

MEMBER SUBMISSION: WHY THE COOP'S FISCAL YEAR ENDS AT THE BEGINNING

January 28, 2025



By Scott Middleton

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It's Jan. 31, do you know where your receipts are?



Most of the time, the year starts on January 1. The Romans concocted a calendar year that we all find good enough for most applications: resolutions, the Academy Awards, novelty New Year's glasses. For certain organizations, though, the *fiscal* year ends on a familiar quarterly date: March 31, June 30 or Sept. 30. The Coop, ever the outlier, eschews these options and closes its books on a seemingly unusual date: the Sunday closest to Jan. 31 (e.g., Feb. 2, 2025). What's the deal?

Come to think of it, why does society need this concept at all? As it turns out, the choice of a fiscal year (FY) usually reflects some seasonality to a business's affairs. The goal is often to avoid major planning, budgeting, or bookkeeping efforts during a busy season, and instead take advantage of a lull or obvious stopping point. Many universities, for example, align their FYs with the academic calendar and cap the year in the slower summer season. Many retailers, on the other hand, close their FYs after the end of the busy holiday shopping season. In this regard, ending the FY in January is one of the few things uniting the Park Slope Food Coop with Kohl's, Walmart and

other corporate behemoths.



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Members conducting inventory

In the case of the Coop, our FY is closely tied to the annual inventory of the year's leftovers [public service announcement: the Coop is closing at 1:00 p.m. on February 2 in observance of this yearly ritual]. According to General Manager Joe Holtz, if the Coop were to end the year on December 31 like a typical American household, then we would have to take stock right on New Year's.

This would be a problem for at least three reasons. First, the annual inventory effort requires staff, but January 1 is one of five paid holidays available to Coop employees. Second, this work also involves significant member labor, but members might balk at making an extremely thorough accounting of crackers and vitamins on a day normally set aside for hangovers and quietude. Third, the New York State Cooperative Corporation Law requires outside accountants to monitor our inventorying process to verify this asset as they do for all other Coop assets. The accountants, too, would prefer not to do this on New Year's Day.

Beyond the annual inventory, an added benefit of the Coop's FY is that it moves our tax deadline beyond the normal April 15 filing date. As a result, accountants are much freer to work with us on auditing efforts. On similar grounds, the Coop moved its former FY end date from September to January because our CPA claimed that the annual audit ran into the next calendar year and caused him to lose other business.



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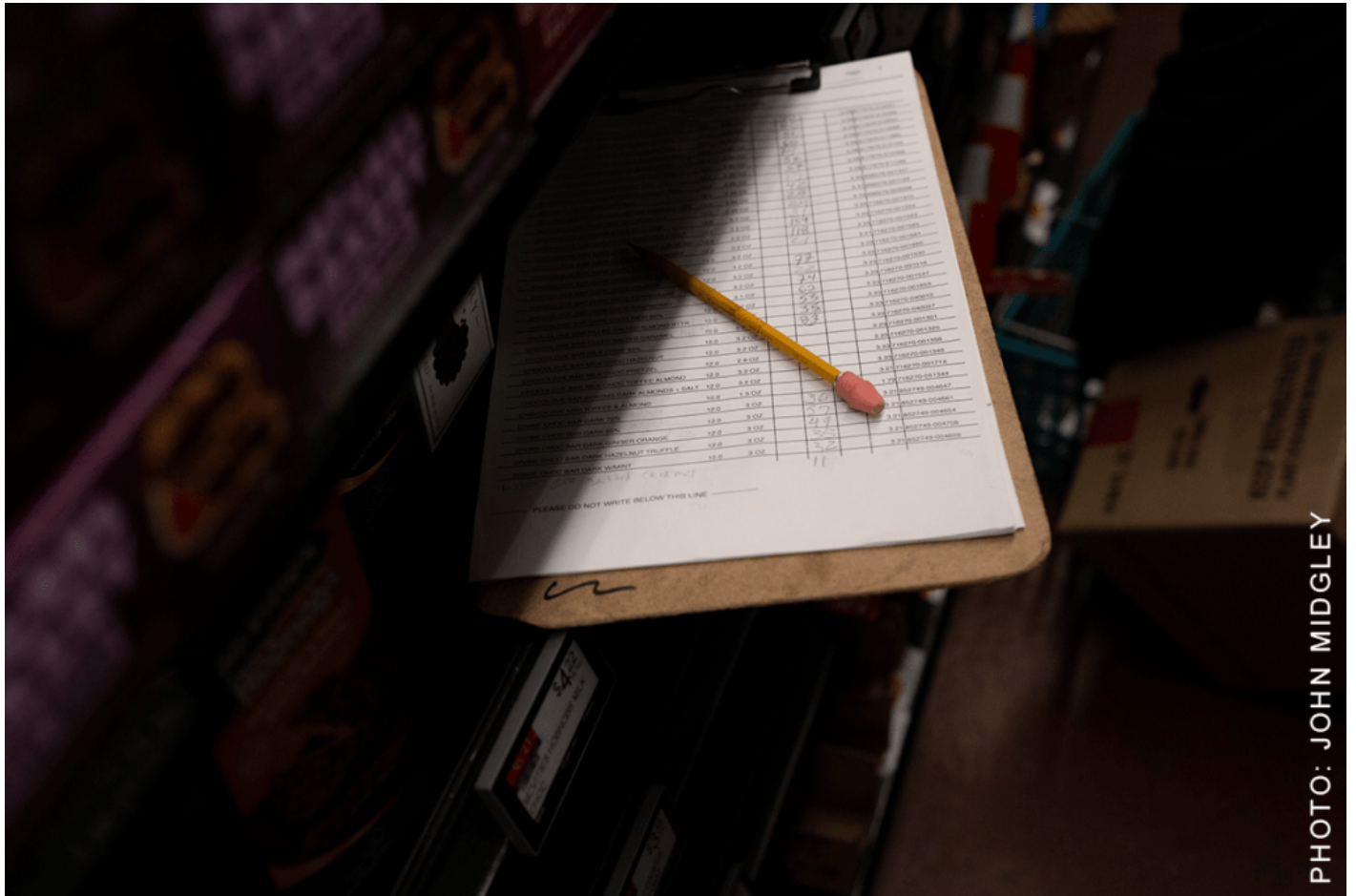


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The result is effective from an accounting perspective, if a bit confusing for your average member-owner. Peculiarities result. Some years are 52 weeks long, others 53. Because FYs are always named for the calendar year in which they *end*, the Coop spends a full 11 months of the year one notch ahead of the calendar. Funky dates occur: The Monday after the Sunday closest to January 31 is the start date for changes to our opening hours and base mark-up percentage. Mark your fiscal calendars—the 25 percent markup is coming.

Odd but sensible, the Coop will dutifully observe its fiscal year as usual this month. Nearly, but not quite aligned with the lunar new year, this February 3 offers the opportunity for members to reflect on the inevitability of 2026 coming just around the corner, no matter how you account for it.

Scott is Executive Director of the Marine Park Alliance. A Coop member for 47 work cycles, he is a fan of calendars and timekeeping.