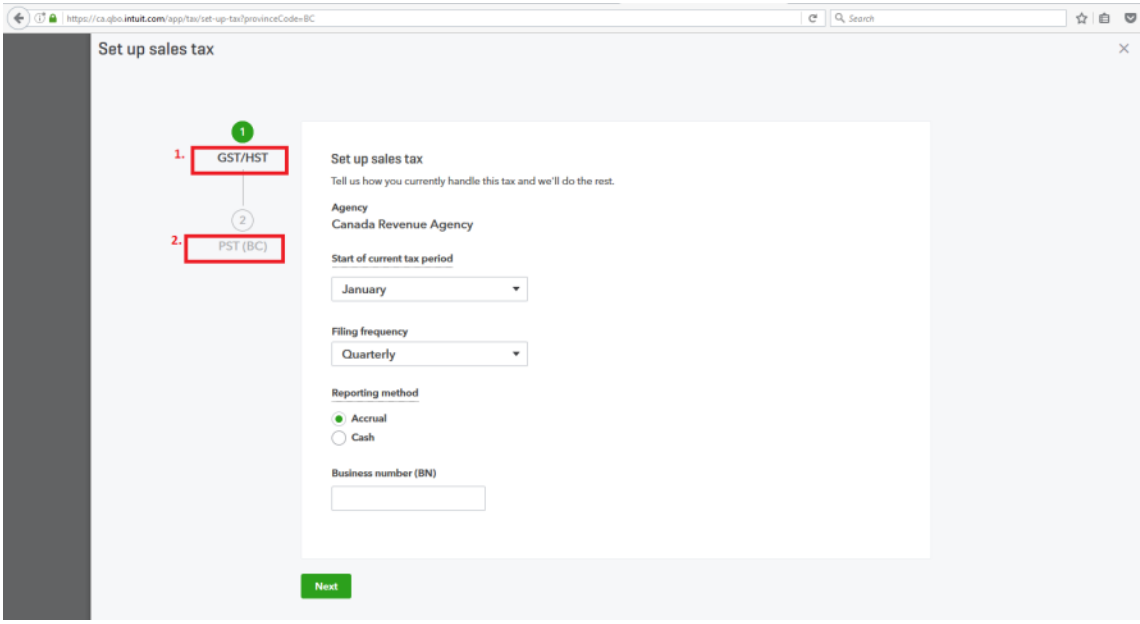
1. Select the "Sales Tax" item from the left hand side navigation.



2. This displays the following landing page:



3. Click on the green button “Set up sales tax”.
4. In the pop-up dialogue, “Set up sales tax”, select the “Province or territory” as British Columbia and click Save.
5. The following page is then shown:



6. Setup GST (marked 1. In the diagram above)

    a. Specify the "Start of current tax period" as April. Specify "Filing frequency" as Yearly (these values should be confirmed with the Finance Administrator depending on the expected revenue for your physician society to meet the CRA filing and reporting requirements).

    b. Select Reporting method as Accrual

    c. Specify the Business Number

    d. Click the green button Next.

7. Setup PST (BC) (marked 2. In the diagram above)

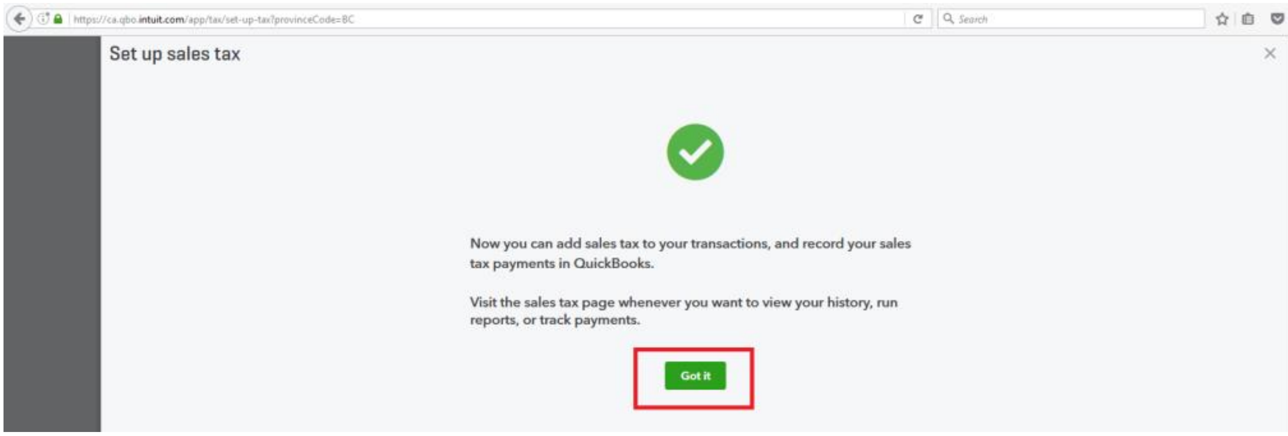
    a. Specify the "Start of current tax period" as April. Specify "Filing frequency" as Yearly (these values should be confirmed with the Finance Administrator depending on the expected revenue for your physician society to meet the CRA filing and reporting requirements).

    b. Select Reporting method as Accrual

    c. Specify the Business Number

    d. Click Next.

8. The following confirmation page is then shown:



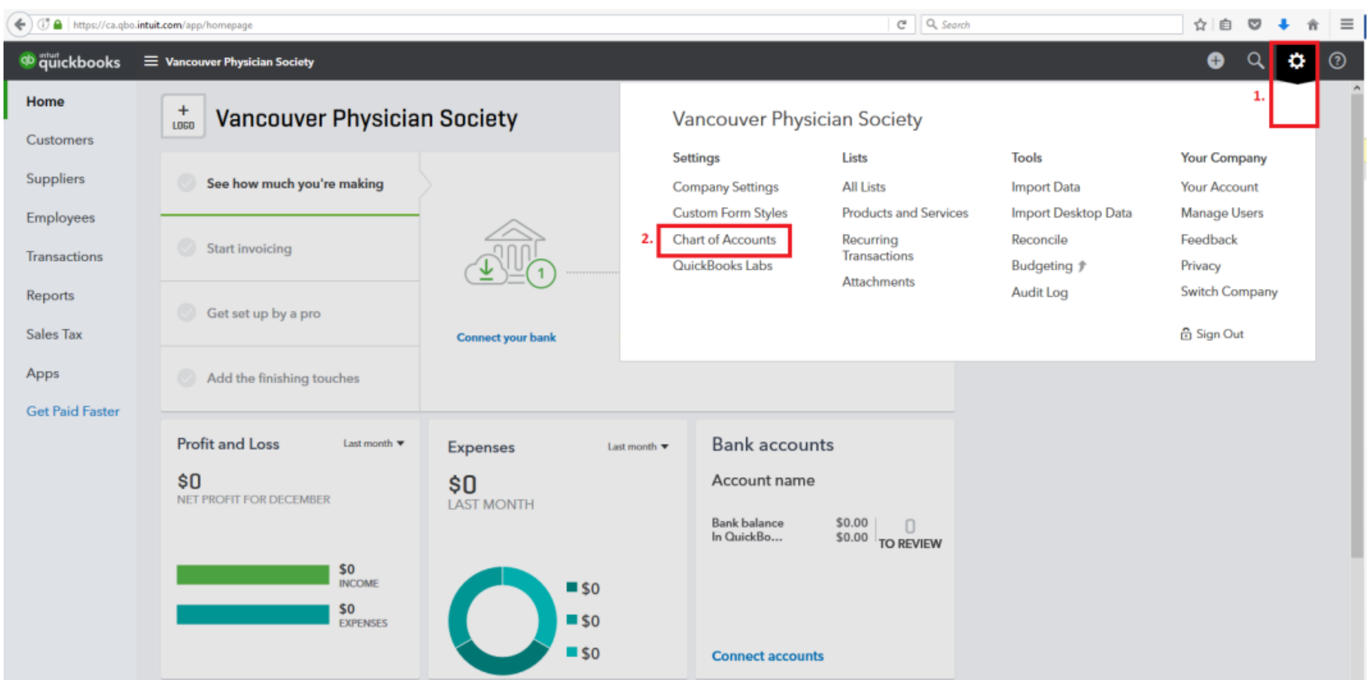
9. Click the green button Go it.

