General Ledger 101

Common ACS Financials Tasks
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Introduction to This Guide

Welcome to ACS Financial Suite!

While this guide can’t possibly cover everything you’ll need to know about General Ledger, we hope it will be your go-to resource for:

- Understanding ACS Financials
- Setting Up the General Ledger
- Using the General Ledger
- Working with Reports

Ready to get started? Let’s go!
Unit 1: Understanding ACS Financials

ACS Financial Suite lets you manage financial information quickly and efficiently and is designed specifically for non-profit organizations. All reports in ACS Financials are FASB 116 and 117 compliant and conform to Generally Accepted Accounting Principles (GAAP).

By the end of this unit, you’ll be able to:

- Name the ACS Financial Suite modules you frequently use.
- Label accounts as asset or liability accounts.
- Explain double-entry bookkeeping and the difference between debits and credits.

But first, let’s meet Callie.

Meet Callie
Walking into her office at Fellowship Community Church and armed with a toasted almond mocha, Callie Mead secretly wishes she’d ordered espresso this morning. She looks at her to-do list for the week and sees the top item—setting up ACS Financial Suite for the first time.

Even though Callie knows a bit about ACS from using the People Suite, she’d never seen the Financial Suite until last week when she set up her user login with the network administrator. She closes the office door, turns on her favorite easy listening radio station, and takes a deep breath before the task at hand.

“I wonder why setting up the program is so important?” Callie asks herself, stirring some extra Splenda into her coffee. Callie takes a sip and dives right in, logging into the ACS Financial Suite.

Let’s join Callie on her journey!
The Big Picture: ACS Financial Suite and General Ledger

Before you start working in ACS, let’s look at the big picture- the Financial Suite, General Ledger, and the other modules. We’ll explore how the modules work together and how you can use them to serve your church or organization.

About the Financial Suite
The ACS Financial Suite is an accounting system designed to track financial data for one or more business units. It uses a double-entry accounting system. Each transaction includes entries in at least two accounts – both debit and credit entries.

ACS gives you user security controls to limit the functions a user can access. You can also limit users to specific organizations, funds, departments, committees, or areas, thus preventing unauthorized access to confidential information.

About General Ledger
General Ledger provides for all regular accounts, as well as restricted funds, which are neither income nor expense to the church, but have been designated for a specific use. You must set up The General Ledger module before you can use any other module in the Financial Suite.

General Ledger is specifically designed for non-profit organizations. It provides an Analysis of Revenues and Expenses report rather than a Profit and Loss Statement. It also uses restricted accounts, sometimes called designated funds.

The ACS General Ledger module allows you to set up an unlimited number of checking accounts, perform check reconciliation, and create multiple checking accounts in the general ledger, while maintaining only one physical bank account. ACS General Ledger supports fund accounting with automatic fund balancing capabilities.
So, where are these modules?
Along with General Ledger, the ACS Financial Suite includes other modules to assist your ministry with accounting tasks.

The **Accounts Payable** module tracks vendor information, prints checks, and posts to the General Ledger automatically on either a cash or an accrual basis. This module also tracks and prints 1099s.

The **Purchase Orders** module issues and prints purchase orders and tracks them through completion. When you receive purchase orders, you can create an invoice in the Accounts Payable module from the purchase order. The Purchase Orders module does not post to the General Ledger, but you can include encumbered amounts in General Ledger reports.

The **Accounts Receivable** module tracks customer information, prints invoices and statements, and automatically posts to the General Ledger on either a cash or an accrual basis. The Accounts Receivable module is most often used for a church day care, Mother’s Day Out program, or school.

The **Payroll** module tracks employee information, prints payroll checks, and posts to the General Ledger automatically. This module also tracks and prints W2s and 941s.

The **Contributions** module tracks contributor information, prints statements and charitable contributions reports, and, if interfaced, posts to the General Ledger.

The **Fixed Assets** module tracks buildings, equipment, and vehicles, including maintenance records. ACS Financials can also calculate depreciation, either monthly or yearly, and post depreciation to the General Ledger.
Here’s a chart that shows how the modules relate to each other.

![Diagram of financial modules and their relationship]

**Figure 1: Financial Modules and their Relationship**

**Now it’s your turn**

Are there any modules you don’t currently have but might help your ministry? List them here and also jot down how they could help you.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________
Assets, Liabilities, and Fund Principals, oh my!

Before Callie gets to work setting up the Financial Suite, she takes a few minutes to review account types and think about which of her church’s accounts are assets and which are liability accounts. In reports, which Callie knows she’ll use quite often all accounts are grouped by account type.

A Balance Sheet Report contains assets, liabilities, fund principals, and restricted accounts. Income/Expense reports (or ACS Analysis of Revenue & Expenses reports) can contain accounts such as Revenues, Expenses, and other revenue and other expenses.

