Business Enterprises of Nevada

Profit & Loss Statement

Instruction Guide

*for*

# BEN Form 100

### BEN Form 100 Instruction Guide (04/07) State of Nevada / Department of Training, Employment & Rehabilitation

**Before You Get Started…**

**About the Process** – This instruction guide was designed with the intent of providing concise

instruction and clarity to the BEN Profit & Loss Statement preparation procedure. If, however, you have a question – contact the Bureau before submitting your P & L Statement. By contacting the Bureau and getting your questions answered before submitting your P & L, you will avoid the need for submitting amended returns and paying unnecessary penalties. These procedural changes were instituted for the purpose of gathering more accurate and detailed information. Please take the time to learn the process and get your questions answered before submitting your P & L.

**Rounding** – All amounts entered on the BEN Profit & Loss Statement are to be rounded to the

nearest whole dollar. For example, an amount totaling $2.49 or less would be entered as $2.00 and an amount totaling $2.50 or more would be entered as $3.00.

**Accuracy & Accountability** –It is the responsibility of each Operator to ensure the accuracy

of his/her monthly BEN Profit & Loss Statement submission. Although it is perfectly acceptable to retain, hire or assign someone to generate this report, when the Operator signs and dates the document, he/she accepts final responsibility for the document and all of the information contained within it.

**Submission of a Monthly General Journal** –Each Operator is required to submit a

monthly General Ledger with his/her BEN Profit Statement submission. A General Ledger is a record of every transaction of the business for a period, starting with opening

balances at the start of the financial year, then all movement for the period, separated into the various income, expenditure, asset and liability accounts. A sample General Ledger has been included at the back of this guide – please see Exhibit A.

Cost of Goods Sold / Inventory – This BEN Profit & Loss Statement requires

accurate Cost of Goods Sold / Inventory information from the Operator. Previously, it was acceptable for the Operator to use the same dollar amount for both his beginning and ending inventory. This is no longer an acceptable practice. This guide explains, in detail, how to manage this step of the process. If you have referred to the Instruction Guide and you are still uncertain on how to proceed, please contact the Bureau for assistance.

Using the Bureau-Supplied P&L Form –The profit and loss form is in Excel format

and contains formulas to perform all the mathematical calculations for you once you enter the data in the required field. Therefore the formulas will automatically add, subtract, multiply, round up or down, and insert the result in the correct line. If you do not enter data on a required line of the Excel format form, the default value is zero. If you do not use the Excel format P&L form, you will need to follow the directions for manual calculations in the following instructions. Enter only the data that applies to your site or else leave space blank.

#### Revenue Subject to Sales Tax – Refer to Exhibit B for NRS & NAC definitions

1. **Food** –Total revenue derived from the sale of taxable food items.

*(Total must include sales tax collected.)*

1. **Merchandise** – Total revenue derived from the sale of taxable merchandise or non-food

 items.

*(Total must include sales tax collected.)*

* 1. **Catering** – Total revenue derived from the sales of taxable catering services. All catering

services should be considered taxable except for those services provided to a tax-exempt entity like, for example, the State of Nevada. Please refer to

Exhibit C for additional information on exclusions.

*(Total must include sales tax collected.)*

1. **Vending** –Total revenue derived from any kind of vending machine that creates the final

product to be sold at the time of the sale. There are three types of vending that are subject to state sales tax in Nevada – food vending that creates the final product at the time of purchase, for example, fresh brewed hot coffee vending machines; machines that sell sundries like combs, shampoo, laundry detergent, hand lotion, etc.; and, cigarette vending machines. You would enter revenue/sales on this line only if you operate or manage your own taxable vending machine(s). If you contract with a vending machine company and they operate a taxable vending machine on your behalf, the contractor would be responsible for collecting and forwarding the tax to the state. For purposes of clarity, cold food vending machines are **not** categorized as taxable vending machines.

*(Total must include sales tax collected.)*

##### **Section A Sub-total** – *Add* Lines A1 – A4.

#### Revenue *Not* Subject to Sales Tax – Refer to Exhibit B for NRS & NAC definitions

1. **Food** – Total revenue derived from the sale of non-taxable food items.
	* 1. **Merchandise** – Total revenue derived from the sale of non-taxable merchandise or non-food

items.

1. **Catering** – Total revenue derived from the sales of non-taxable catering services. As noted

on Line A3 above, the State of Nevada is exempted from paying any state sales tax. Please refer to Exhibit C for additional information.

