

Understanding Financial Statements

For incorporated
Physician Societies

FEMS	
Income Statement	
Member Time	\$ 1400
Salaries & wages	\$ 750
Meeting Expenses	\$ 260
Meals	\$ 920

QuickBooks	
Income Statement	
Member Time	\$ 1400
Salaries & wages	\$ 750
Meeting Expenses	\$ 260
Meals	\$ 920
Office Rent	\$ 2120

Financial Interface

FEMS

QuickBooks or Sage 50

1

Claims

- **Physician Claim: \$ 150.20**
(paid VersaPay)
- **Director Claim: \$ 150.20**
(paid by cheque)

- **Physician Claim: \$ 150.20**

- **Director Claim: \$ 135.20**

Income taxes \$ 15.00

CPP (PS pays Gov.) \$ 5.00

Total: \$ 155.20

2

Expenses

- **Parking Expense: \$ 12.50**
(paid VersaPay)

- **Parking Expense: \$ 12.50**

3

Supplier Claims

- **Catering Service: \$ 170.75**
(paid by cheque)

- **Catering Service: \$ 170.75**

4

Internal Operating Expenses

- **Office Rent: \$ 1300.00**
(paid by cheque or PS credit card)

Difference between **FEMS**
and **QuickBooks/Sage 50**:

\$ 1305.00

Internal Operating Expenses (IOE) and Engagement Activity Expenses (EA)

An **Internal Operating Expense** is an expense that is not directly related to any Engagement Activities. Internal Operating Expenses (IOE) are related to the running (overhead) of the unincorporated Medical Staff Association (MSA) or incorporated Physician Society (PS) for the purposes of the Facility Engagement Initiative.

<ul style="list-style-type: none"> • A contractor Project Manager/Coordinator/Administrative Assistant supporting the site's PS/MSA operations is considered an internal operating expense – see example in the following page • Accountant invoices • Office rent, office supplies • Utilities (internet, etc.) • Insurance, banking transaction fees • All expenses that support the PS/MSA infrastructure • Governance deductions (applicable to incorporated Physician Societies only) PS Directors should submit claims into the Governance Engagement Activity created by the site. These claims are paid by either cheque or e-transfer through the physician society payroll system and deductions are made. The deductions for these claims are included in FEMS through the IOE adjustment entry. 	<p>Primary System for Capture</p> <ul style="list-style-type: none"> • Accounting system: <ul style="list-style-type: none"> ○ PS submits through own accounting software ○ MSA submits through ReceiptBank for Enkel to process ○ Governance deductions <p>All of the above included in FEMS through the IOE adjustment entry.</p>
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Engagement Activity Expenses are all expenses directly related to Engagement Activities

<ul style="list-style-type: none"> • Direct Engagement Activity Expenses <ul style="list-style-type: none"> ➤ Example: Event or Conference costs (venue, catering), Reference Material • Physicians time and/or expenses for undertaking activities that help achieve the goals of the MOU • A contractor Project Manager/Coordinator/ Administrative Assistant supporting a specific project at the site is considered a supplier for a specific engagement activity – see example in the following page • Consultation <ul style="list-style-type: none"> ➤ Example: Speaker/Facilitator/Communications Expert/Evaluator/Graphic Designer/Web Developer can be hired as consultant and is considered a supplier for offering consulting services 	<p>Via FEMS Claims process</p>
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Definitions:

Contractor is a person/company that undertakes a contract to provide materials or labor to perform a service or do a job.

Consultant is a person who provides expert advice professionally.