**Assets:** A type of account for things of value owned

- Assets include cash, cash in the bank, land, savings, stock, bonds, investments, accounts receivable, equipment, promises from others to pay, or any other physical resource with value. **Asset accounts carry a debit balance.**
- Land, buildings, tools, and supplies are called fixed assets and represent items typically held for more than a year that can be easily converted to cash.
- Promises from others to pay the church or organization are often called **receivables.** These can include tuition commitments for a school.
- Receivables, plus cash, stock, and other available assets are called **current assets.** They can typically be quickly converted to cash.

**Liabilities:** A type of account for a debt or debt owed

- Liabilities include goods or services bought on credit or time. Liabilities are also commitments that are owed.
- Loans from the bank are long term liabilities.
- Bills from vendors for services rendered are often called **payables.**
- Payments owed for payroll taxes, insurance benefits, etc. are also **liabilities.**
- Income taxes withheld from employees’ paychecks are liabilities. **Liability accounts carry a credit balance.**

**Liabilities** are also an obligation to spend money in a certain way.

- **Designated or Restricted accounts** represent special kinds of liabilities. Money has been entrusted to the church for a specific purchase, such as a new building or a youth ministry. Your organization must spend this money as specified or return it to the donor, unless some other arrangement is made.
- **GAAP** requires that you show designated and restricted accounts separately.
**Fund Principal**, also called fund balance or fund equity, is the excess of assets over liabilities. In other words, fund principal equals liabilities plus restricted funds. Your organization’s resources are located in the fund principal. This fund principal is comparable to an owner’s equity in a business.

The **Fund Principal** is based on the following equation:

\[ ((\text{Assets} - \text{Liabilities}) - \text{Restricted Accounts}) + (\text{Revenues} - \text{Expenses}) = \text{Fund Principal} \]

- The Fund Principal equals your assets minus liabilities and restricted accounts, plus revenue minus expense accounts.
- At the end of the accounting cycle, all revenue and expense accounts, also called temporary accounts, close to a Fund Principal account. Fund Principal Accounts must be located under the Fund Principal heading in order to print the balance sheet correctly.

**Useful Information**

The words “Permanent” and “Temporary” have related but different meanings in descriptions of permanent or temporary restricted, designated accounts.

Permanent restricted accounts are those accounts in which only income can be spent. Thus, account principal is permanent in these accounts. Temporarily restricted accounts, in contrast, are accounts in which funds are restricted for a certain purpose or a certain timeframe. For example, donations to a building fund are restricted to use only for the building.

**Now it’s your turn**

List some accounts that your church has under the appropriate headings below. If they are liability accounts, include if they are designated or restricted for a specific purpose.

<table>
<thead>
<tr>
<th>Asset Accounts</th>
<th>Liability Accounts</th>
</tr>
</thead>
</table>

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Words to know

Balance Sheet Accounts—These accounts are also called permanent accounts. Asset, liability, fund principal and restricted accounts are balance sheet accounts. Balance sheet accounts always exist unless the organization ceases to exist.

Revenue and Expense Accounts—These accounts are also called temporary accounts. Revenue and expense accounts end the year with a zero balance after the year-end closing process. Revenue and expense accounts complete the picture of all financial activity for the organization. These accounts record additional details of inflows and outflows during the accounting cycle.

Revenues — Reflect amounts received by an organization in the form of contributions, donations, receivables, or something of value, and other revenues the organization uses in its daily operations. Revenues carry a credit balance. Examples of revenue forms for a non-profit organization include offerings, tithes, and book sales. Revenue accounts are also called Income Accounts.

Expenses—Reflects the cost of operating, such as utilities, salaries, or postage. Expenses carry a debit balance. Examples of expenses include utilities, wages, and maintenance expenses. Expenses are the monetary measurement of resources the organization uses during a period of time for which cash or other compensation was given.

Other Revenues—Reflects amounts the organization receives that are not part of the regular anticipated source of revenue or income. These can be, for example, non-budgeted income or receipts, and bank interest.

Other Expenses—Reflects costs of operating that is not a regular or expected expense. These are also called non-budgeted expenditures. Service charges and bank fees are examples of other expenses.

Temporary Restricted—A type of restricted account, such as a gift designated for a youth trip or memorial. Restricted accounts carry a credit balance. Receipts post to restricted accounts as credits. Disbursements from a restricted account post as debits.

Permanent Restricted—A type of restricted account, such as a donation in the form of an endowment, from which only the interest on the principal can be used, not the principal itself. Restricted accounts carry a credit balance. Restricted or designated gifts are not revenue. They are liabilities in restricted accounts.
<table>
<thead>
<tr>
<th>Account Type</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>What you own</td>
</tr>
<tr>
<td>Liabilities</td>
<td>What you owe</td>
</tr>
<tr>
<td>Fund Principal</td>
<td>Net worth</td>
</tr>
<tr>
<td>Revenues</td>
<td>Money coming in</td>
</tr>
<tr>
<td>Expenses</td>
<td>Money going out</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>Non-budgeted revenues</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>Non-budgeted expenses</td>
</tr>
<tr>
<td>Temporary Restricted</td>
<td>Net Worth that is designated for a specific purpose</td>
</tr>
<tr>
<td>Permanent Restricted</td>
<td>Net Worth that cannot be spent</td>
</tr>
</tbody>
</table>
Now it’s your turn

After your instructor works through some exercises, work through these on your own.