10. Edit the Default QuickBooks accounts as noted below in section 6.7.

6.7 Edit or Delete the Default QuickBooks Accounts

From the home page, click on the Gears icon in the upper right hand corner. This displays a pop-up menu as shown below.

1. Under the Settings list, click on the option “Chart of Accounts”.



2. This displays the default set of accounts created by QuickBooks as follows (note the grid may display differently):

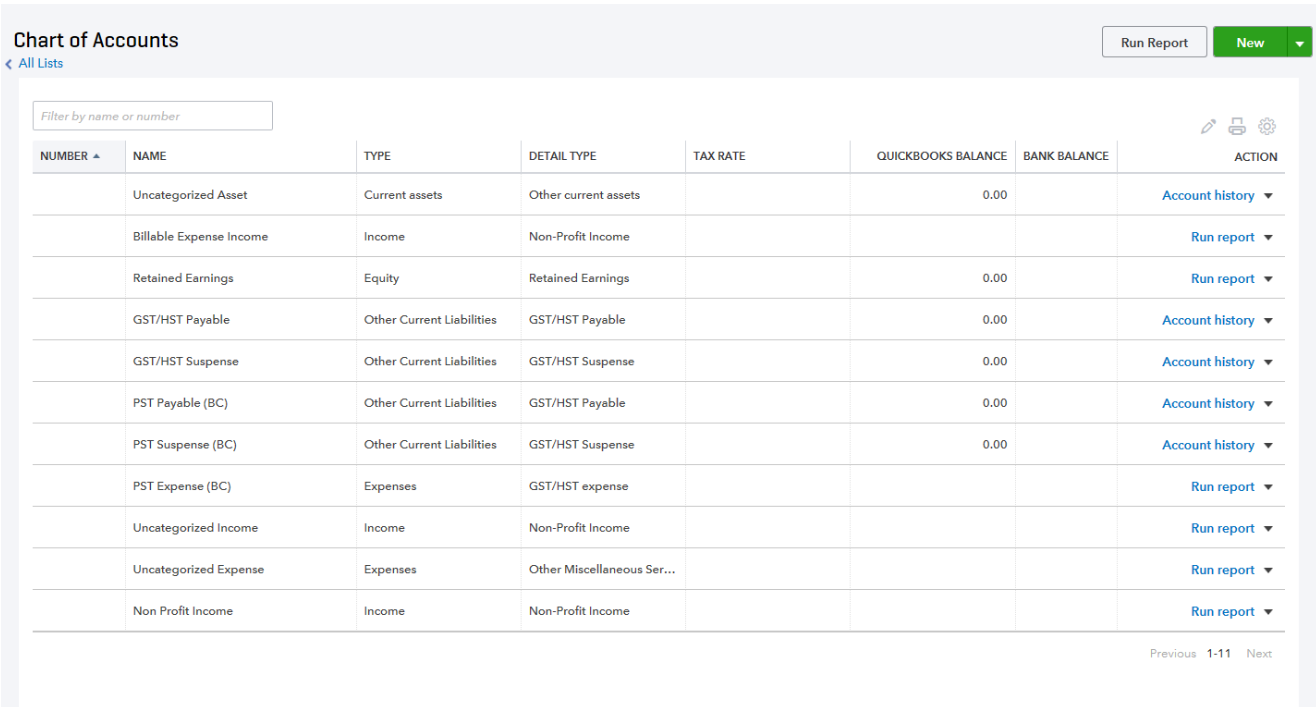


Chart of Accounts
All Lists

Run Report | New

Filter by name or number

NUMBER ▲	NAME	TYPE	DETAIL TYPE	TAX RATE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
	Uncategorized Asset	Current assets	Other current assets		0.00		Account history ▾
	Billable Expense Income	Income	Non-Profit Income				Run report ▾
	Retained Earnings	Equity	Retained Earnings		0.00		Run report ▾
	GST/HST Payable	Other Current Liabilities	GST/HST Payable		0.00		Account history ▾
	GST/HST Suspense	Other Current Liabilities	GST/HST Suspense		0.00		Account history ▾
	PST Payable (BC)	Other Current Liabilities	GST/HST Payable		0.00		Account history ▾
	PST Suspense (BC)	Other Current Liabilities	GST/HST Suspense		0.00		Account history ▾
	PST Expense (BC)	Expenses	GST/HST expense				Run report ▾
	Uncategorized Income	Income	Non-Profit Income				Run report ▾
	Uncategorized Expense	Expenses	Other Miscellaneous Ser...				Run report ▾
	Non Profit Income	Income	Non-Profit Income				Run report ▾

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3. For all the default accounts, take the action as noted in the table below:

No.	Account Name	Action	Confirmation Message
1.	**Uncategorized Asset**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
2.	**Billable Expense Income**	Under the Action column, click the dropdown arrow and select "Delete". Click Yes for the confirmation message "Are you sure you want to delete this?"	"Billable Expense Income is now inactive".
3.	**Retained Earnings**	Under the Action column, click the dropdown arrow and select "Edit".	"Retained Earnings account saved".

No.	Account Name	Action	Confirmation Message
		• Specify the account number as 36000. Click the button "Save and Close".	
4.	**GST/HST Payable**	Under the Action column, click the dropdown arrow and select "Edit". • Change the name "GST/HST Payable" to "GST Paid" • Specify the account Number as 20302. Click the button "Save and Close"	"GST Paid account saved".
5.	**GST/HST Suspense**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
6.	**PST Payable (BC)**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
7.	**PST Suspense (BC)**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
8.	**PST Expense (BC)**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
9.	**Uncategorized Income**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
10.	**Uncategorized Expense**	Leave as is. (This QuickBooks account cannot be deleted or de-activated).	n/a
11.	**Non Profit Income**	Leave as is.	n/a

No.	Account Name	Action	Confirmation Message
		(This QuickBooks account cannot be deleted or de-activated).	

Further to the above actions, there should now be 11 accounts within the Chart of Accounts list as follows:

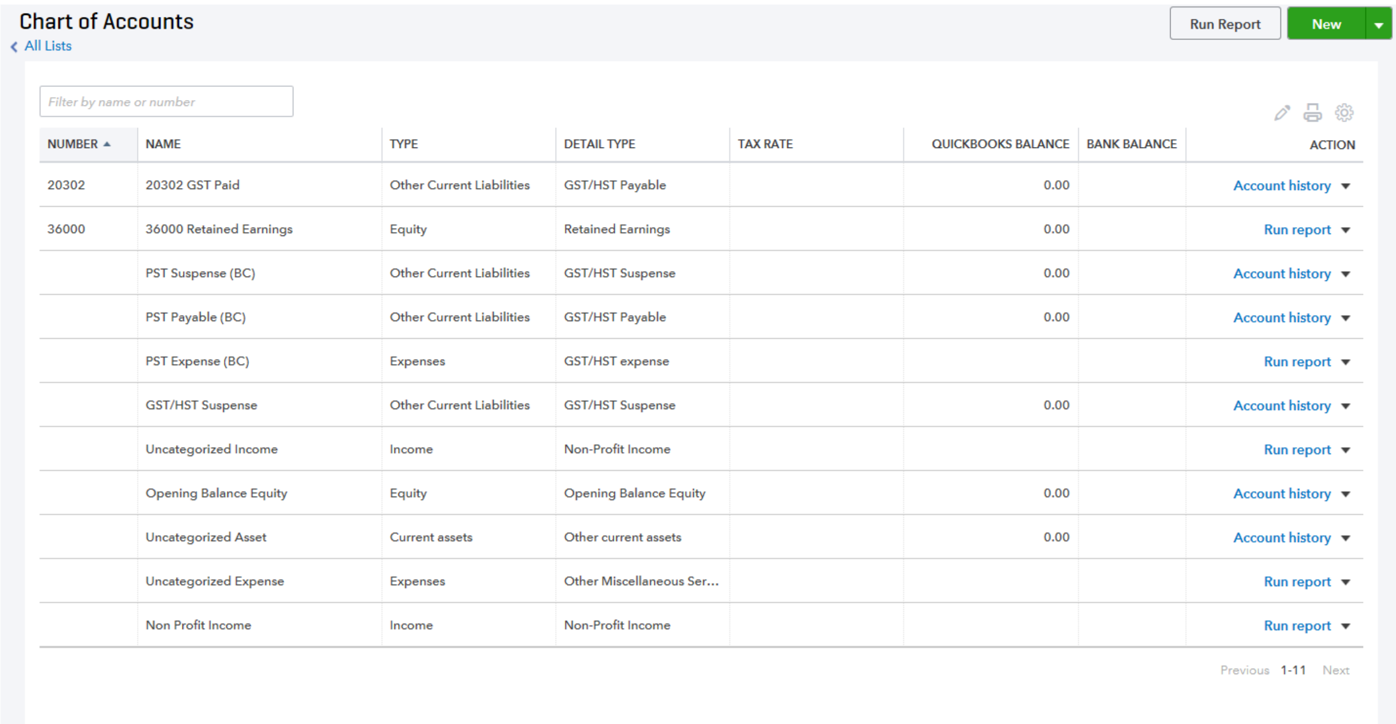

Chart of Accounts

‹ All Lists

Run Report | New

Filter by name or number

NUMBER ▲	NAME	TYPE	DETAIL TYPE	TAX RATE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
20302	20302 GST Paid	Other Current Liabilities	GST/HST Payable		0.00		Account history ▾
36000	36000 Retained Earnings	Equity	Retained Earnings		0.00		Run report ▾
	PST Suspense (BC)	Other Current Liabilities	GST/HST Suspense		0.00		Account history ▾
	PST Payable (BC)	Other Current Liabilities	GST/HST Payable		0.00		Account history ▾
	PST Expense (BC)	Expenses	GST/HST expense				Run report ▾
	GST/HST Suspense	Other Current Liabilities	GST/HST Suspense		0.00		Account history ▾
	Uncategorized Income	Income	Non-Profit Income				Run report ▾
	Opening Balance Equity	Equity	Opening Balance Equity		0.00		Account history ▾
	Uncategorized Asset	Current assets	Other current assets		0.00		Account history ▾
	Uncategorized Expense	Expenses	Other Miscellaneous Ser...				Run report ▾
	Non Profit Income	Income	Non-Profit Income				Run report ▾

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Note that Quickbooks automatically creates a new account: **Opening Balance Equity** when other accounts are edited. (If you **do not** see this account, please contact FEMS Support, it is a necessary account.)

Under the Action column, click the dropdown arrow and select "Edit".

- Change the name "Opening Balance Equity" to "Previous Retained Earnings"
- Specify the account Number as 36001.

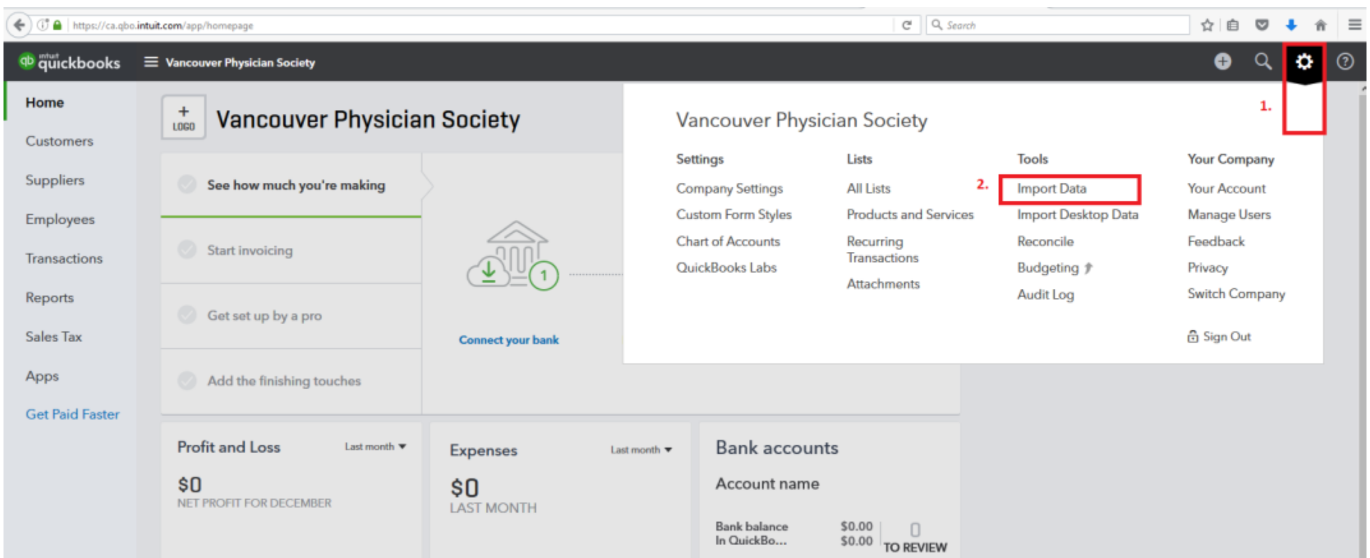
Click the button "Save and Close"

6.8 Import the Chart of Accounts

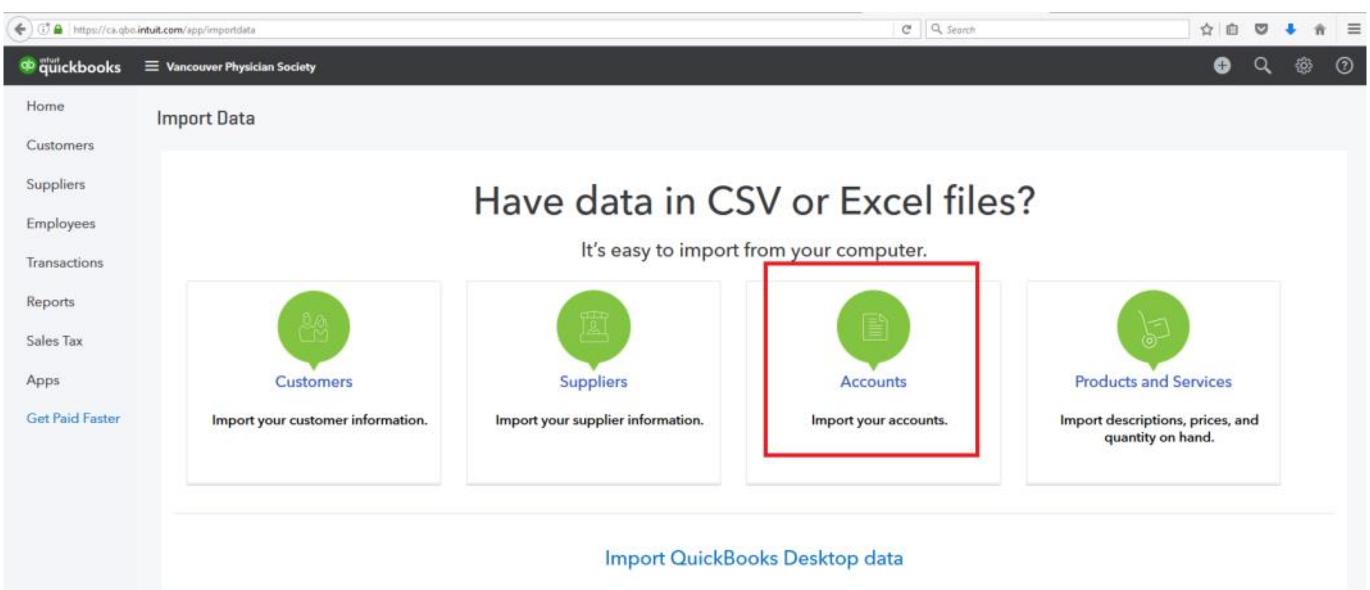
6.8.1 Import the Standard Chart of Accounts

From the Home page:

1. Click on the Gears icon in the upper right hand corner. This displays a pop-up menu as shown below.
2. Under the Tools list, click on the option "Import Data".



