

Minute of **The 32nd Finance Learning Forum** **“Practical on Reporting on Taxation & ACAR”**

15th March 2024, 8:00 AM – 17:00 PM

Venue: Dara Airport Hotel

Physical platform

Total participant is 153 people (116 female)



I. Introduction

The Cooperation Committee for Cambodia (CCC) is the largest membership-based organization for civil society organizations in Cambodia, with around 181 Foreign (FNGO) and Domestic non-governmental organizations (DNGO) as members, and around 300 local organizations as partners and beneficiaries. CCC is currently implementing Phase V of its Governance Hub Program (GHP 2024-2028), an initiative intended to foster inclusive partnerships to promote good governance, a strong enabling environment, and ensure the sustainability of civil society organizations (CSOs) in Cambodia.

In response to the need of the CSOs in Cambodia for increasing their capacity in preparing the

annual tax income and financial report standard to comply with the requirement from Law on Accounting and Auditing and donors, CCC will organize its 32nd Finance Learning Forum on the topic of **“Practical on Reporting on Taxation & ACAR”** which will be organized on 15th March 2024 with support from finance working group members to host this learning forum.

II. Objectives of the Learning Forum

For the whole day, the participant will:

- To Understand Template of Reporting to ACAR and Taxation
- To know on how to identify Accounting Basis
- To gain more understanding on how to convert to cash basis
- To know on how to explain note
- To practice for more familiar on how to complete Taxation form
- To be clear on how to transfer report/data to E-filing

Welcome Remarks

Mr. Ou Saorn, Head of Operations from CCC would be pleased to share warm welcome as below:

I would like to say thanks to all management team of our members who always allow their team to attend CCC’s learning forum platform. Through active participation from finance working group members, CCC has prepared many learning forums. This forum take lead to share many important topics such as E-filling for CSOs, Cambodian Financial Reporting Standard, Legal Compliance for Accounting and Auditing for Non-for-profit organization, Internal control, and compliance. Today, CCC provides its 32nd Finance Learning forum on the topic of “Practical on Reporting on Taxation & ACAR” which was facilitated by Mr. Keo Rasmey, Financial Monitoring officer from ERIKS, and a member of the finance working group of CCC.

I would like to say thank to all finance working group members who always share their expertise for facilitate and sharing best practice during CCC’s learning forum. Finally, I would like to thank all participants, guest speaker and all CCC’s member for participating in our learning forum today and I wish you all the best. Thank you.

Sharing on the Practical on Taxation by Mr. Keo Rasmey:

Taxation

What is challenging to doing annual tax return?

Matching Book record into Tax form?

Tax form or template not clearly understand?

Account code not well in line with tax list down?

Taxation

1- WORKING in Spreadsheet

2- Converting Data to Profit & Loss

3- Converting data to Balance Sheet

4- Comparing or grouping account code with Tax references.

Working in Spreadsheet

Converting data into
Profit & loss sheet

Converting data
into Balance Sheet

Grouping or comparing
account code with Tax
References

Step 1 - 3

1- Entity Information:

- Entity Name, Branches, VAT Registration.....

2- Capital investment in report date

- Capital registered
- Capital/Share loss

3- Employment information in period

- Manager or director is shareholder
- Manager or Director is not shareholder
- Total Employees – Worker
- Total Employees – Worker taxable

Step 4

4- Balance sheet/ Financial Position:

I- Assets

- Fixed Assets: A1 – A12
- Current Assets: A14-A27

II- Capital & Liability

- Capital/Equity: A30 – A36
- Long term Liability: A38-A41
- Short term Liability: A43-A52

Step 5

4- Profit and Loss/ Financial Statement:

I- INCOMES:

- Gross Income: B1 – B6
- Subsidy Incomes: B9-B11
- Other Incomes: B13-B21

II- EXPENSES:

- Operation Expenses: B23 – B41
- Profit/Loss on Operation: (B42= B7+B8+B12-B22)
- Profit/Loss before Tax: (B46= B42-B43-B44-B45)
- Tax on income: B47 (for NGOs income not taxable, need to prepare letter to exception)

In the afternoon, Mr. Keo Rasmey shared about the Practical on ACAR reporting:

Practical ACAR Report

What is challenging in ACAR Report?

What does it mean on Cash Basis and Accrual Basis?