1. Callie receives $200.00 in cash (non-pledge) for the general offering. She deposits the cash into the General Checking Account.

   Which account would she debit?  
   _________________________________
   
   Does the balance increase or decrease?  
   _________________________________
   
   Which account would she credit?  
   _________________________________
   
   Does the balance increase or decrease?  
   _________________________________

2. You receive the electric bill for the month, which is $500.00. You issue a check for $500.00 to pay the bill.

   Which account would you debit?  
   _________________________________
   
   Does the balance increase or decrease?  
   _________________________________
   
   Which account would you credit?  
   _________________________________
   
   Does the balance increase or decrease?  
   _________________________________

3. Oops! A few days after depositing the $200.00 gift from above, Callie realizes the gift was actually a designated gift for the youth camping trip. She must move the funds to the correct account.

   Which account would she debit?  
   _________________________________
   
   Does the balance increase or decrease?  
   _________________________________
   
   Which account would she credit?  
   _________________________________
   
   Does the balance increase or decrease?  
   _________________________________
4. You write a check for $750.00 to the IRS to pay your payroll taxes for the month.

Which account would you debit? ________________________________

Does the balance increase or decrease? __________________________

Which account would you credit? ________________________________

Does the balance increase or decrease? __________________________
Points to Ponder

Nearing the bottom of her coffee mug, Callie realizes she has some important decisions to think about before setting up the Financial Suite, and if you’re introducing your staff to ACS Financial Suite, you do too. If your organization has used ACS Financial Suite for a while, think about these decisions and how you track information in Financial Suite.

- Do you want to use a cash or accrual accounting method?
- Who makes this decision?
- Do you want to manage multiple sets of books?
- Do you want to track these books as funds or in separate datasets?
- Who needs to use ACS Financials software? Make a list of staff members and volunteers requiring access to financial information.
- What part(s) of the system does each user need to access?

Useful Information

If a church and a school have unique Federal ID numbers or operate on different fiscal years, you must use a different dataset.

Churches operating in a multi-campus environment can use funds to track financial data by each campus.

Identify which key product areas and functions users need access to in ACS. This determines appropriate security settings for individual user accounts.
Unit 2: Setting Up the General Ledger

This section covers setting up and using the General Ledger Module. You can customize default settings for the fund principal, format of account numbers, transaction options and define lists.

By the end of this unit, you’ll be able to:

- Assign user rights.
- Change the financial year.
- Set up the account mask.
- Add funds, departments, committees, and areas.
- Map out a chart of accounts, including headings, subheadings, and accounts.
- Add budgets in the chart of accounts.
- Enter budget ratios.
- Export and import budgets using Microsoft® Excel®.
- Edit budgets in the grid.
- Copy budget information from year to year.
Let’s Get Started: Assigning User Rights in Financial Suite

You can grant rights to your ACS users that allow them to have complete, limited, or no access to view or edit the different portions of the General Ledger module.

To edit a user’s security rights
1. Under Advanced Tools, click the Admin Utilities tab.
2. In the drop-down list, select Add/Edit Users, then click Go.
3. Select a user in the grid and click Edit.
4. If it is not already selected, click the Security tab.
5. Expand General Ledger.
6. Choose the security option you wish to change, then right-click to select the appropriate access level.
   • All allows the user to add and edit information.
   • None denies the user all access to the information.
   • View allows the user to view information without editing it.
7. Click Apply, then OK. Your changes take effect the next time the user logs into ACS.

Setting General Ledger Defaults

Before you begin using General Ledger, you must set up the software. This involves selecting default options, as well as adding bank accounts, funds, departments, and transaction sources.

You’ll also need to enter your chart of accounts and budget, and any beginning balances if you’re starting ACS Financials in the middle of a year.

After reviewing account types, Callie knows she needs to set up the fund principal account and the general ledger period before entering posting transactions. You can complete these tasks in General Ledger Setup.

About the Fund Principal
Remember discussing the fund principal earlier? Here’s a reminder about what it does and why it’s important.

The Fund Principal account is the system’s closing account. It is similar to an owner’s equity account, and the revenue and expense accounts end the year with a zero balance when closing to it.

If you only have one fund, the fund principal is the closing account for that fund.

If you haven’t entered the chart of accounts, the fund principal area is blank. After setting up your chart of accounts, return to General Ledger Setup to set up your fund principal.
About the General Ledger Period

The **Current Month/Year** is the accounting month and year when you begin using General Ledger.

If you’re setting up General Ledger, enter beginning balances (ending balances from your former accounting system) in this month. For accurate reporting, you can set your current month to the previous month, enter the beginning balance, and close the month or year.

The **Starting Month** is the first month of your accounting year. If you operate on a calendar year, this is January.