1. **Non-Vending Contract Payments** –Total revenue derived from non-vending contract

payments. For example, the Operator’s BEN site is a U.S. Air Force Base and the U.S. Government sends the Operator a check each month for a contractually agreed upon amount to offset a portion of the Operator’s food costs – this would qualify as a non-vending contract payment

1. **Rebates** – Total revenue earned from rebates paid to the Operator or to the Operator’s BEN

site. For example, the Operator participates in a marketing promotion sponsored by Pepsi Cola where the Operator is paid a certain percentage or dollar amount based on the volume of product purchased during a defined period. The payment received from Pepsi is a rebate and would be reported on this line.

1. **Early Payment Discounts** – Total revenue earned from the discounts received from

suppliers as a result of early payments made to those suppliers. For example, an Operator has received 2 10/Net 30 payment terms from a supplier. This means that the amount of the invoice, minus the freight charge, can be discounted by 2% if the amount is paid on or before the 10th day following the reference date and, further, that the full amount of the invoice is due on the 30th day after the reference date. If the Operator pays early and reduces the amount of the payment by 2%, the Operator must claim that amount as Early Payment Discount revenue. If the Operator opts not take the discount, the Operator will not be penalized for not having done so.

1. **Interest Income** – Total revenue derived from business related interest bearing accounts.

For example, if the Operator’s business checking account is an interest bearing account, the monthly interest paid to the Operator by the bank is classified as interest income.

1. **Investment Income** – Revenue derived from business-funded financial investments or

investments that are named in the BEN site’s legal business name. For example, the Operator opens a 180 day Certificate of Deposit (CD) and invests funds drawn on the Operator’s business checking account. The revenue derived from that investment is classified as investment income.

1. **Supplemental Income** –Total revenue derived from Bureau-provided supplemental

income. Supplemental income defined: Bureau authorized and Bureau funded monthly payments to an Operator for the purpose of providing long-term financial support to the Operator of an underperforming BEN Site. Supplemental income is subject to set-aside. Supplemental income is not the same as subsidy income. For the definition of subsidy income, refer to BEN Policy 05-01.

1. **Section B Sub-total** – *Add* Lines B1 – B9.

#### Vending Machine Revenue & Commissions *Not* Subject to Sales Tax

#### Vending Revenue – Operator Managed – Total non-taxable vending revenue derived from

#### all machines that are managed, filled and overseen by the BEN site Operator – *not a vending company.* The list of vending machine types to be accounted for in this section include, but is not limited to, gum ball, canned soda, bottled soda, fruit juice, snack, ice cream, bottled water, sports drink, telescope, coin press, and cold food. Do not include commissions received from vending contractors on this line – rather, use lines C2a – C2c.

#### Vending Revenue – Contractor Managed – Total non-taxable vending revenue derived

#### from vending machine contractors with whom you are under contractual agreement. The two blank lines in each of Lines C2a – C2c are reserved for listing the contractor name, the location the vending commission was derived from (if applicable), the month the commission was earned, and the month the commission was paid to the Operator. These lines are reserved for listing of up to three different contractors, payments from those contractors or a combination of the two. If an Operator manages his own vending route and does not sub-contract his vending services – use line C1 to enter all non-taxable vending revenue.

1. **Vending Revenue** – This line is to be used if there is one vending contractor or one

payment received from a vending contractor. List name of vending company, the location of the vending site, the month the revenue was earned, and the month the revenue was paid.

1. **Vending Revenue** – This line is to be used if there is more than one vending contractor and/or more than one payment received from a vending contractor.
2. **Vending Revenue** – This line is to be used if there are more than two vending contractors and/or more than two payments received from a vending contractor.
3. **Section C Sub-total** –*Add* Lines C1 &C2a – C2c.

#### Total Gross Revenue *– Add* Lines A5, B10 & C3.

#### Total Sales Tax Collected & Payable – Total state sales tax revenue collected less

#### the mandated collection allowance/accounting credit. The collection allowance/accounting credit is the amount the state taxation agency allows the tax collector to retain as compensation for collecting, holding, and remitting the state sales taxes collected.