Accrual Basis Principle:

The assumption that the financial effects of transactions and events **are recognized as they occur, and not when cash is received or paid.**



Cash Basis Principle:

Cash basis accounting is an accounting system that **recognizes revenues and expenses only when cash is exchanged.** Businesses account for their income and expenses when they **actually receive payment or when they actually pay for an expense.**

Modified Cash Basis Principle:

The modified cash basis of accounting uses both elements the [cash basis](#) and [accrual basis of accounting](#) (Hybrid).
The modified cash basis is not allowed under Generally Accepted Accounting Principles ([GAAP](#)) or International Financial Reporting Standards ([IFRS](#)).

Notes 1: Accounting Policies

Entity's declarations...

- The entity need to declare what accounting basis of preparation cash pr Accrual basis? **For CIFRS for NFPEs must be Cash Basis**

VAT

- Registered for VAT, amount recorded in FR are exclusive of VAT (if any). VAT owing or VAT refunds on reporting date in note resources and commitments.
- Not registered for VAT, the amount recorded in FR is inclusive of VAT (if any).

Notes 2: Receipts

Fund Raising Receipts

- To described/declared what activities that the organization conduct event to raising fund?

Other Donation:

- To describe/declare what sources of fund receipt from (list all donors funding)

Fees, Subscriptions, other receipt from members:

- To describe/declare what other sources of income such income membership fee, staff contribution, or any fees NGOs earned.

Receipt from providing goods or service:

- List down any income from provide goods or services to other NGOs or parties such as selling honey, foods, service fee such as evaluation fee, bookkeeping fee, tax declaration fee ..etc.

Notes 3: Payments

Payment Related fund raising

- Such as renting booth, pay volunteers, Music band, place, drinks, any related to fund raising event.

Volunteer and Employees related payments

- Staff or employee salary or wages, insurance for staff, bonus, seniority.

Payments related to provide goods or services

- Any payment that goods such as purchase stationaries, workshop, office rental, rice or service pay to audit fee, consultation fee, phone, internet,...etc.

Grant and Donation Payments

- Any expenses related to grant or donation to partners, to CBO.

Notes 3: Payments

Other Operation payments

- Any expenses related to project and program operations.

Capital Payments

- Expenses on Vehicle, computer, Land, property that we recognized as fixed assets.

Notes 4-7: Value Add Tax (VAT)

VAT Input:

- Vat that registered supplier or vendor charge 10% on goods or services to us (if any please list down).

VAT Output:

- The VAT that we charge to customers or clients (we are NGOs not issue or bill out).

Correction Error

- List down any correct is made during reporting period.

Relate party transactions

- Any purchase or sale that NGOs doing with related party by discount price.

Events after the Reporting date:

- Any event will occur after reporting period ending.

Notes 8-10: Resources and Commitments

Bank Account and Cash from Statement of Receipts and Payments:

- State income from oversea & local sources
- Add beginning balance from previous year
- Less Expenses all expenses in operating year
- **Fund Balance must be the same as cash in Bank**

Money help on behalf of other:

- Help to pay debt for other like relative or partnership.

Money Owed to the Entity:

- Debt to entity such as



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ACAR.pptx

Appendix:**VI. Detailed Agenda**

Time	Key Content	Responsible By:
8:00 AM- 8:30AM	Registration	CCC
8:30AM- 8:40AM	Welcome remarks	Mr. Ou Saorn Head of Operations from CCC
8:40AM-10:00AM	<u>Sharing on: Annual Taxation</u> <ul style="list-style-type: none"> • Understanding template • Analyze Report & Matching Account • How to complete Tax form • How to transfer data/Report to E-filing 	Mr. Keo Rasmey Financial Monitoring officer from ERIKS, Finance working group member
10:00AM- 10:15AM	Tea Break	All
10:15AM- 12:00PM	Practice on Taxation template Question & Answer	Mr. Keo Rasmey Financial Monitoring officer from ERIKS, Finance working group member
12:00PM- 1:30PM	Lunch Together	All
1:30PM- 3:00PM	<u>Sharing on: Practical sharing on Reporting template to ACAR</u>	Mr. Keo Rasmey Financial Monitoring officer from ERIKS, Finance working group member
3:00PM- 3:15PM	Tea Break	All
3:15PM- 4:45PM	Group practice & Question and answer	Mr. Keo Rasmey Financial Monitoring officer from ERIKS, Finance working group member

Time	Key Content	Responsible By:
4:45PM-5:00PM	Closing remarks	Mr. Meas Kheang

Note: CCC will use the event photos from the learning forum for posting in CCC's website and other official use. CCC reserves the right to change the agenda based on the availability of the speakers and time constraints.