This then shows the "Import Data" screen:



3. Select the option “Accounts”.

4. Complete the steps for the Import Accounts dialogue:

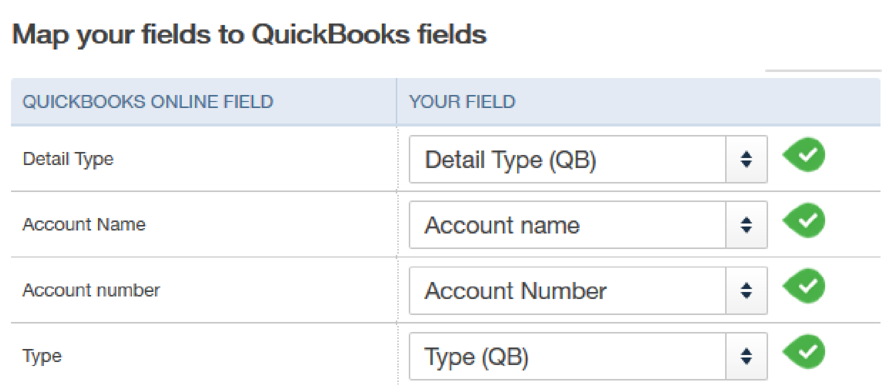
<table>
<tr><th>Step #</th><th>Action</th></tr>
<tr><td>1. Upload</td><td>“Select a CSV or Excel file to upload”:

Click on the Browse button, and navigate to the location where the standard chart of accounts file was placed (per section 6.1).

Select the file “QuickBooks - Standard Chart of Accounts.xls”. Click the button “Open”

Click the green button “Next” (in the bottom right hand corner).</td></tr>
<tr><td>2. Map Data</td><td>“Map your fields to QuickBooks fields”:

Ensure that the mapping between the required QuickBooks Online field (column 1) and the field within the Excel spreadsheet file (column 2) is as follows (this mapping should happen automatically):


Map your fields to QuickBooks fields
<table><tr><th>QUICKBOOKS ONLINE FIELD</th><th>YOUR FIELD</th></tr><tr><td>Detail Type</td><td>Detail Type (QB)</td></tr><tr><td>Account Name</td><td>Account name</td></tr><tr><td>Account number</td><td>Account Number</td></tr><tr><td>Type</td><td>Type (QB)</td></tr></table>
Click the green button “Next” (in the bottom right hand corner).</td></tr>
<tr><td>3. Import</td><td>The message will read “46 records are ready to be imported”.</td></tr>
</table>

Step #	Action
	Click the green button “Import” (in the bottom right hand corner).
4. Finish	The message “46 of 46 accounts successfully imported” is displayed.

Note: Accounts 36000 Retained Earnings, 36001 Previous Retained Earnings and 20302 GST/Paid are not included in the QuickBooks Chart of Accounts import process. They are created by QuickBooks as one of the default accounts. The accounts are edited to specify the account numbers.

The end result is to have only those accounts active as specified per the standard Chart of Accounts (and the default QuickBooks accounts that cannot be deactivated).

6.9 Review the Chart of Accounts

You can review the chart of accounts just imported as follows:

From the Home page:

1. Click on the Gears icon in the upper right hand corner.
2. Under the Settings list, click on the option “Chart of Accounts”.
3. It lists the chart of accounts now in place.
4. Verify that the list of accounts within QuickBooks now matches the standard Chart of Accounts listed in the appendix - section 9.1. This should include the 11 default QuickBooks Accounts (created in step 6.7), plus the 46 accounts imported (in step 6.8), for a total of 57 accounts.
5. You can also use the option “Run Report”, “Accountant Reports”, “Account List” to generate a report view of the list and subsequently export this list to Excel.

6.9.1 Purging the Chart of Accounts during Setup

In the event that you would like to restart the chart of accounts set-up process completely, there is a utility available to purge the chart of accounts. This purge process is noted in section 6.4.

6.10 Any Other Configuration

The physician society Finance Administrator should ensure that any other necessary configuration of the QuickBooks online accounting system for the physician society is performed.

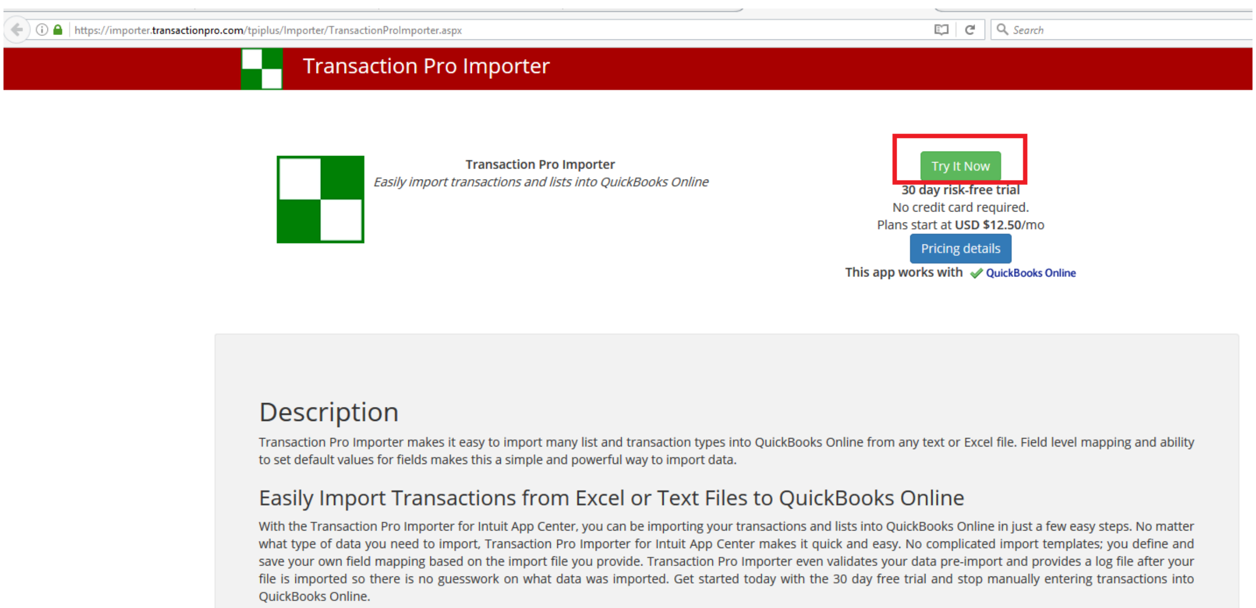
6.11 Transaction Pro Importer Utility

This third party utility is required for the import of FEMS transaction journals (generated within FEMS and exported to an Excel file) into QuickBooks. The utility integrates directly with QuickBooks Online.

The utility is available from the Transaction Pro website at:

https://importer.transactionpro.com/tpiplus/Importer/TransactionProImporter.aspx

1. First, sign in to your Intuit/QuickBooks account as usual.
2. Then, go to the Transaction Pro web page above, and click on the button "Try It Now" (as illustrated below).



3. Click the button "Sign in with Intuit", confirm that your Intuit account name is reflected correctly (Jessica in this example, marked 1. in the diagram below), and then authorize the Transaction Pro Import utility to access the Name and Email Address from Intuit QuickBooks (marked 2. in the diagram).