#### Adjusted Gross Revenue *–* Line D *Minus* Line E.

#### Cost of Goods Sold Calculation

1. **Beginning Inventory** – The book value of merchandise, goods, or materials available for

use or sale at the beginning of an inventory accounting period. On a continuing basis, this amount will be the same as the amount reported as *Ending Inventory* (Line G5) on the previous month’s BEN Profit and Loss Statement.

1. **Purchases** – Enter the amount of food or merchandise purchased for resale during the

month. Food and merchandise are considered “purchased” when they are received, regardless of whether or not the wholesalers have been paid. Back orders and orders in route are not to be reported as purchases until received.

1. **Related Party Purchases** – Enter the amount of all purchases from businesses in which

the Operator or a member of Operator’s immediate family has a

financial interest in the ownership of the business. Examples might include an Operator’s wife who owns a bakery which sells baked goods to the Operator’s business, or an Operator’s son who is the president of a corporation that provides janitorial services to the Operator’s business. The Operators must obtain written Bureau approval to claim such expenses on their P&L reports. See Section K

1. **Freight-In** – Total freight costs incurred during the month that are a result of the delivery of

merchandise or food. Include only those freight charges for merchandise or for food actually received, but not necessarily paid, for the reported month.

1. **Goods Available for Sale** – *Add* Lines G1 – G3.
2. **Ending Inventory** –This amount can be reached by using the following method only:

Do not guess at this amount.

 Conduct a month-end physical inventory, calculate the value of the

inventory and enter that amount on this line. This is the best and most precise method of determining inventory levels. This inventory should be conducted on the last calendar day of the month whenever possible. Remember, Operators are also required to conduct at least one physical inventory per year (which will include supplies and equipment as well as goods offered for sale), at the end of December.

#####  **Total Cost of Goods Sold** – Subtract Line G5 from Line G4 (Line G4 *Minus* Line G5)

##### Enter the resulting amount on this line.

Enter the *Cost of Goods Sold* amount that is calculated by your

bookkeeping software program. If you currently maintain your own books and your program is not generating a Cost of Goods Sold amount, contact the Bureau. We will assist you.

#### Gross Profit – Line F *Minus* Line H.

#### Allowable Operating Expenses

1. **Accounting & Bookkeeping** – The total amount of money spent during the month for hiring

business related accounting or bookkeeping services. Do not include salaries or wages paid to an employee who maintains your financial records or bookkeeping.

1. **Advertising & Promotion** – The total amount of money spent during the month for hiring

and/or purchasing business related advertising & promotion services, products, consulting and/or the design and maintenance of a business related website. There is no provision for expensing a sale that is “comped” or a product that is sold at a discounted price. However, if regulated by statute, the Operator is required to pay state use tax on a “comped” sale if required by law; he is also required to pay sales tax on a discounted sale if required by law.

1. **Auto** – **Fuel** – The total amount of money spent during the month on the purchase offuel for a **business-owned vehicle** used for business purposes.
2. **Auto – Insurance** –The total amount of money spent during the month on the purchase of insurance for a **business-owned vehicle**.
3. **Auto – Contract Payment** – The total amount of money spent during the month on contract

payments for a **business-owned vehicle** – lease payments, for example.

1. **Auto** – **Maintenance –** The total amount of money spent during the month on the purchase

of automobile maintenance for a **business-owned vehicle**. A purchase of an oil change or a new set of tires would qualify as a maintenance expense.

1. **Bank – Check Reorder Charge –** The total amount of money spent during the month on

the purchaseof business check reorders.

1. **Bank** – **Monthly Charges** – The total amount of business related banking fees or charges

paid to the bank during the month. Charges for returned items, overdraft fees, or any other irregular charges are not allowable expenses. See Section K.

1. **Cash Short or Over** – This expense line is used to account for the total monthly cash short

or over amount. At the end of each business day, the Operator must close out/Z out and reconcile his cash register against the Z Tape. If the receipts in the register are less than the Z Tape indicates, this would be entered as a cash shortage and visa versa. At the end of the month, the Operator adds up all of the daily overages and shortages and ends up with a net shortage or overage for the month. If there is a net shortage at the end of the month, enter that amount on this line. If, however, there is a ***net overage, that amount must be entered with brackets around the amount.*** The brackets indicate that the amount needs to be subtracted from the total expenses in this section and not added – an overage actually reduces operating expenses. **This expense line should not be used to book cash shortages that are due to theft or embezzlement**.

1. **Classified Advertising** – The total amount of money spent during the month on business

relatedclassified advertising in the local newspaper – help wanted ads, for example.