![General Ledger Setup Window](image)

**Figure 2: The General Ledger Setup Window**

To access General Ledger Setup

1. Under **Advanced Tools**, click the **Settings** tab
2. In the drop-down list, select **General Ledger** and click **Go**.
3. Enter the default **Fund Principal** account, or click **Lookup** to select it. The **Account Name** displays.
4. Enter the **System Due To/From Account** for fund balancing.
If I could turn back time: Changing the Financial Year

Sure, ACS does lots of neat things, but turning back time isn’t one of those things. However, you can set or change the financial year in General Ledger Setup.

First, here’s a review of the differences between fiscal and calendar years.

- A **Calendar Year** runs from January through December. Contributions are tracked by calendar year so that you can give IRS statements to donors.

- A **Fiscal Year** is an organization’s annual accounting cycle. It can cover any twelve-month period and is not necessarily a calendar year. For example, a school can use a fiscal year beginning in July and ending in June. In this way, the school can report revenue and expenses in accordance with the school year.

**Tips for Changing the Financial Year:**

- Always **make a backup** before changing the accounting cycle.

- Archive your data prior to changing the financial year. This way you can access the archived dataset for printing financial reports prior to the change.

- Before and after changing the Financial Year, print a balance sheet to make sure all accounts are still in balance.

- If transactions are open, you cannot change the G/L Period, nor can you switch between calendar and fiscal year.

**To change between a calendar year and fiscal year:**

1. Under Advanced Tools, click on the **Settings** tab,
2. In the drop-down list, select **General Ledger** and click **Go**.
3. In the General Ledger – Setup window, click **Change G/L Period**.
4. Select **Fiscal**.
5. Enter the beginning month and year of the fiscal year, and click **OK**. ACS changes the current posting period.
6. When the confirmation message displays, click **Yes**.
Setting up the Account Mask

You can also set up and edit the account mask, which is another name for your account number format.

Tips for setting up the account mask

- You can choose the number and kind of characters you want to use for your account numbers.
- You must enter all digits of an account mask, including initial zeros.
- You can change an account mask at any time. If the chart of accounts is already set up, you must enter a new account number matching a new mask for each existing number.
- When you change an account mask, any transaction under the previous number changes to the new number.

To change an account mask:

1. Under Advanced Tools, click on the Settings tab,
2. In the drop-down list, select General Ledger and click Go.
3. On the Account Setup tab, click Update.
4. Enter the new account mask you want to use and click Next.

5. If account numbers already exist, select the first account number, then enter the new account number in the New Account Code field to match the new account mask.
6. If account numbers do not yet exist, click **Finish**.

7. Repeat for each account number in your chart of accounts. In the example shown here, an account mask changes from #-####### to ####.

8. After updating all account numbers, click **Finish**. You cannot click **Finish** until all new account codes are entered.

![Modify Account Mask](image)

**Figure 4: Chart of Account Mask**

When setting up accounts, use this chart to determine which leading digit to enter.

<table>
<thead>
<tr>
<th>Leading Digit</th>
<th>Account Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Asset</td>
</tr>
<tr>
<td>2</td>
<td>Liability</td>
</tr>
<tr>
<td>3</td>
<td>Fund Principal</td>
</tr>
<tr>
<td>4</td>
<td>Revenue</td>
</tr>
<tr>
<td>5</td>
<td>Expense</td>
</tr>
<tr>
<td>6</td>
<td>Other Revenue</td>
</tr>
<tr>
<td>7</td>
<td>Other Expense</td>
</tr>
<tr>
<td>8</td>
<td>Temporary Restricted</td>
</tr>
<tr>
<td>9</td>
<td>Permanent Restricted</td>
</tr>
</tbody>
</table>

**Diving Right In: Transaction Setup**

Let’s catch up with Callie!
After a trip to the water fountain to fill her reusable bottle, Callie lets out a sigh of relief that she’s well on her way to setting up General Ledger. Since her church operates on a January-December year, she uses the calendar year function, and she’s even set up her account mask.

On her way back into the office, she –literally- bumps into Wayne Gainey, the outreach pastor.

“Hi Wayne! I’m super busy setting up ACS Financials today- I guess I just didn’t see you coming,” she says, helping him onto his feet and picking up a folder he’d dropped.

“It’s okay,” Wayne said, dusting his hands off on his pants. “But let me know as soon as you’re up and running. We need to set up projects to track the Spring Outreach picnic in a few weeks. Almost every area in the church is involved with raising money, donating door prizes, and purchasing different food items,” He continued.

“I definitely will! I’m still in the early stages setting up ACS, but I’m sure I’ll be setting up accounts and entering transactions soon enough,” she replied, hurrying back into her office.

Callie sits down to finish setting up General Ledger, working with the **Transaction Setup** tab, which includes a list of options that specify how you want transactions to occur in the General Ledger.

![General Ledger Transaction Setup](image)

**Figure 5: General Ledger Transaction Setup**

- **Auto Fill Payee Amount** and **Auto Print Checks after entry** only apply if you do not have the Accounts Payable module and want to enter or print checks with the **Enter Check** option in General Ledger.