Compare Statements

FEMS	QuickBooks
Income Statement	Income Statement
Member Time \$ 1400	Member Time \$ 1400
Salaries & wages \$ 750	Salaries & wages \$ 750
Meeting Expenses \$ 260	Meeting Expenses \$ 260
Meals \$ 920	Meals \$ 920
	Office Rent \$ 2120

Run Income
Statement in FEMS
before completing the
FINANCIAL INTERFACE

Physician Claims
(paid VersaPay)

Director Claims
(paid by cheque)

Income Statement

Reporting Period Apr-01, 2018 to Jun-30, 2018

As At: Sep-13, 2018

FEMS

		Actuals 2018-2018	Prior Years Actuals Cumulative	Cumulative Allocation	Cumulative Remaining
		\$	\$	\$	\$
INCOME					
				80,000.00	
30500	Governance (600)	4,022.16	9,779.51	50,000.00	390.95
30500	Medical Staff (1100)	11,611.65	712.66	22,690.00	2,400.00
30500	Physician Services (1300)	3,307.06	3,870.20	18,000.00	265.14
30500	Working Environment (1400)	7,044.99	6,544.19	3,021.73	508.25
30500	Communication (1700)	4,373.08	232.93	5,000.00	9.59
30500	Quality and Cost Improvement (1800)	3,222.98	2,313.79	11,446.00	133.10
30500	Quality Improvement Projects (2000)	1,920.51	2,392.50	665.50	665.50
30500	Culture (2100)	4,149.76	6,714.36	19,000.00	397.71
Total Ministry Funding		41,209.30	32,560.14	305,796.98	245,540.14
Total Income		41,209.30	32,560.14	305,796.98	245,540.14
EXPENDITURES					
41202	Member time (physician and allied healthcare)	14,032.36	15,659.76		
41301	Travel	358.25	1,581.09		
41311	Conference fees		930.00		
41404	Meals	9,065.60	1,179.73		
41506	Meeting expenses	30.82	26.44		
Total Meetings and Conferences		23,487.03	19,377.02		
41401	Miscellaneous	3,809.93	3,297.46		
41633	Communications	83.17	106.15		
Total Office and Communications		3,893.10	3,403.61		
40102	Salaries & wages (Governance comp. - T4 needed)	4,022.16			
Total Salaries and Related		4,022.16			
41205	Consultants	8,249.90			
Total Professional Fees		8,249.90			

Run Financial Statement in QB/Sage

Director Claims
 (paid by cheque)

Physician Claims
 (paid VersaPay)

Income Statement 01/04/2018 to 30/06/2018

QuickBooks/ SAGE 50

REVENUE

Revenue	
Contributions	0.00
Other Income	0.00
Gain/loss on Disposal of Assets	0.00
Ministry Funding	60,256.84
Total Revenue	60,256.84

TOTAL REVENUE

60,256.84

EXPENSE

Expenses	
Salaries & wages - Non-Governance	0.00
Salaries & wages - Governance ...	4,022.16
Benefits	0.00
CPP Expense	337.33
EI Expense	0.00
Insurance (Board insurance)	0.00
Amortization	0.00
PS Internal Operating Expenses	0.00
Office Rent (includes property tax)	0.00
Office Expenses	17,600.54
Society Fees	0.00
Member Time (Physician and AH...)	14,032.36
Professional Fees	2,636.81
Consultants	8,249.90
Travel	358.25
Confernece Fees	0.00
Miscellaneous	3,809.93
Meals	9,065.60
Banking and Transaction Fees	29.97
Meeting Expenses	30.82
Communications	83.17

Total Expenses 60,256.84

TOTAL EXPENSE

60,256.84

NET INCOME

0.00

Compare FEMS Statement to QB/Sage Statement

Income Statement Reporting Period Apr-01, 2018 to Jun-30

FEMS

Actuals
2018-2018

\$

INCOME

30500	Governance (600)	4,022.16
30500	Medical Staff (1100)	11,611.65
30500	Physician Services (1300)	3,307.06
30500	Working Environment (1400)	7,044.99
30500	Communication (1700)	4,373.08
30500	Quality and Cost Improvement (1800)	3,222.98
30500	Quality Improvement Projects (2000)	1,920.51
30500	Culture (2100)	4,149.76

Total Ministry Funding 41,209.30

Total Income 41,209.30

EXPENDITURES

41202	Member time (physician and allied healthcare)	14,032.36
41301	Travel	358.25
41311	Conference fees	
41404	Meals	9,065.60
41506	Meeting expenses	30.82