1. **Cleaning Supplies** – The total amount of money spent during the month for business related

cleaning supplies like sanitizer, hand soap, detergents, brooms, mop heads, degreaser, etc.

1. **Contract Services** – The total amount of money spent during the month for the purpose of

hiring a business related service that is not specifically listed or identified as a dedicated expense on this BEN Profit & Loss Statement – this may or may not be a recurring charge.

1. **Credit Card** – **Chargeback** – The total amount charged back or withdrawn from the

Operator’s credit card operating account by his merchant bank. For example, a person purchases a service from a merchant and is disappointed with the service received. The customer contacts his credit card company and files a dispute over the charge. The credit card company investigates and finds in favor of the customer. The credit card company then withdraws or debits the amount of money originally paid to the merchant and credits that amount back to the customer’s credit card account.

1. **Credit/Debit Card** – **Discount Rate** – The total credit/debit card discount rate fees paid tothe various credit card companies (Visa, MasterCard, Amex, etc.) and banks each month on business related credit/debit card sales. These fees are based on a pre-established percentage of credit/debit card sales.
2. **Credit Card** – **Terminal Rental** – The total amount of money spent during the month for

the rental of business related credit card or point of sale equipment.

1. **Dues & Subscriptions** – The total amount of money spent during the month for business

related dues & subscriptions like an annual trade magazine subscription or dues paid to a business related organization.

1. **Insurance** – The total costs accrued during the month that pertain to the purchase of

business related insurance. The Bureau provides storekeeper’s insurance for each facility and provides appropriate fire and extended coverage for all property owned by the Bureau. **Insurance coverage furnished by the Bureau DOES NOT extend to merchandise, supplies, accessories, and equipment owned by the Operator.** An Operator may need to procure additional insurance coverage in order to comply with a provision of his Operating Agreement. Only additional insurance requirements that are provisions in the Operating Agreement will be considered an allowable expense. Any other insurance expenditure requires pre-approval by the Bureau Chief.

1. **Internet Connection** – The total amount of money spent during the month for business

related Internet connection services like MSN, AOL, Earthlink, etc. report website related costs on Line J2.

1. **Janitorial** – The total amount of money spent during the month for the hiring of business

related janitorial services like window cleaning and floor waxing companies.

1. **Laundry** – The total amount of money spent during the month for business related laundry

 services like the laundering of aprons, bar towels, uniforms, etc.

1. **Licenses, Fees & Permits** – The total amount of money spent during the month for business

related licenses, fees & permits like the annual fee paid to the county health department.

1. **Minor Equipment –** The total amount of money spent during the month for business related

minor equipment, accessories– defined as having a total cost of $100.00 or less.

1. **Office Supplies** –The total amount of money spent during the month for business related

office supplies like pens & pencils, copier paper, staples, paper clips, etc.

1. **Packaging** – The total amount of money spent during the month for business related

packaging like disposable soda cups & lids, straws, aluminum foil, etc.

1. **Personal Vehicle** – The total amount of money spent during the month for business related

automobile travel in the Operator’s personal vehicle. This expense is calculated by multiplying the number of miles traveled by the allowable rate. A business travel log must be maintained that describes the date of travel, the origin, the destination, the beginning mileage, the ending mileage, the number of miles traveled, and the purpose of the travel. For the current allowable rate, please contact the Bureau. A copy of the travel log must be submitted with the BEN Profit & Loss Statement.

1. **Pest Control –** The total amount of money spent during the month for business related pest

control services like Orkin or Terminix.

1. **Postage –** The total amount of money spent during the month for business related postal

expenses like the purchase of postage stamps or purchasing postage credit for a Pitney–Bowes style postage imprinting machine.

1. **Satellite Radio** – The total amount of money spent during the month for business related

satellite radio services including purchases, contract payments, and monthly service fees.

1. **Security & Alarm** – The total amount of money spent during the month for business related

security and alarm services including purchases, contract payments, and monthly service fees.

1. **Shipping** – The total amount of money spent during the month for business related shipping

services like Federal Express, UPS, and other over-the-road shippers.

1. **Telephone – Cellular** – The total amount of money spent during the month for business

related cellular telephone services including purchases, contract payments, and monthly service fees.

1. **Telephone** – **Land Line** – The total amount of money spent during the month for business

related traditional telephone services including purchases, contract payments, and monthly service fees – include both local & long distance.