- If you activate **Auto Fund Balancing** on the Transaction Setup tab, this account must not be assigned to any fund.
• Select **Projects in Use** if you want to track specific revenues and expenses for a project when the amounts are posted to multiple accounts. You must select this option and set up the project in Define Lists before you can use it.
• If the **Line Item Comment** box is selected, you can enter specific comments for each individual line of a transaction.
• Check **Warn if Crossing Funds** to display a warning message if you enter a transaction that crosses funds, such as a debit to Fund 1 and a credit to Fund 2. You can override this warning, if necessary.
• You can receive the warning message **Warn if Duplicating Reference Number** if you enter a number that already exists. You can override this warning, if necessary.
• Select **Allow Posting to Prior Periods** to post to a month or a year before the current accounting month.
• Select **Default Source for Transactions** to set a default source automatically when you enter or post transactions.
• Select **Insert Decimal** to determine how the General Ledger displays dollar amounts. This selection assigns two decimal places to any number you enter. For example, the number 200 appears as 2.00. If you do not select this option, a decimal point and two zeros are added to any number, causing 200 to appear as 200.00.
• If you select **Auto Fund Balancing**, you must enter the system account on the **Transaction Setup** tab in Setup, and the **System Due To/From** accounts in Define Lists.
• The **System Due To/From Account** is not assigned to a fund. This account is used when the system creates a balancing entry for a transaction that crosses funds and one of the accounts in the transaction is not associated with a fund.
• Select **Automatic Fund Balancing** to automatically create and post a balancing transaction. This corrects an out-of-balance when posting.
• Select **Allow Posting to 13th** month to adjust entries to post to the closing month.
Your Financial Backbone: The Chart of Accounts

The chart of accounts is the official set of accounts that makes up the general ledger. The chart of accounts is made up of two components, headings and accounts.

Mapping out the Chart of Accounts

Now, it’s time for Callie to set up the Chart of Accounts. Before she starts working with headings and accounts, she decides to map out her chart of accounts on paper. “After all, I wouldn’t dream of hitting the open road without a map, and I shouldn’t work much in ACS Financial Suite without one either,” Callie thinks to herself.

A good way to do this is by using the Chart of Accounts Worksheets. You can access these worksheets and examples inside Financial Suite by clicking Help > Getting Started > General Ledger.

Here are several other exercises to help you set up your chart of accounts.
The **Account Type Worksheet** gives you a blank form for headings and subheadings.

![Account Type Worksheet](image)

**Figure 6: Account Type Worksheet**
You can use the **Account Information Worksheet** to "pencil in" important information about each account.

![Account Information Worksheet](image)

**Figure 7: Account Information Worksheet**

**Headings**

Headings make up the outline of the chart of accounts and define the accounts that are placed under them.

ACS provides nine major headings (Assets, Liabilities, Fund Principal, Revenues, Expenses, Other Revenues, Other Expenses, Temporary Restricted, and Permanent Restricted). These headings are also referred to as Level 1 Headings or Account Types.

After mapping out your headings on the **Account Type Worksheet**, you can add them in ACS. Remember, you can create additional headings, but you cannot delete major headings even if you don’t use them.
Subheadings

Subheadings are added under major headings or other subheadings. You can add up to four additional subheadings under any major heading. Subheadings make up the structure (or outline) of your Chart of Accounts.

For example, under Assets, you can create a subheading called Current Assets. You can then add a Checking subheading for your checking accounts and an Investments subheading for any savings accounts, endowments, or other investments.

To Add a Subheading:

1. Under Manage Records, click the Chart of Accounts tab.

2. In the drop-down list, select Add/Edit Chart of Accounts and click Go.

3. Select the account heading to which you want to assign the subheading.

4. To add a heading subordinate to the heading above it, click Add Subheading.

5. In the Heading Name text box, enter the heading name.

6. If you want to subtotal accounts under this heading on reports, select the Subtotal Headings option.

7. If you do not want accounts under this heading to display on the Sources and Uses report, select the Omit from Sources and Uses Reports option. When selected, the accounts under that heading do not print on that report. This can cause the report to be out of balance.

8. Click OK.

Now it’s your turn

In the Chart of Accounts, under the Assets heading, add a subheading called Training Class. We’ll use this subheading to add accounts in the next exercise.
Accounts

After your headings and subheadings are set up and you’ve completed the Account Information Worksheet, you can add accounts.

An account is a record of financial transactions for one specific portion of an organization, which shows inflow and outflow of dollar amounts. Each asset, liability, or source of revenue should have its own account. Accounts provide a view of your financial history and allow for future planning.

An organized chart of accounts makes it easy to locate an account in the general ledger. Matching the first character in an account number with the account type is one way to organize accounts. You can organize and number individual accounts, which helps classify the accounts by type and makes transaction entry quick.

Now it’s your turn

Let’s add an account under the subheading we added in the last exercise (Training Class).

1. Under the Assets/Checking heading and Training Class subheading, add an account called Training Checking Account. The account number is 1-1888.

2. Since the account is a checking account, mark it as such and select the Church of Good Training Bank Account
Now it’s your turn

How many funds are represented in the example below? (Hint: The account numbers begin with the fund number, followed by a dash and the rest of the number.