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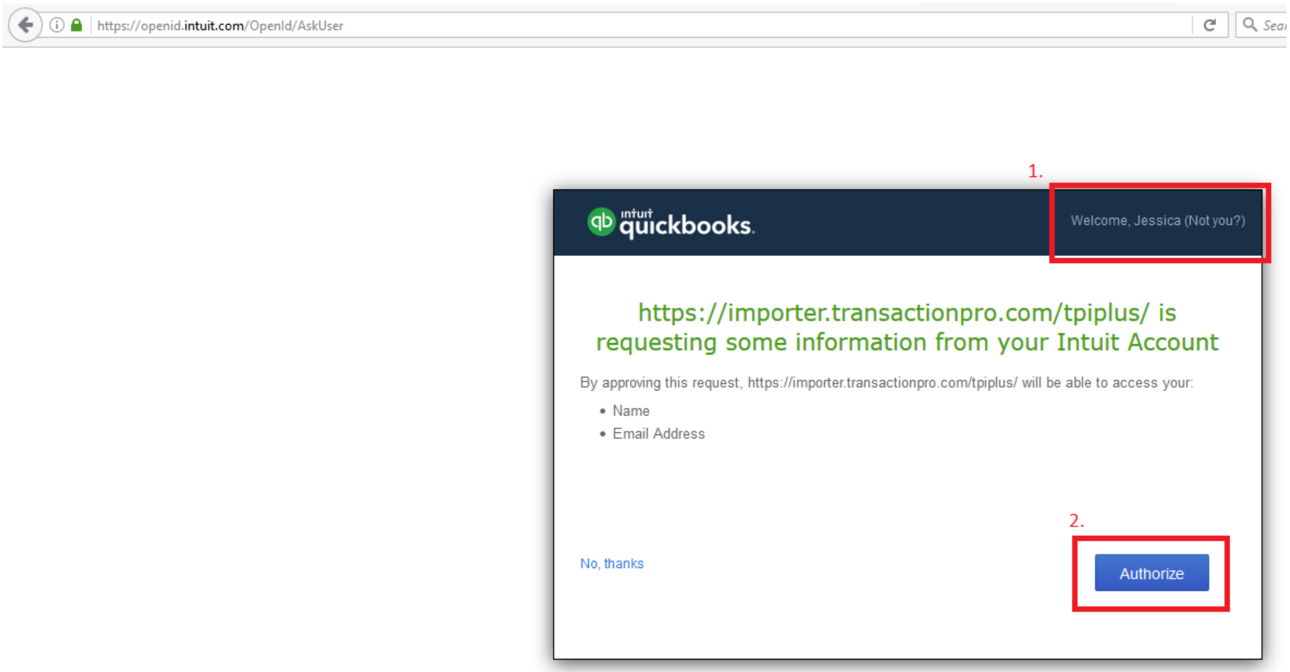
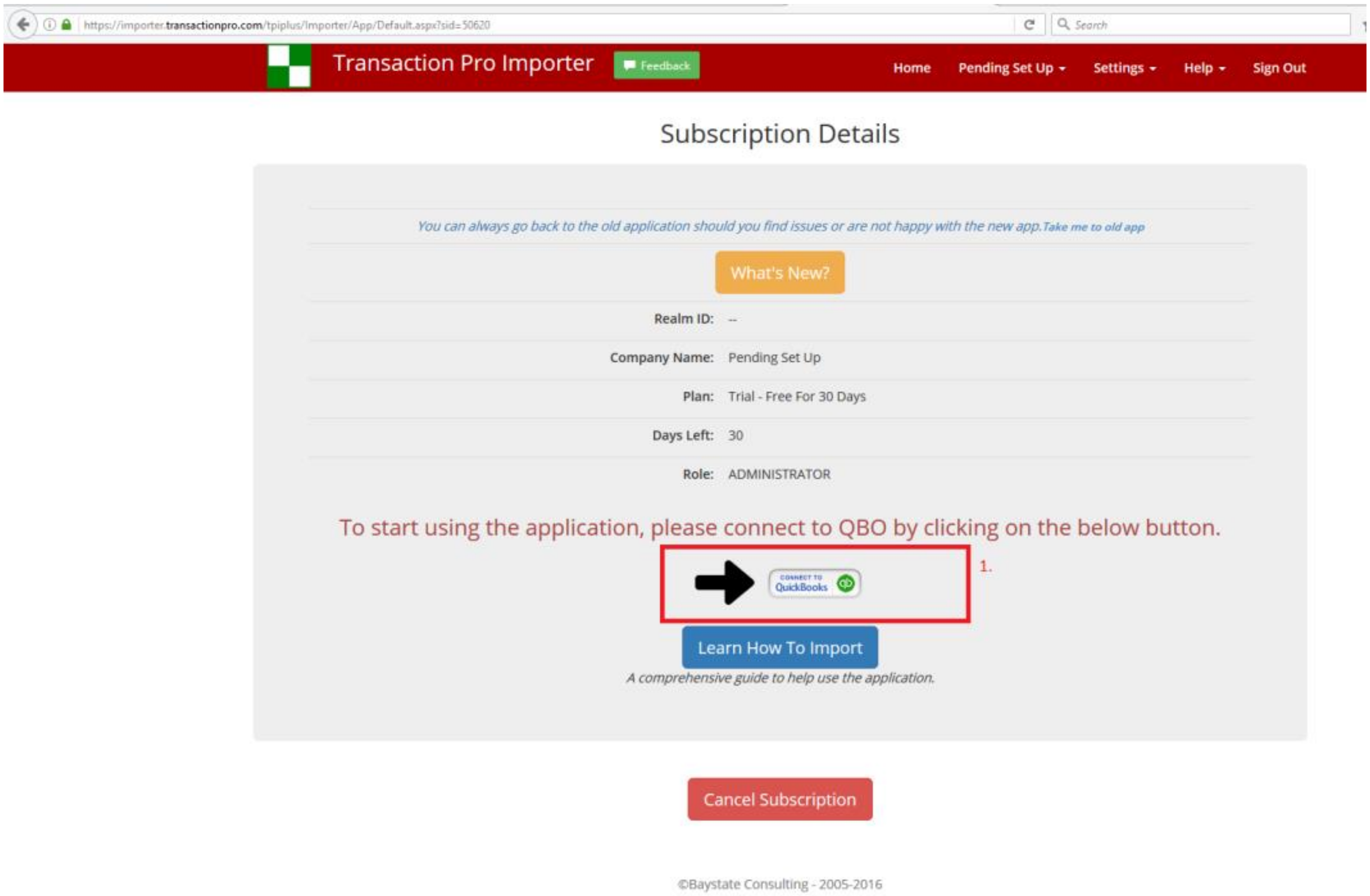
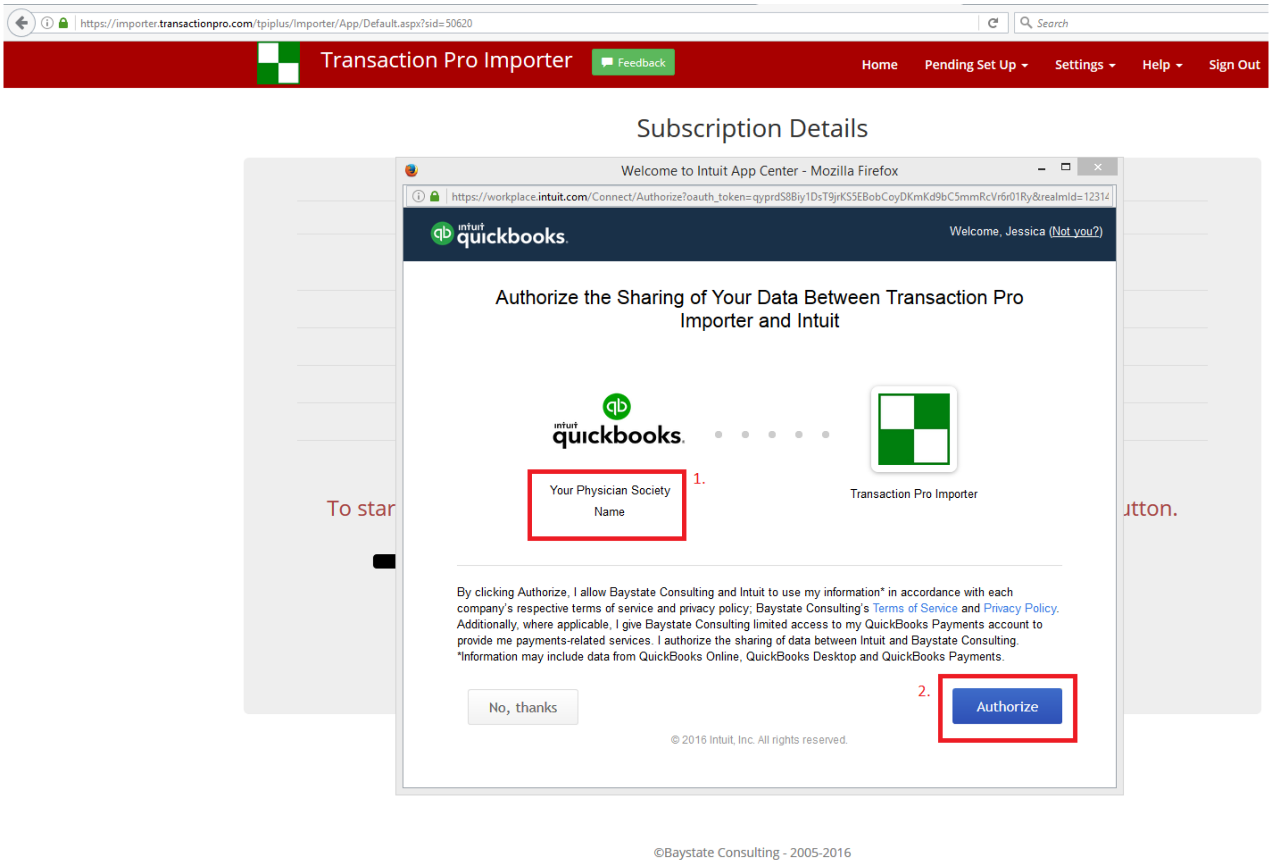