1. **Telephone** – **Pager** – The total amount of money spent during the month for business

relatedpager services including purchases, contract payments, and monthly service fees.

1. **Uniforms** – The total amount of money spent during the month for business related

 uniforms.

1. **Utilities** – The total amount of money spent during the month for business related utilities

 like water, electricity, natural gas & trash removal.

1. **Water Filtration/Reverse Osmosis** – The total amount of money spent during the month

for business related water filtration and/or reverse osmosis services including purchases, contract payments, and monthly service fees.

1. **Section J Sub-total**– *Add* Lines J1 – J36.

#### Operating Expenses – Prior Approval Required

This section is reserved for expenses that are excluded from ordinary and necessary business expenses unless the Operator has obtained pre-approval in writing from by the Bureau Chief. A pre-approval form (BEN Form 101) signed by the Bureau Chief, a photocopy of the invoice or receipt, and a photocopy of the proof of payment must be included with this P & L in order for the expense to be accepted. Pre-approved expenses are valid for one month unless otherwise indicated in writing by the Bureau Chief. Please refer to Exhibit E at the end of this guide to review the NAC that defines which expenses are allowed and which are disallowed without prior approval. If any pre-approved expenses are being claimed, describe those expenses and their related amounts on Lines K1 – K3. If you have any questions regarding this section or any other section of this guide or the P & L form, please contact the Bureau for assistance.

1. ***Section K Sub-total*** – *Add* Lines K1 – K3.
2. **Payroll Related Expenses**
	1. **Casual Labor** – Total monthly costs relating to the hiring of business related Casual Labor.

For a legal definition of “Casual Labor” according to the Nevada Revised Statutes, please refer to Exhibit F located at the back of this guide.

1. **Contract Labor** –Total monthly costs relating to the hiring of business related Contract

Labor. For a legal definition of “Contract Labor” according to the Nevada Administrative Code, please refer to Exhibit G located at the back of this guide.

1. **Employee Disability Benefits** – Total monthly cost of funding employee disability benefits; exclude premiums paid for Operator.
2. **Employee Medical Benefits** – Total monthly cost of funding employee medical benefits; exclude premiums paid for Operator
3. **Employee Retirement Benefits –** Total monthly cost of funding employee retirement

 Benefits; exclude premiums paid for Operator.

1. **FICA/Medicare Match** – Total monthly FICA/Medicare matching contribution accrued.

Every employer is required to match, dollar for dollar, the total FICA/Medicare withholding amount for every employee on his staff.

1. **FUTA** – Total monthly Federal Unemployment Tax accrued.
2. **Nevada Modified Business Tax** – Total State of Nevada Modified Business Tax accrued during the month/quarter.
3. **Payroll Processing Fees** – Total Payroll Processing Fees accrued during the month. This may be the cost of hiring a payroll processing company, or the fees charged by an accountant or bookkeeper to oversee this responsibility.
4. **Salaries & Wages** – Total *gross* Salaries & Wages accrued and paid during the month to all

 employees – exclude wages paid to Operator.

1. **SUTA** – Total monthly State Unemployment Tax premium accrued.
2. **Worker’s Compensation Insurance** – Total cost of monthly Workman’s Compensation

insurance premiums. *Notice* – Any BEN Operator who has employees must have an in-force Workman’s Compensation insurance policy, by BEN Program policy and by state law.

* + 1. **Section L Sub-total** – *Add* Lines L1 **–** L12.

#### Total Expenses– *Add* Lines J37, K4 & L13.

#### Gross Operating Income–Line I *Minus* Line M.

1. **NO Loss Carried Forward** – The Operator may only declare the loss in the actual month incurred. There will no longer be any amount declared on this line without written prior approval from the Program Chief.
2. **Net Proceeds –** Line N *Minus* Line O. If there is no amount entered on Line O, enter

amount from Line N.

#### Gross Set-Aside Due–Enter amount from Line Y7.

#### Set-aside Adjustments – Enter the amount of any set-aside Adjustments from a previous

#### period. If the adjustment is an amount that you owe the Bureau, simply enter the amount you owe on Line R. If, however, the adjustment is an amount owed to you by the Bureau, place parentheses or brackets around the amount that you enter on Line R. You must indicate the month and year from which the adjustment originated in the space located to the right of the amount.