Total Meetings and Conferences 23,487.03

41401	Miscellaneous	3,809.93
41633	Communications	83.17

Total Office and Communications 3,893.10

40102	Salaries & wages (Governance comp. - T4 needed)	4,022.16
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Total Salaries and Related 4,022.16

41205	Consultants	8,249.90
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Total Professional Fees 8,249.90

FEMS \$41,209.30
QB/S \$60,256.84

Total of IOE in QB/SAGE \$ 20,604.65

CPP Expense \$ 337.33
Office Expenses \$ 17,600.54
Banking Fees \$ 29.97
Profess. Fees \$ 2,636.81

Total of IOE \$ 20,604.65

Income Statement 01/04/2018 to 30/06/2018

QB/SAGE 50

REVENUE

Revenue

Contributions	0.00
Other Income	0.00
Gain/loss on Disposal of Assets	0.00
Ministry Funding	60,256.84

Total Revenue 60,256.84

TOTAL REVENUE

60,256.84

EXPENSE

Expenses

Salaries & wages - Non-Governance	0.00
Salaries & wages - Governance	4,022.16
Benefits	0.00
CPP Expense	337.33
El Expense	0.00
Insurance (Board insurance)	0.00
Amortization	0.00
PS Internal Operating Expenses	0.00
Office Rent (includes property tax)	0.00
Office Expenses	17,600.54
Society Fees	0.00
Member Time (Physician and AH...)	14,032.36
Professional Fees	2,636.81
Consultants	8,249.90
Travel	358.25
Conference Fees	0.00
Miscellaneous	3,809.93
Meals	9,065.60
Banking and Transaction Fees	29.97
Meeting Expenses	30.82
Communications	83.17

Total Expenses 60,256.84

TOTAL EXPENSE

60,256.84

Calculate INTERNAL OPERATING EXPENSES

FEMS	QuickBooks
Income Statement	Income Statement
Member Time \$ 1400	Member Time \$ 1400
Salaries & wages \$ 750	Salaries & wages \$ 750
Meeting Expenses \$ 260	Meeting Expenses \$ 260
Meals \$ 920	Meals \$ 920
	Office Rent \$ 2120



Run Financial Statement
in QB/Sage and
calculate **INTERNAL**
OPERATING EXPENSES

Physician Society (Incorporated)

Year-End Financial Statement: April 1, 2018 to March 31, 2019

REVENUE

Revenue

Contributions	0.00
Other Income	0.00
Gain/loss on Disposal of Assets	0.00
Ministry Funding	413,030.88

Total Revenue 413,030.88

TOTAL REVENUE 413,030.88

EXPENSE

Expenses

Salaries & wages - Non-Governance	0.00
Salaries & wages - Governance comp	37,844.50
Benefits	0.00
CPP Expense	1,164.40
EI Expense	0.00
Insurance (Board insurance)	0.00
Amortization	0.00
PS Internal Operating Expenses	130,000.00
Office Rent (includes property tax)	0.00
Office Expenses	0.00
Society Fees	600.00
Member Time (Physician and AHF)	167,365.21
Professional Fees	20,000.00
Consultants	9,683.38
Travel	2,453.92
Conference Fees	0.00
Miscellaneous	1,608.58
Meals	23,057.59
Banking and Transaction Fees	99.13
Meeting Expenses	14,986.94
Communications	4,167.23

Total Expenses 413,030.88

TOTAL EXPENSE 413,030.88

Director Claims
(paid by cheque)

Physician Claims
(paid VersaPay)

0.00	
1,164.40	+
0.00	
0.00	
0.00	
130,000.00	+
0.00	
0.00	
600.00	+
20,000.00	+
0.00	
99.13	=
151,863.53	Internal Operating Expenses

