



HFMA's guidance on accounting for joint conference reporting

Purpose

This document provides accounting guidance for recording and reporting joint conference proceeds between HFMA chapters and regions. It ensures consistent, transparent treatment of revenues and expenses across entities, supporting accurate financial consolidation and IRS reporting.

Joint conferences often involve multiple chapters and/or a region. To maintain consistency in reporting:

- All revenue and expenses must be recorded at **gross amounts**, not net.
- Regions (or the entity in charge) must allocate income and expenses back to the participating chapters.
- Each chapter must record its share **on a gross basis** as well, even if the region collects or disburses funds.

Key Accounting Considerations

1. Seed Money

- Seed money is contributed by chapters to fund joint events.
- It typically remains in the joint conference fund year after year and is **not returned** to chapters.
- Must be tracked separately from event revenues and expenses to distinguish ongoing seed capital from annual conference proceeds.

2. Prepaid Expenses & Deferred Revenue

- Record prepaid conference costs (e.g., deposits for venues or vendors) as assets until incurred.
- Record advance sponsorship or registration income as **deferred revenue** until the event occurs.

3. Recording Gross Revenues and Expenses (Region or Entity in Charge)

- The **region or entity managing the event** records **all revenues and expenses at the gross amount**, not net.
- Use standard GL accounts for:
 - **Revenue Accounts:** Meeting Income, Sponsorships, Interest.
 - **Expense Accounts:** Meeting, Board, Committee, IT, Office, Merchant Fees, etc.
- The Profit & Loss (P&L) should show a **full picture** of the event activity.

If the event is tracked in a chapter's QuickBooks file, set up a **separate class or chart of account structure** to isolate the joint event activity from regular operations.

4. Sample Profit & Loss (Joint Event)

Income	Amount
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Meeting	\$6,926.95
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Sponsorship	\$1,701.35
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Interest	\$49.98
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Total Income \$8,678.29

Expenses	Amount
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Meeting	\$6,208.35
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Board	\$22.24
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Committee	\$135.85
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IT	\$14.35
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Office	\$40.38
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Merchant Fees	\$163.11
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Income Amount

Total Expenses \$6,584.29

Net Income: \$2,094.00

5. Allocating Proceeds to Chapters

After the event:

1. The region or entity in charge prepares an **allocation worksheet** showing gross revenue and expense distributions by each participating chapter.
2. Allocation may be:
 - o Equal (e.g., 20% each), or
 - o Based on chapter size (e.g., member count or participation).
3. The region calculates the **net payout** due to each chapter and processes payments accordingly.

Use **special “contra revenue” and “contra expense” accounts** to handle these payouts and ensure proper netting.

Communication:

1. Send each Chapter Treasurer the allocation worksheet (showing their share of income and expenses),
2. Copy of the payout record

6. Recording at the Chapter Level

Upon receiving the allocation worksheet:

- Chapters record **gross revenues and expenses** using their standard accounts.
- Example (Deposit screen in QuickBooks):
 - o Record *gross revenue* as a positive deposit.
 - o Enter *shared expenses* as a **negative amount** to show net deposit correctly.
- This ensures full gross reporting, not just the net deposit.
- If already recorded net, post a **journal entry** to adjust to gross basis.



7. Recording Receivable (If Proceeds Are Delayed)

If the region informs a chapter that proceeds will be issued next fiscal year:

- The chapter should record a **Receivable** from the Region at year-end.
- Credit and Debit the relevant accounts to ensure proper recognition.

8. Financial Consolidation (HFMA Staff Role)

- HFMA staff will review regional and chapter **joint conference reporting** to ensure revenue is not overstated and expenses are not understated.
- Correct gross reporting ensures IRS Form 990 compliance and supports transparency across all chapters and regions.
- Please direct any questions or HFMA staff, Perla Gallegos accounting@hfma.org