#### Net Set-aside Due –If you did not enter a set-aside adjustment on Line R, simply enter the

#### amount from Line Q on this line. If you entered an adjustment on Line R that you owe the Bureau, add Line Q & Line R and enter the resulting amount on this line. If you entered an adjustment on Line R that the Bureau owes to you, subtract Line R from Line Q and enter the resulting amount on this line.

#### Net Profit–Line P *Minus* Line S.

#### Subsidy Income – Enter the amount of Subsidy Income that you received from the Bureau during the month on this line. Subsidy income is not subject to set aside. See BEN Policy & Procedure 05-01.

#### Net Profit Including Subsidy Income– *Add* Lines T & U.

1. Employee Related Information

##### **Visually Disabled** –

On Line 1 of the ***Numbe****r* column, enter the total number of *visually disabled* persons that you employed during the month.

##### On Line 1 of the ***Hours*** column, enter the total number of hours worked by all of your visually disabled employees during the month.

##### **Other Disabled** –

On Line 2 of the ***Number*** column, enter the total number of persons that you employed during the month that have a disability other than visual impairment.

##### On Line 2 of the ***Hours*** column, enter the total number of hours worked during the month by all of your employees that have a disability other than visual impairment.

1. **Non-Disabled** –

On Line 3 of the ***Number*** column, enter the total number of persons that you employed during the month that are non-disabled.

##### On Line 3 of the ***Hours***column, enter the total number of hours worked during the month by all of your employees that are non-disabled

1. **Section V. Sub-total** – *Add* Lines W1 – W3 for both the *Number* & *Hours* columns and enter the corresponding totals on Line W4.

**Determination of Disability** -Please refer to Exhibit H for a voluntary “Self Identification of

Handicap” form that is approved by the federal government for use in the Randolph/Sheppard program and state BEPs. Operators are encouraged to provide their employees with this form in order to determine if the employee has a disability and thus correctly report the information on the P&L. Please note that employees must voluntarily decide to disclose whether they do or do not have a disability and the employer may not require an applicant or employee to disclose this information. Any documents regarding an employee’s disability must be securely stored separate and apart from the employee’s regular records. Information about an employee’s disability may not be shared with other employees except as it is necessary to provide the employee with reasonable accommodation as required by law.

1. Promissory Note Balance

##### **Beginning Promissory Note Balance** – Same as previous month’s ending balance.

##### **Set-up Recovery Payment** – Enter amount from Line Z9.

##### **Ending Promissory Note Balance** – Line X1 *Minus* Line X2.

1. Set-Aside Payment Schedule

##### **Net Proceeds** – Enter amount from Line P of the BEN Profit and Loss Statement.

##### **Basis Amount** – This dollar amount is provided on the chart located near the top of Section

##### Y of the BEN Profit & Loss Statement. First, determine which range the Net Proceeds amount (from Line P or Line Y1) falls into – under the *Net Profit* column. Once you have identified the range within which the Net Proceeds amount falls, remain on that row and scroll one column to the right to the Basis column. Enter that amount on Line Y2.

##### **Sub-Total #1** – Line Y1 *Minus* Line Y2.

##### **Percentage & Decimal –** Refer, once again, to the chart in Section Y on the BEN Profit

##### and Loss Statement. Remaining on that same row, scroll two more columns to the right to the *Percentage* column. Once you have identified the percentage, enter it in the first blank space provided on Line Y4. You now must convert the percentage to a decimal. This is accomplished by placing a decimal point to the left of the amount and removing the percent sign. The decimal point is already printed on the Profit and Loss Statement – so, simply remove the percent sign and enter the amount to the right of the decimal in the second blank space provided on Line Y4.

##### **Sub-Total #2** – Multiply the amount entered on Line Y3 by the decimal entered on Line Y4

##### and enter the resulting amount on this line.

##### **Base Amount** – Return, a third and final time, to the chart in Section Y of the BEN Profit

##### and Loss Statement. Return to the same row that you used in Steps 2 & 4 above and scroll left one column to the *Base Amount* column. Identify the amount and enter it on Line Y6.