Run Income Statement after you have created an IOE Transaction in FEMS

FEMS

Reporting Period Apr-01, 2018 to Mar-31, 2019

As At: Jun-19, 2019

		Actuals 2018-2019	Prior Years Actuals Cumulative	Cumulative Allocation	Cumulative Remaining
		\$	\$	\$	\$
Physician Society (Incorporated)					
INCOME					
30500	Administration (500)	151,863.53	81,169.48	233,448.04	415.03
30500	Governance (600)	39,977.30	37,285.21	108,939.91	31,677.40
30500	Physician Services (1300)	106,533.38	33,780.57	223,453.21	83,139.26
30500	Working Environment (1400)	63,226.33	35,333.61	153,752.03	55,192.09
30500	Communication (1700)	22,773.30	2,418.66	33,110.00	7,918.04
30500	Quality and Cost Improvement (1800)	1,005.28		7,738.50	6,733.22
30500	Physician Access to Resources (1900)	17,902.83		41,473.32	23,570.49
30500	Quality Improvement Projects (2000)	4,890.26		10,000.00	5,109.74
30500	Culture (2100)	4,858.67		12,790.60	7,931.93
Total Ministry Funding		413,030.88	189,987.53	824,705.61	221,687.20
Total Income		413,030.88	189,987.53	824,705.61	221,687.20
EXPENDITURES					
41202	Member time (physician and allied healthcare)	167,365.21	14,736.88		
41301	Travel	2,453.92	521.45		
41404	Meals	23,057.59	19,625.00		
41506	Meeting expenses	14,986.94	9,026.19		
Total Meetings and Conferences		207,863.66	63,909.52		
41401	Miscellaneous	1,608.58	9,108.41		
41633	Communications	4,167.23	2,418.66		
Total Office and Communications		5,775.81	11,527.07		
41000	Internal Operating Expenses	151,863.53	81,169.48		
Total Other Expenses		151,863.53	81,169.48		
41205	Consultants	9,683.38			
Total Professional Fees		9,683.38			
40102	Salaries & wages (Governance comp. - T4 needed)	37,844.50	33,381.46		
Total Salaries and Related		37,844.50	33,381.46		
Total Expenditures		413,030.88	189,987.53		

Physician Claims
(paid VersaPay)

Director Claims
(paid by cheque)

Income Statement

FEMS

Apr-01, 2018 to Jun-30

- Does the amount for the **“Member Time (physician & allied healthcare)”** in FEMS match the one in QB/Sage?
- What’s the total for the IOEs to balance FEMS with QB/Sage?

EXPENDITURES

41202	Member time (physician & allied healthcare)	13,870.45
41301	Travel	11,383.23
41311	Conference fees	8,966.70
41404	Meals	9,507.36
41506	Meeting expenses	7,776.68
Total Meetings and Conferences		47,844.77
41401	Miscellaneous	5,897.04
Total Office and Communications		5,897.04
41000	Internal Operating Expenses	??
Total Other Expenses		
41205	Consultants	1,392.03
Total Professional Fees		1,392.03
40102	Salaries & wages (Governance)	7,136.68
Total Salaries and Related		7,136.68

Income Statement 2018-04-01 to 2018-06-30

QB/SAGE 50

- Does the amount for the **“Salaries & Wages-Governance”** in QB/Sage match the one in FEMS?
- List the IOEs in QB/Sage
- CPP is \$0.00 in QB/Sage: why?
- “MEALS”** in QB/Sage doesn’t match the one in FEMS: can it be considered an IOE?

Expenses

Salaries & wages - Non-Governance	0.00
Salaries & wages - Governance	7,136.68
Benefits	0.00
CPP Expense	0.00
EI Expense	0.00
Insurance (Board insurance)	0.00
Amortization	0.00
PS Internal Operating Expenses	9,461.55
Office Rent (includes property tax)	0.00
Office Expenses	0.00
Society Fees	0.00
Member Time (Physician and AH...)	17,210.80
Professional Fees	0.00
Consultants	1,392.03
Travel	11,383.23
Conference Fees	8,966.70
Miscellaneous	5,897.04
Meals	23,830.36
Banking and Transaction Fees	103.25
Meeting Expenses	7,776.68
Communications	0.00