

Corporate Accounting Reporting Services

Helping clients recognize their nonqualified deferred compensation plan
and informal funding accounting entries

NQDCP Accounting Guide and Composite Plan Summary Reports

Our NQDCP Accounting Guide outlines methods for deriving accounting entries from MullinTBG's composite summary reports for an NQDCP. Delivered within 10 business days of the end of a reporting period (monthly or quarterly), our composite reports show beginning and ending plan balances (i.e., liabilities) and activities for the period. When plans are informally funded, we can provide or coordinate with asset providers or trustees to provide similar information.



XYZ COMPANY		Composite Summary by Participant						
XYZ Corp. DCP (Class Year Based Demo Plan)		All Plan Years						
		Period: 07/01/2014 - 09/30/2014						
		Plan Id: 31843						
Name	Beginning Balance	Deferrals	Participant Distributions	Forfeitures	Gain / Loss	Ending Balance	Vested Balance	
1 Andy Doe	\$1,275,000.25	\$1,000.00	\$0.00	\$0.00	\$32,776.81	\$1,286,646.86	\$1,095,022.88	
2 Betty Doe	\$1,114,004.38	\$1,115.00	\$0.00	\$0.00	\$24,121.05	\$1,146,221.21	\$1,020,798.11	
3 Douglas F. Doe	\$25,002.68	\$700.00	\$0.00	\$0.00	\$856.62	\$26,659.30	\$25,481.52	
4 Erwin Doe	\$2,152,219.20	\$1,000.00	\$0.00	\$0.00	\$68,037.38	\$2,217,256.58	\$1,842,982.05	
5 Grace Doe	\$1,998,817.41	\$700.00	\$0.00	\$0.00	\$68,122.12	\$1,967,639.53	\$1,228,902.39	
6 Jason M. Doe	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
7 Wiley Doe	\$1,885,181.84	\$7,000.00	\$0.00	\$0.00	\$1,244.93	\$1,893,126.77	\$1,488,454.58	
8 Yuri A. Doe	\$1,372,875.55	\$1,000.00	\$0.00	\$0.00	\$32,288.21	\$1,381,163.76	\$1,188,850.49	
9 Sandy Doe	\$688,393.50	\$1,000.00	\$0.00	\$0.00	\$30,112.21	\$699,405.71	\$658,138.51	
Grand Totals	\$9,812,094.79	\$7,415.20	\$0.00	\$0.00	\$240,665.48	\$10,060,175.55	\$8,732,598.81	

Corporate Accounting Reports

Our Corporate Accounting Reports are for clients who desire a complete overview of their plan's impact on the company's financial statements. These detailed reports are provided 10 business days following the close of your reporting period, greatly reducing the time your staff needs to devote to calculating NQDCP-related accounting entries. Our deeply knowledgeable Accounting Services consultants are also available to answer questions and discuss the plan's impact on corporate financials. Corporate Accounting Reports are available for plans that have no informal funding or are informally funded with taxable securities, corporate-owned life insurance or hybrid strategies.

These monthly or quarterly reports are a true value-add to MullinTBG’s plan sponsor services. The reports provide a summary of the plan’s effect on the balance sheet and income statement, including:

ABC Company Deferred Compensation Plan Schedule of Change in Assets, Liabilities and Retained Earnings from December 1, 2014 to December 31, 2014		
	11/30/2014	12/31/2014
Assets		
Trust Assets:	\$ 0.00	\$ 1,017,312.50
Deferred Tax Credit @ 35%:	\$ 0.00	\$ 358,750.00
Cash:	\$ 0.00	\$ (1,000,000.00)
Total Assets:	\$ 0.00	\$ 376,062.50
Liabilities & Retained Earnings		
Deferred Compensation Liability:	\$ 0.00	\$ 1,025,000.00
Income Taxes Payable @ 35%:	\$ 0.00	\$ 0.00
Retained Earnings:	\$ 0.00	\$ (648,937.50)

A period-to-period comparison of assets — if the plan is informally funded — and liabilities

Representative accounting entries to assist in recording activity into the general ledger

A. Participant Deferrals - The following entry records all participant deferrals and related taxes for the month.		
DEBIT: Compensation Expense	\$ 1,000,000.00	
CREDIT: Deferred Compensation Liability		\$ 1,000,000.00
DEBIT: Deferred Income Taxes	\$ 350,000.00	
CREDIT: Income Tax Expense		\$ 350,000.00
B. Deferred Compensation Interest Credits - The following entry records all earnings credited/debited to participants accounts and related taxes for the month.		
DEBIT: Compensation Expense	\$ 25,000.00	
CREDIT: Deferred Compensation Liability		\$ 25,000.00
DEBIT: Deferred Income Taxes	\$ 8,750.00	

Schedule of plan transactions on a current period and year-to-date or inception-to-date basis

ABC Incorporated Deferred Compensation Plan Schedule of Change in Assets, Liabilities and Retained Earnings from January 1, 2015 to March 31, 2015		
	1/1/2015	3/31/2015
Assets		
Trust Assets	\$ 330,680.41	\$ 348,215.36
Deferred Tax Credit @ 39%	\$ 125,748.97	\$ 132,767.51
Cash	\$ (324,699.77)	\$ (341,631.39)
Total Assets	\$ 131,729.61	\$ 139,351.48
Liabilities & Retained Earnings		
Deferred Compensation Liability	\$ 329,797.37	\$ 349,499.87

Financial impact of the plan’s earnings on a current period and year-to-date or inception-to-date basis

	Quarter	Inception to date
Income		
Trust Investment Income (from Entry E.1):	\$ 602.33	\$ 10,500.49
Total Income:	\$ 602.33	\$ 10,500.49
Expenses		
Compensation Expense (from Entry A): (1)	\$ 16,932.62	\$ 337,714.87
Compensation Expense (from Entry B):	563.89	11,785.00
Trust Expense (from Entry E.2):	0.00	3,916.52
Total Expenses:	\$ 17,496.51	\$ 353,416.39
Taxes		
Income Tax Provision (Credit) (from Entry A.): (1)	\$ (6,603.72)	\$ (131,708.80)
Income Tax Provision (Credit) (from Entry B.):	(219.92)	(3,736.22)
Income Tax Provision (Credit) (from Entry E.1.):	234.90	3,787.67
Income Tax Provision (Credit) (from Entry E.2.):	0.00	(1,527.44)
Total Taxes:	\$ (6,588.74)	\$ (133,184.79)
Net effect of all entries	\$ (10,305.44)	\$ (209,731.11)
(Total Income less Total Expenses less Total Taxes)		
Marginal Impact of Plan (1)	\$ 23.46	\$ (3,725.04)

Corporate Accounting Reports Customized or Accelerated to Meet Your Unique Needs

For clients with unique needs, MullinTBG can customize our Corporate Accounting Reports or accelerate their delivery as follows:

- Identifying representative accounting entries with your ledger codes
- Provide a breakdown by your divisions or reporting units
- Accelerate delivery to meet your reporting requirements

The materials are designed to convey accurate and authoritative information on the subject matter covered. However, they are provided with the understanding that MullinTBG does not engage in the practice of law, or give tax, legal, or accounting advice. For advice in these areas, please consult your appropriate advisor(s).