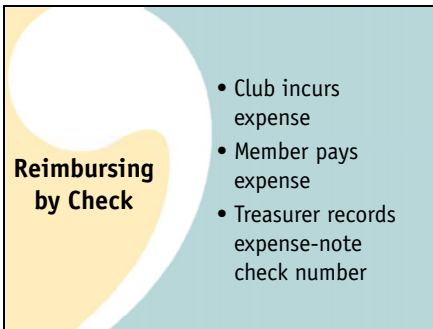


Since clubs cannot have credit cards, it is often convenient for an individual to pay an expense and then for the club to reimburse him. There are two ways you can do this.

You can write him a club check or

You can reimburse him with units of ownership in the club. You might want to do this because it will not change the amount of cash your club has available. It also might allow you to operate without having a checking account. In addition, it may result in quicker payment of expenses if you don't have to wait for a check to clear.



First let's talk about reimbursing a member with a check.

Reimbursements sometimes get a little confusing because there is no specific "reimbursement" transaction. Instead, you record the expense as if it had been paid directly by the club.

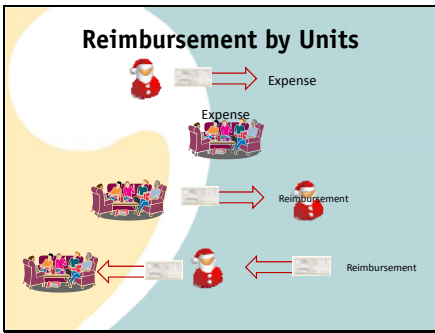
You might write a club check, but the check goes to the member who paid it rather than the group that provided whatever you are paying for.

It works this way:

Club Incurs expense

Member pays expense

Treasurer writes a check to the member to reimburse him, but you don't enter this as a check. You enter it as an expense using the expense form. You just make a note of the check number in the remarks field.



You can also reimburse a member with units of ownership in the club. Conceptually, it works like this:

First the member pays the expense.

Then you record the expense. It is allocated to everyone so it is if each member has “chipped in” to pay it.

You could give the member a check to reimburse him.

But, instead, you hold the money in a temporary dummy club account which you can name something like “reimbursement” or “out of pocket”. This money is then used to record a contribution from the member being reimbursed.

It’s as if you gave it to him and

he turned around and used it to make a new payment to the club. You don’t actually have to give him a check, you just record the payment.



Here are the actual steps you go through to record this.

First, if you don’t already have one, use the create button to create a new account on your Accounting>Accounts page.

Call it “Reimbursements” You use a temporary account because there won’t be any transactions corresponding to these on your financial account statements.

Open the expense form using the Expense button.



Record the expense as being paid from the “Reimbursement” account.



After you enter this, you will see there will be a

negative balance in the Reimbursements account. It will have a negative balance because it is an amount that has been removed from your club assets to pay the expense.



Next, you record a Payment for the member being reimbursed

Use the payment link next to his name on the Accounting>Members screen



Record it as deposited into the

“Reimbursement” account- The amount taken out in the first transaction is used to purchase additional units in the club for the member being reimbursed.



When you are done, the reimbursement account will be back to zero, the expense will be recorded and the member will be reimbursed with units of ownership in your club.