##### **Gross Set-up Recovery Due** – *Add* Lines Y5 & Y6.

##### **Adjustments from Prior Periods** – If you have a set-aside adjustment from a prior period

##### that is owed to you by the Bureau, ( i.e., you overpaid the set aside due for a prior month) enter that amount on this line and place brackets around the amount. If, however, you have a set-aside adjustment from a prior period that you owe the Bureau, ( i.e., you underpaid the set aside due for a prior month) enter that amount on this line, but **do not** place brackets around the amount. Lastly, in the second space provided on Line Y8, indicate the month and year from which the adjustment originated.

##### **Total Set-aside Due** – If there is an amount that is **not** bracketed entered on

##### Line Y8, *Add* Lines Y7 & Y8 and enter the resulting amount on this line. If there is an amount that **is** bracketed entered on Line Y8, you must then *Subtract* Line Y8 from Line Y7 (Line Y7 *Minus* Line Y8) and enter the difference on this line. This amount is the set-aside that you owe the Bureau this month.

1. Set-up Recovery Payment Schedule

##### **Adjusted Net Proceeds** – Enter amount from Line P of the BEN Profit and Loss Statement.

##### **Basis Amount** – This dollar amount is provided on the chart located near the top of Section

##### Z of the BEN Profit & Loss Statement. First, determine which range the Net Proceeds amount (from Line P or Line Z1) falls into – under the *Net Profit* column. Once you have identified the range within which the Net Proceeds amount falls, remain on that row and scroll one column to the right to the Basis column. Enter that amount on Line Z2.

##### **Sub-Total #1** – Line Z1 *Minus* Line Z2.

##### **Percentage & Decimal –** Refer, once again, to the chart in Section Z on the BEN Profit and

##### Loss Statement. Remaining on that same row, scroll two more columns to the right to the *Percentage* column. Once you have identified the percentage, enter it in the first blank space provided on Line Z4. You now must convert that percentage to a decimal. This is accomplished by placing a decimal point to the left of the amount and removing the percent sign. The decimal point is already printed on the Profit and Loss Statement – so, simply remove the percent sign and enter the number to the right of the decimal point in the second blank space provided on Line Z4.

##### **Sub-Total #2** – Multiply the amount entered on Line Z3 by the decimal entered on Line Z4

##### and enter the resulting amount on this line.

##### **Base Amount** – Return, a third and final time, to the chart in Section Y of the BEN Profit

##### and Loss Statement. Return to the same row that you used in Steps 2 & 4 above and scroll left one column to the *Base Amount* column. Identify the amount and enter it on Line Z6.

##### **Gross Set-up Recovery Due** – *Add* Lines Z5 & Z6.

##### **Adjustments from Prior Periods** – If you have a Set-up Recovery adjustment from a prior

##### period that is owed to you by the Bureau (i.e., you overpaid set up recovery in a previous month), enter that amount on this line and place brackets around the amount. If, however, you have a Set-up Recovery adjustment from a prior period that you owe the Bureau (i.e., you underpaid set up recovery in a previous month), enter that amount on this line, but **do not** place brackets around the amount. Lastly, in the second space provided on Line Z8, indicate the month and year from which the adjustment originated.

##### **Total Set-up Recovery Due** – If there is an amount that is **not** bracketed

##### on Line Z8, add Lines Z7 & Z8 and enter the resulting amount on this line. If there is an amount that **is** bracketed entered on Line Z8, then you must subtract Line Z8 from Line Z7 (Line Z7 *Minus* Line Z8) and enter the difference on this line. This amount is the amount of Set-up Recovery that you owe the Bureau this month.

**Finishing Up –** Once you are at this point, there are just a couple more steps.

1. Prepare a copy of your general ledger for the reported month, check the appropriate box and attach the General Ledger to the P&L form
2. Prepare copies of any new pre-approved expense forms (BEN 101) and attach them to the P&L form
3. Cut a check for the set aside due and a separate check for the set up recovery due, if applicable.
4. Sign and date the P&L form
5. Mail the entire P&L package to the Bureau so that it will be postmarked on or before the 20th of the month following the month reported. If the 20th of the month falls on a Saturday, Sunday or holiday, the P&L must be postmarked on the next business day. If you anticipate mailing your P&L after the deadline, contact your BEO to arrange an extension **before the deadline**. Failure to negotiate an extension prior to the due date will generally result in the Bureau assessing a late penalty for each late payment. The penalty is the greater of $50.00 or 15% of the amount due.
6. If you have questions or a situation that is not covered by these instructions, contact your BEO for clarification **BEFORE** you submit your P&L. You’ll save both time and money !

**THANK YOU**