![General Ledger Chart of Accounts](image)

**Figure 8: General Ledger Chart of Accounts**

When setting up your chart of accounts, you can set up multiple checking or savings accounts and associate them with a single bank account. This way, you can reconcile a single bank account and keep separate checking accounts at the same time.

**Restricted accounts** are tracked as a part of the Church Fund, but a separate checking account shows the balance in the restricted accounts. General Checking and Restricted Checking are part of the same physical bank account. Building Checking has its own bank account.

Now it’s your turn

What are some examples of restricted accounts? Does your church or organization use them?
Verify the heading you want to add to an account before clicking **Add Account**. The Assets heading is the default setting. After you post a transaction to the account, you cannot move that account to a heading associated with a different account type.

**To Add an Account:**

1. Under **Manage Records**, click the **Chart of Accounts** tab.

2. In the drop-down list, select **Add/Edit Chart of Accounts**, and click **Go**.

3. Select the heading under which you want to add an account, and click **Add**.

4. Enter an **Account Code** and **Name**.

5. Select the **Department, Fund, Committee** or **Area**.

6. If this is a checking account, select **Checking**. Then, select the **Bank Account** associated with the checking account.
Let’s Get Specific: Setting up Funds, Departments, Committees, and Areas

Now that Callie has set up her chart of accounts on paper and added them, it’s time to organize the accounts. Define Lists organizes the chart of accounts. In Define Lists, you can add and edit funds in the General Ledger funds, add fund codes, departments, and committees, track projects, and set up bank accounts.

Funds

Funds in the General Ledger are sets of books. Each fund has its own assets, liabilities, fund principal, revenue, expense, and, if applicable, restricted accounts. You can print reports by fund, either one report at a time or several consolidated reports.

For example, a church’s building fund is not just a designated account used to track beginning balance, total revenue, total expense and ending balance. It is a separate set of books with its own assets, fund principal, one or more revenue accounts, and multiple expense accounts.

In the example below, there are 3 funds—Church, Building, and Day Care/Primary School. Each fund has a separate code. As you may remember from the previous section, the account number had a leading digit based on the fund code. This is helpful for bookkeeping.

![Define Lists](image)

Figure 9: Define Lists

Even if you only have one set of books, you should enter at least one fund and attach all of your organization’s accounts to that fund.

To Add Funds in General Ledger:

1. Under **Advanced Tools**, click the **Define Lists** tab.
2. Select **General Ledger** in the drop-down list, and click **Go**.
3. Select **Funds**, then click **Add**.
4. Enter a three-digit **Fund Code**. Once added, you cannot change a fund code.

5. Click **OK**. Repeat Steps 3 through 5 for each fund you are adding.

**Useful Information**

After adding your fund principal account to the chart of accounts, you must edit the fund to add the fund principal.

**Departments**

In ACS Financial Suite, a Department is an area to which accounts of a specific type are assigned so that they can be grouped together by reports, even if the accounts belong to different sets of funds. It is an optional feature of the software.

After grouping accounts into departments, you can use the departments for reports and inquiries. Departments can also be associated with the main sections of the chart of accounts so you can print a specific Revenue and Expense Report for one of these sections.

You can use departments to group accounts that are in different locations in the chart of accounts. For example, you can link accounts for a particular area of Ministry, such as the Music Department, Youth Department, and Education Department.
You can edit a department’s description or delete a department if it is not used. However, the department code itself cannot be changed. This is also true of other groupings, committees, areas, etc., that are set up under Add/Edit Lists.

To Add Departments:

1. From Advanced Tools, click the Define Lists tab.
2. In the drop-down list, select General Ledger and click Go.
3. Select Departments, then click Add.

Figure 11: Define Lists - Departments

4. Enter a three-digit Department Code and a Department Description.
5. Click OK or Add Another.
Committees

Committees, Area 1, and Area 2, are three additional ways you can group accounts for specific reports and inquiries.

As an example, you can assign a Local Benevolence account to the Missions Department, a Benevolence Committee and the Senior Pastor (Under Area 1). These assignments determine whether or not the Local Benevolence account prints on reports when Department, Committee, or Area 1 is selected.

To Add Committees, Area 1, or Area 2:

1. From Advanced Tools, click the Define Lists tab.
2. In the drop-down list, select General Ledger, and click Go.
3. Select the desired option (Committees, Area 1, or Area 2), and click Add.
4. Enter a three-digit Code and a Description.
5. Click OK or Add Another.

Now it’s your turn

Let’s add a fund called General Fund in Define Lists. Use the Fund Code of 004, but leave the checking and closing accounts blank- we’ll add them later.

Name some departments, committees, or areas of outreach within your church, organization, or ministry.

______________________________________________________________________________

Let’s add some departments and committees in ACS. In Define Lists, add the following information:

- Add a Department called Senior Ministry, with the Department Code SRM.
- Add a Committee called Nursing Home Visitation Committee. Use the Committee Code NHV.
Projects

Callie was so busy adding departments and committees that she almost didn’t hear the outreach pastor’s knock at her door.