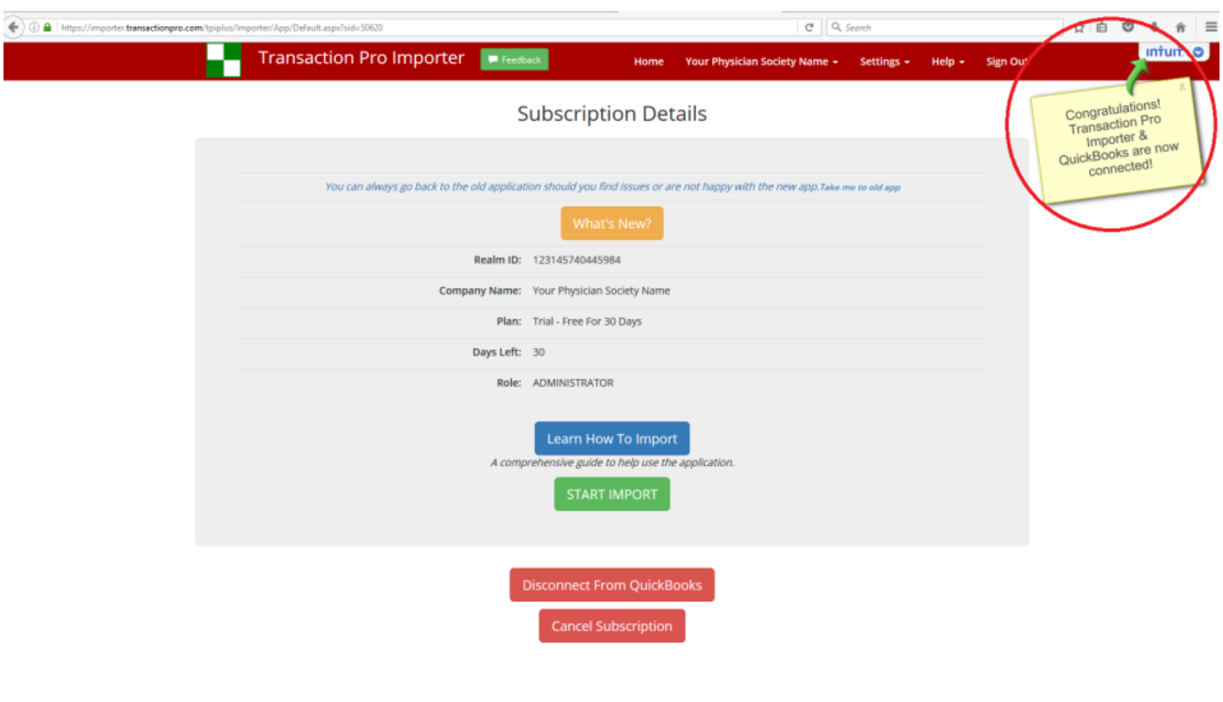
4. A Subscription Details page is then displayed as follows:



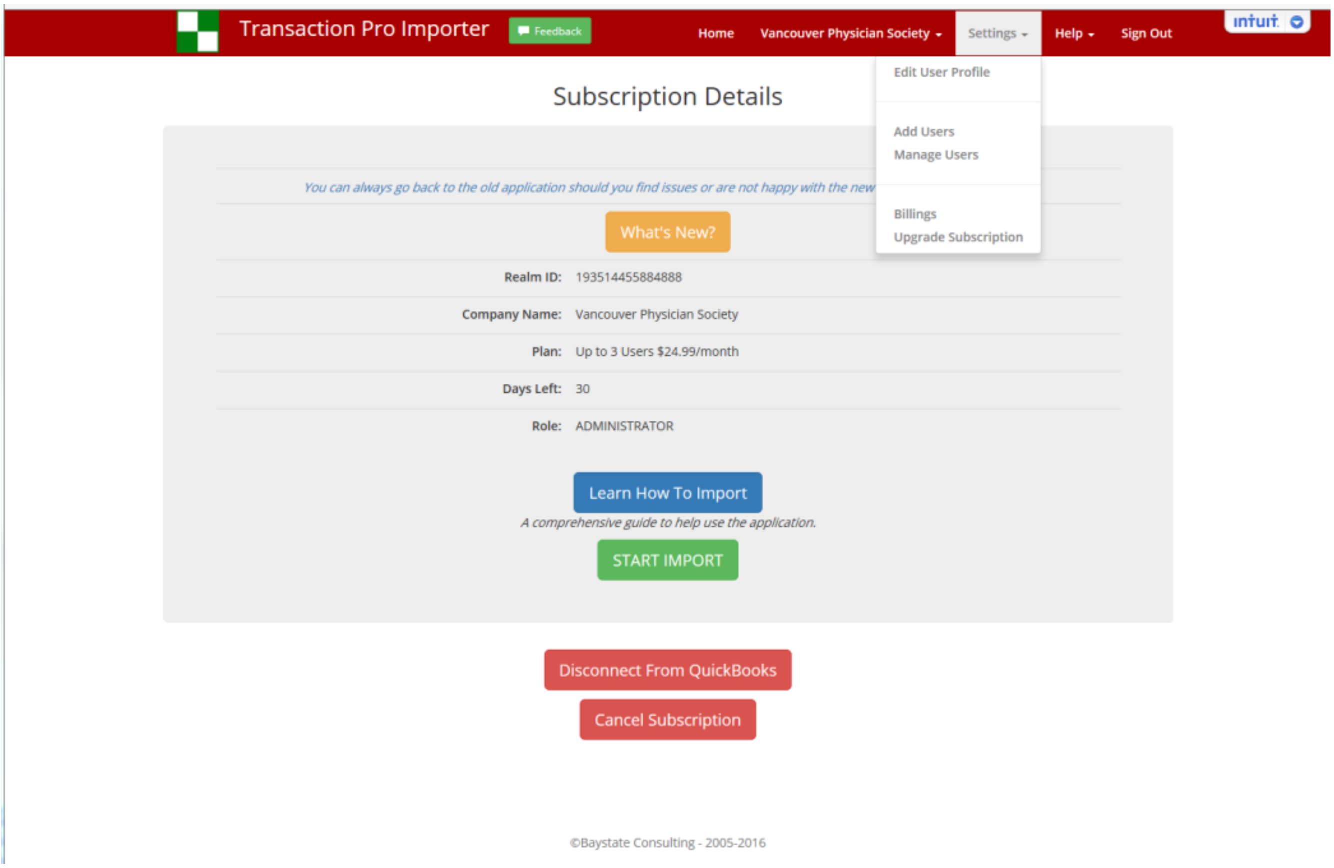
5. Click on the button "Connect to QuickBooks" (marked 1. in the diagram above).
6. Confirm the QuickBooks company name (marked 1. in the diagram below) and the terms of use for the sharing of data between "Your Physician Society Name" and Transaction Pro Importer (marked 2. in the diagram below).



7. A confirmation message indicating that Transaction Pro Importer and QuickBooks are now connected is shown.



8. Once you have signed into both apps, click on ‘Settings’ and then select ‘Upgrade Subscription’ to purchase your subscription to Transaction Pro Importer. We recommend purchasing the Transaction Pro subscription “Up to 1 User $149.99/year” for this utility. It will also prompt you to enter your card details.



Note that a three user version “Up to 3 Users $199.99/year” is also available. However, since the download of financial transactions from FEMS to QuickBooks needs to be managed carefully by the physician society’s Finance Administrator, we recommend that just a single physician society person perform the Financial Interface functions.

Use of the Transaction Pro Importer Utility by the physician society Finance Administrator will be described in a separate document to be delivered with the Release 2 Financial Interface.

7. FEMS System

The FEMS system is accessed either via the mobile app or via a web browser at the URL:

- https://fems.facilityengagement.ca

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Users will be able to access areas of the desktop application based on their user types and roles. For example:

- an individual physician or health professional will have access to their personal information and claims
- a Physician Society executive would be able to see all items pertaining to their society
- a Doctors of BC executive or representative would be able to access all information.

Please refer to Doctors of BC, Facility Engagement for the appropriate FEMS training materials available.

8. Expense Types

The MoU indicates that all funds allocated to a society need to be tracked according to three types of expenses:

No.	Expense Type	Use	Collectively Known As	Primary System for Capture	Orientation
1.	**Internal Physician Society Operating Expenses**				
1a.	**Administration**	Internal operating expenses of the physician society such as staff salaries & wages, office rent, utilities, computer infrastructure, etc. (Excludes Governance compensation to physician society directors – see below).	Internal Operating Expenses	Accounting system (with an adjustment entry into FEMS). See section 8.4.	Inward facing
1b.	**Governance**	Internal operating expenses of the physician society for Governance time compensation for physician society directors only.	Internal Operating Expenses	Hours will be submitted via FEMS, physicians will be paid via the physician society's accounting system (once deductions have been determined). An adjustment entry	Inward facing

No.	Expense Type	Use	Collectively Known As	Primary System for Capture	Orientation
				into FEMS is also needed). See section 8.4.	
2.	**Engagement and Consultation (E&C)**	Physician engagement at their facilities undertaking activities that help achieve the goals of the MoU.	E&C Expenses	FEMS	Outward (or External) facing
3.	**Other Costs**	Other costs that cannot reasonably be included in one of the above types of expense.	E&C Expenses	FEMS	Outward (or External) facing

Table 1: Expense Types per MoU

8.1 Internal-facing vs. External-facing Costs

A key distinction is therefore made between the different types of costs incurred:

1. Administration costs associated with operating the physician society itself, and Governance compensation of directors (1a. and 1b. above) are the costs associated with the operation of the physician society itself. These costs are termed "internal operating expenses" and their orientation is "inward facing" since they are not associated with the primary mandate of facility engagement.
2. Engagement and Consultation type costs are the costs associated with executing the Facility Engagement mandate, namely to facilitate physician participation in facility engagement processes with health authorities and the Ministry of Health. These costs are termed "Engagement & Consultation Expenses" and their orientation is "outward facing".

The diagram below illustrates this breakdown:

Facility Engagement – Types of Expense

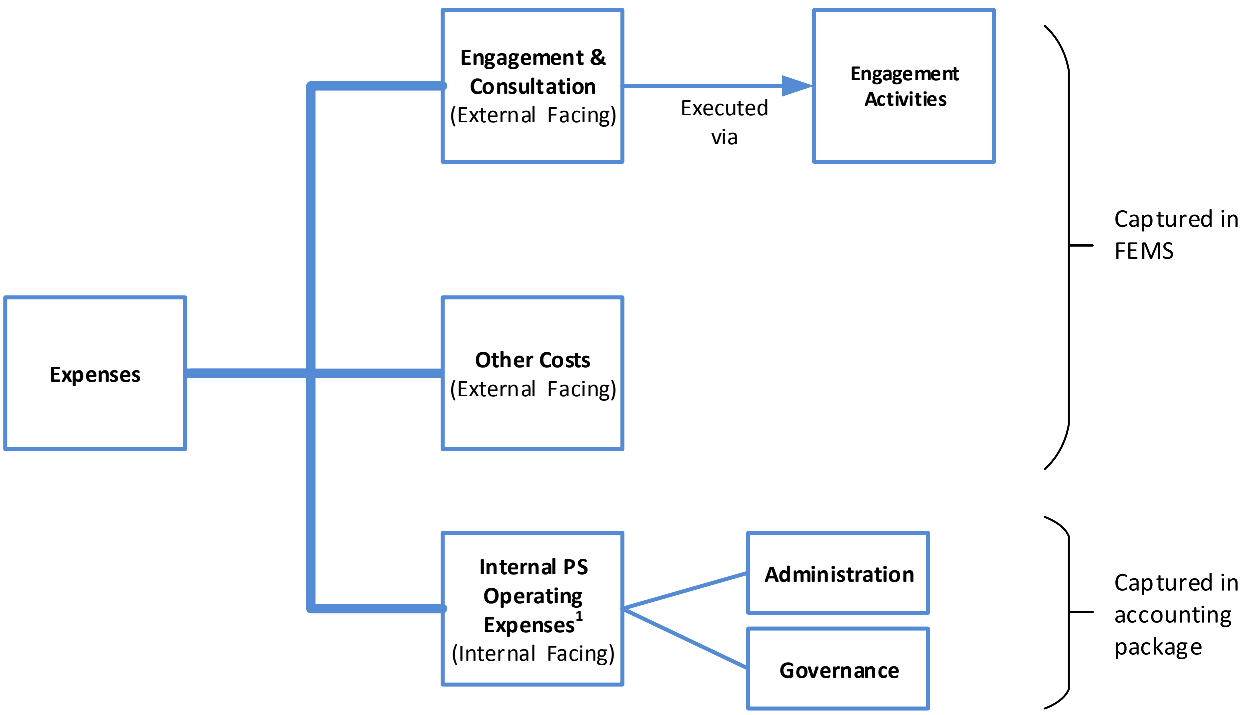

Figure 3: Expense Types and Systems of Capture

Notes

1. The Governance and Administration expenditure allocation category (per paragraph 4 of the MoU) will be for Physician Society internal operating expenses only, for example:

   - Staffing & Related Office Expenses (rent, utilities, computer infrastructure, etc.)
   - Evaluation & Reporting
   - Society Fees & Services
   - Professional Fees (not related to Engagement & Consultation)
   - Director compensation for governance-type work

   Internal Operating Expenses are applicable to incorporated physician societies only.

2. For non-incorporated societies (where Doctors of BC performs the administrative tasks for the society), the Internal PS Operating Expenses will be zero.

8.2 Associating Costs to an Engagement Activity

Another key priority is to ensure that all expenses associated with a particular Engagement Activity are correctly reflected within that Engagement Activity. This facilitates the accurate reporting of the use of funds across the physician society.

For example, if a particular engagement activity is setup for the Monthly Working Group Meetings, and a catering expense and room rental expense arises for these meetings, these expenses should be associated with the Monthly Working Group meetings engagement activity and submitted via FEMS. This can be done in one of two ways:

1. As an expense refund to the physician – the physician has paid for the item and now submits the receipt as part of a claim;
2. As a supplier invoice – a supplier has submitted an invoice (which has not been paid by a physician). This invoice will be submitted as an "Expense-only Claim", and will be settled to the supplier via a cheque.

In both cases, the expense is associated to the relevant engagement activity.

8.3 Internal Operating Expenses

These expenses are incurred as a result of operating the physician society, and include expenses such as rent, utilities, computer infrastructure, salaries and wages for physician society employees (such as the physician society Administrator), contractors hired to assist with the operation of the physician society (such as an accountant, etc.).

These expenses are captured directly into the physician society's accounting system.

8.4 Internal Operating Expenses - Adjustment Entries into FEMS

In order to ensure that FEMS holds an overall view of all societies (both incorporated and non-incorporated), and to avoid duplicating accounting capabilities already available within accounting packages, it was decided by Doctors of BC and Bayleaf to capture the internal operating expenses directly into the Physician Society's accounting package. However, on a monthly or quarterly basis, in order to ensure representation of the internal operating expenses within FEMS, a manual adjustment entry will be captured into FEMS that represents the gross amount of the physician society's internal operating expenses for that period. This ensures that the view in FEMS and the view in the accounting system match.

The procedure to determine the manual adjustment amount entry and to capture this adjust entry into FEMS will be outlined in the document with the Release 2 Financial Interface.

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9. Appendices

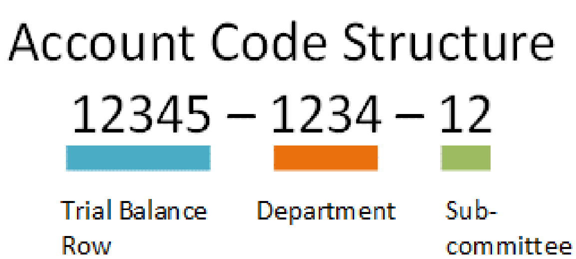
The following appendices are included for reference:

1. Section 9.1 - Standard Chart of Accounts
2. Section 9.2 - Minimum Technical Specifications
3. Section 9.3 - Common Business Language / Glossary

9.1 Standard Chart of Accounts

The chart of accounts lists the account structure and accounts to be used within the physician society.