“Hi Callie! It’s Wayne. Can I come in?” he asked.

“Sure. I’m just busy adding our departments and committees into ACS. I’ve already added most of the departments and am now working on our outreach committees,” she replied.

“Great! Don’t forget about adding my project for the Spring Outreach Picnic. It’s going to be huge this year. I’ve even booked inflatable slides and obstacle courses for the kids. Hey, I might even get in the bounce house myself!” Wayne said, jumping up and down and pumping his fists in the air.

“I will, Wayne,” she replied. “Looks like we may need to budget a bit more for expenses for any medical bills you incur!”

You can track multiple projects within a single general ledger account, or you can track a single project from multiple general ledger accounts.

A project can refer to a special event, a one-time outreach program, a building project, or anything for which you want to track expenses and revenues for a period of time, such as a Spring Outreach Picnic. Projects help you to keep a record of the revenues and expenses charged to multiple accounts for special reporting purposes.

Once you have added your projects, enter the project code when entering transactions. ACS tracks the amounts charged to the revenue and expense accounts for each project code. Projects allow you to group accounts together for reports even if the accounts belong to different sets of books.

To Add Projects:

1. From Advanced Tools, click the Define Lists tab.

2. Select General Ledger from the drop-down list, and click Go.

3. Expand General Ledger, then click Projects.

4. Click Add.

5. Enter a Project Code and a Project Description. The Project Code can be up to 10 characters, alpha or numeric.
6. Enter **Projected Revenues** and **Projected Expenses** if necessary, then click **OK**.

**Now it’s your turn**

In ACS, go ahead and add a project for the Spring Outreach Picnic. Use the project code of SOP (Spring Outreach Picnic), and enter the projected revenues of $5,000 and expenses of $7,500.

What are some examples of ways you can use projects in your church or organization office?

______________________________________________________________________________

**Sources**

Sources are included in the General Ledger by default. Each Source is associated with a source type. There are eight source types that are already set up in the General Ledger.

You cannot add any new source types, but you can add sources if necessary. For example, the source CHK represents a check transaction while DEP generally represents a deposit transaction.

Use these codes to separate transactions for viewing and reporting purposes.

**Bank Accounts**

You can enter bank accounts when you set up the General Ledger. A bank account is the actual account your organization has established with a financial institution, and a checking account is the cash (asset) G/L account that prints on your balance sheet. Each checking account must be associated with a bank account.

You must set up at least one account before you can post transactions, but you can set up as many bank accounts as your organization has.

On the chart of accounts, you can track bank accounts as multiple checking accounts, for example, as an Operating Account and a Restricted Account.

**To Add Bank Accounts:**

1. From **Advanced Tools**, click the **Define Lists** tab.
2. In the drop-down list, select **General Ledger**, then click **Go**.

3. Select **Bank Accounts** and click **Add**.

4. Enter a **Bank Code** and a **Bank Account Name**.

5. On the **Bank Account** tab, enter information in the appropriate fields.

6. Click **Additional Information** to enter the following additional information:
   - **Next Check Number** — Enter the next check number for printing.
   - **Next ACH/Online Ref. #** — Enter the next available ACH/online reference number.
   - **Print AP Check Copy?** — Select to print a copy of the Accounts Payable check.
   - **Comment** — Enter a comment for the account, if necessary.

7. Click **ACH Setup** to enter setup information for ACH fund transfers.

8. Select **Enable ACH**?

9. Enter the required information and click **OK**.

![Figure 12: Add/Edit Bank Accounts - ACH Setup](image)
Useful Information

Also known as Direct Deposit, the Automated Clearing House (ACH) feature allows your organization to electronically deposit payroll checks and payments for employees and vendors who choose to participate.

To use ACH, you must contact your bank to get pertinent transmission information. Use the information the bank provides to set up ACH in the General Ledger module.

If you are required to send a balanced file to your bank, the routing number that displays in the Bank Rt # field may be your bank's routing number or the routing number of your originating institution. This is the information the receiving bank uses to debit your account for the total direct deposit amount.

Now it’s your turn

Remember adding a General Fund earlier? It’s time to go back and add a bank account for the fund using the information below.

- Bank Code: 200
- Bank Account Name: General Fund Checking
- Bank Account #: 154-3987-398
- Bank Name: First Bank
  3410 West Palmetto Street
  Florence, SC 29501
  Phone #: 843-662-8955
- Last Statement Date: March 1 of the current year
- Last Statement Balance: 130,698.89
- Minimum Balance: 1,000.00
A dollar here, a dollar there, it all adds up when budgeting

Budgets are estimates of revenue and expenses used for financial planning. Throughout the year, you can compare budget goals with actual fiscal performance to evaluate your progress.

You can enter budgets for revenue and expense accounts either by the year or by the month, and you can use different methods for each account.

If you choose to enter a monthly budget for an account, you can budget different amounts for each month. If you choose to enter an annual budget for an account, the budget is evenly dispersed over a twelve-month period.