Structure



Departments

Internal Op Expense or External Facing Expense	Number (Department):	Account Description	Notes
IOE	0500	Administration	Use only for physician society's Internal Operating Expenses (IOE)
IOE	0600	Governance	Use only for physician society's Governance Expenses (part of IOE)
External	1000	Engagement & Consultation -	Track items such as evaluations, surveys,

Internal Op Expense or External Facing Expense	Number (Department):	Account Description	Notes
Facing (EF)		Engagement Management	and possibly working group meetings
EF	1100	Engagement & Consultation - Medical staff issues	Correlates to the 11 MoU Categories
EF	1200	Engagement & Consultation - Health Authority decisions affecting medical staff	
EF	1300	Engagement & Consultation - Decisions affecting physicians / physician services	
EF	1400	Engagement & Consultation - Working Environment for physicians	
EF	1500	Engagement & Consultation - BoD/CEO/Medical Advisory Committee matters	
EF	1600	Engagement & Consultation - Medical staff Bylaws and Rules	
EF	1700	Engagement & Consultation - Communication amongst healthcare team	
EF	1800	Engagement & Consultation - Quality and cost improvement opportunities	
EF	1900	Engagement & Consultation - Physician access to processes/resources	

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Internal Op Expense or External Facing Expense	Number (Department):	Account Description	Notes
EF	2000	Engagement & Consultation - Quality improvement projects	
EF	2100	Engagement & Consultation - Culture supporting physician advocacy	
EF	2200	Other Costs - external facing	

Accounts

Account Type	Number (Trial Balance Row):	Account Description	Notes
Revenue	30500	Ministry funding	All funding from the Ministry relating to the 2014 MOU
	30105	Contributions	All contributions received from outside parties not affiliated with the 2014 MoU
	30201	Other income	All income earned from the physician society internally. Includes bank interest, investment return, etc.
	30310	Gain/loss on disposal of assets	
Retained Earnings	36000	Retained Earnings	This fiscal year's net income.
	36001	Previous Retained Earnings	All prior fiscal year's net income.
Expense Types	41000	PS Internal Operating Expenses	Per Para 4 of the MoU, Physician Society internal operating expenses only e.g. Staffing & Related Office Expenses (rent, utilities, computer

Account Type	Number (Trial Balance Row):	Account Description	Notes
			infrastructure, etc.) , Evaluation & Reporting, Society Fees & Services, Professional Fees (not related to Engagement & Consultation). Internal Operating Expenses are applicable to incorporated physician societies only.
	40101	Salaries & wages (all non-Governance employment compensation where a T4 is needed)	- all office staff wages, administrators, etc excluding director compensation
	40102	Salaries & wages (all Governance compensation where a T4 is needed)	- all director compensation
	40201	Benefits	- benefits associated with office staff (e.g. CPP, EI)
	40202	CPP Expense	- benefits associated with office staff (e.g. CPP, EI)
	40203	EI Expense	- benefits associated with office staff (e.g. CPP, EI)
	41103	Office expenses	- includes: Office Telephone, Internet, Insurance, Garbage, Utilities, Stationery, etc.
	41405	Banking and Transaction Fees	VersaPay fees, interest expenses, banking fees
	41506	Meeting expenses	- General meeting costs not associated with time (e.g. room rental)
	41301	Travel	- Travel costs, airfare, taxi, vehicle costs, parking, etc.

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Account Type	Number (Trial Balance Row):	Account Description	Notes
	41121	Society fees	- Annual society fee's, membership fees to other societies, etc.
	41204	Professional fees	- Professional fees, lawyer, accountant, etc.
	41205	Consultants	-Consultants hired as needed for project or Governance & Admin or bookkeeping
	41311	Conference fees	- Registration fees associated with conventions, seminars, etc.
	41633	Communications	- Communication costs associated with running of Projects and Governance & Admin (not time component)
	40309	Insurance (Board insurance)	
	41008	Office rent (includes property tax)	- rent of physician society office
	40704	Amortization	- Amortization expense (more info needed)
	41401	Miscellaneous	Use as last resort
	41404	Meals	
	41202	Member time (physician and allied healthcare) (only contract income, not employment income)	Time on facility engagement activities
Balance Sheet	10101	Cash	Bank statement
	10103	Petty Cash	
	10125	Cheque Clearing	Used as a clearing account for cheques whose expenses are already recorded in FEMs but the settlement

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Account Type	Number (Trial Balance Row):	Account Description	Notes
			is occurring in Sage or QB
	10501	Investments	
	10240	Accounts receivable	
	20302	GST Paid	
	10401	Prepaid expenses	
	10601	Furniture & Equipment	
	10701	Accum Amortization - F & E	
	10602	Computer Equip./Software	
	10702	Accum Amortization - Comp. Equip./Software	
	20201	Bank indebtedness	
	20139	Payables and accruals	
	20140	Credit Card	
	20101	Wages payable	
	20102	CPP Payable	
	20103	EI Payable	
	20104	Income Tax Payable	
	20145	Accruals	
	20146	Vacation payable	
	20500	Deferred Doctors of BC funding	All funds held here until spent
	20105	Deferred contributions	

Notes: IOE = Internal Operating Expenses

For the Facility Engagement Initiative, the account component Sub-committee within the Account Code Structure is not used. Default to 00.

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9.2 Minimum Technical Specifications

The table below outlines the minimum technical specifications for the desktop and mobiles devices to use the FEMS web application and, where appropriate, to use the accounting package.

Desktop FEMS Web Application

Hardware Requirements		• Processor – 2.5 GHz or faster • RAM – 6-8GB • Hard Disk – 250GB or higher
Software Requirements		
	OS	Windows – 7, 8.1, 10
	Browsers	Mozilla Firefox (recent versions); Google Chrome (recent versions); Microsoft Internet Explorer (version 11); Microsoft Edge (recent versions); Apple Safari (recent versions).

Mobile FEMS Application

Software Requirements		
	OS	• IOS for iPhone and iPad (recent versions) • Android (recent versions) • Blackberry (recent versions) • Windows Mobile (recent versions)
	Browsers	• Apple Mobile Safari (recent versions); • Android Browser (recent versions); • Google Chrome for iOS (recent versions); • Mozilla Firefox for Mobile (recent versions).

Accounting Software – Sage 50

Hardware Requirements		• Processor – 1.0GHx (2.0 GHz recommended) • RAM – 512 (1GB recommended) • Hard Disk- 2GB (3 recommended)
Software Requirements		
	OS	Windows – Windows Vista, Windows 7, Windows 8.1 or Windows 10

Accounting Software – QuickBooks

Hardware Requirements		• Processor –2.0 GHz (2.4 GHz recommended) • RAM – 4GB Min • Hard Disk – 2.5 GB Min • Windows – Windows Vista SP2, 7 SP1, 8.1 Update 1
Software Requirements		
	OS	Windows – Windows Vista, Windows 7, Windows 8.1 or Windows 10

9.3 Common Business Language / Glossary

The following terms and acronyms are used within this document.

Term	Meaning
CRA	Canada Revenue Agency
CSV	Comma Separated Values (file format)
EA	Engagement Activity, the primary mechanism for funds allocation and tracking within a physician society
EFT	Electronic Funds Transfer (using the payment processor VersaPay)
FE	Facility Engagement
FEP	Engagement Partner, a representative at Doctors of BC who supports the individual Physician Societies
FEMS	Facility Engagement Management System, the web application to support the Facility Engagement Initiative

Term	Meaning
MoH	Ministry of Health (BC)
MoU	Memorandum of Understanding Refers to the MoU "2014 Regional and Local Engagement" between the Ministry of Health, Health Authorities, and Doctors of BC.
MSA	Medical Staff Association. The initial term used to describe the "Local Structure" per the MoU. Replaced with the term "Physician Society". MSA organizations already exist in some cases but are dues funded. It is important to distinguish the MSA organization from the new Physician Society organization and its associated mandate.
PS	Physician Society, the new "Local Structure", either an incorporated not-for-profit society or a non-incorporated organization established to undertake the Facility Engagement mandate. Funding is primarily from the SSC.
SSC	Specialist Services Committee of Doctors of BC
UBC	University of British Columbia
UI	User Interface

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