To help you enter your budget, you can export it to Microsoft® Excel, update it, and import it into ACS. This is helpful if various departments need to update a budget but do not have access to ACS. You can also edit budgets by grid or copy budgets from previous years.

Figure 13: Adding a Budget when Adding an Account
Budget Distribution Methods
When entering an annual budget, you must distribute the budget across the twelve months of the year using one of the following options:

- **Evenly across months** — Select this option to distribute the annual budget evenly across the twelve months of the year. If the annual budget is not evenly divided by twelve, ACS applies the remaining amount to the last month of the year. ACS calculates the annual budget using the following formula:

  \[
  \text{Annual budget} / 12 = \text{Monthly amount}
  \]

- **Based on monthly actuals from** — Select this option to distribute your annual budget across the months based on a percentage of the actual monthly balances of the From year. To select the year from which you want to use the year-end balances, click the down arrow. ACS calculates the monthly amount using the following formula:

  \[
  \frac{\text{Account's Monthly Actual Balance}}{\text{Account's Annual Actual Balance}} = \text{Monthly \%}
  \]

  \[
  \text{Annual budget} \times \text{Monthly \%} = \text{Monthly budget}
  \]

- **Based on a budget ratio** — Select this option to distribute your annual budget across the months based on ratio. To select a budget ratio code, click the down arrow. ACS calculates the monthly budget based on the following formula:

  \[
  \text{Annual budget} \times \text{Monthly ratio} = \text{Monthly budget}
  \]

Adding Budgets in the Chart of Accounts
You can add a budget when you enter an account in the chart of accounts; however, you don’t have to. If you want to go ahead and set up your chart of accounts, you can come back and enter your budget later.

**To add a budget when adding an account**

1. Click on the Chart of Accounts tab.

2. In the drop-down list, select Add/Edit Chart of Accounts, and click Go.

3. Under the appropriate heading, click Add Account.

4. In the Add a New Account window, enter an Account Number and Description.
5. Click the **Budget** tab to enter budget information for the account.

6. Select either **By Month** or **By Year**. When adding the Budget by year, select the distribution method by clicking the **Distribute** tab and selecting the desired distribution method.

7. Enter your budget’s amounts, and then click **OK**.

![Figure 13: Adding a New Account Budget by Month](image)

**Adding Budgets for Existing Accounts**

You can enter or change budgets at any time during the fiscal year. Changes to budgets are retroactive to the beginning of the fiscal year. If you selected **Confirm Changes** in the Add/Edit Budgets window, a confirmation message displays before budget changes are saved to the annual budget.

**To add a budget for an existing account:**

1. Under **Manage Records**, click the **Budgets** tab.

2. Select **Add/Edit Budgets**, and **click Go**.

3. Select the **Fiscal Year** in the drop-down list.
4. Select an **Account Code** and click **Edit**.

5. Under **Enter Budget**, click **By Month** or **By Year**.

6. Enter the budget amounts. If you do not select **Distribute**, annual budgets are disbursed evenly over the twelve months.

7. Click **OK**.

![General Ledger - Add / Edit Budgets](image)

**Figure 14: Enter Budget by Month/Year**

**Now it’s your turn**

Enter the 2013 annual budget for the Adopt-a-Family account (1-8460). The annual budget’s amount is $10,000 and is distributed evenly across months.

In the Training Checking Account we created earlier in the Chart of Accounts, enter a monthly budget of $200 for each month. Save your changes.

Oops! The Training Checking Account’s monthly budget for the months June, July, and August is actually $500 per month. Edit the budget to make this change.
Using Excel to enter budgets
You can export budget data from ACS, edit it in Excel, and import it into ACS.

First, enter your budget following the steps in Add/Edit Budgets. Then, you can export your budget to Microsoft® Excel®, edit the dollar amounts, and import the data into General Ledger.

Now it’s your turn

List three reasons you may want to export your budget to Excel to edit it. Talk about your reasons with your classmates and instructor.

1. __________________________________________________________________________
2. __________________________________________________________________________
3. __________________________________________________________________________

To export your budget to Microsoft Excel:

1. Under Manage Records, click the Budgets tab.
2. In the drop-down list, select Add/Edit Budgets, and click Go.
3. In the Add/Edit Budgets window, enter the Fiscal Year and Account Code.
4. Click Export/Import.
5. In the Export/Import drop-down list, select Monthly Budgets or Annual Budgets.

6. Select the Export Year of the budget you want to export.

7. Using the Account Filter check boxes, select the types of accounts to be exported.

8. Click Export Data.

9. Select the location where you want to save the file.

10. Enter a File name and click Save. The progression bar shows the status of the export.

11. When the confirmation message displays, click OK.

When entering your budget in Excel, do not make any changes to your accounts, such as adding new accounts, moving accounts, renumbering accounts, or deleting accounts.

In Excel, only make changes to the budget amounts. Any other changes that you make in the Excel spreadsheet do not import into ACS. If you want to change your chart of accounts before entering your new budget, make the changes before exporting the file to Excel.

After changing information in the Excel file, you can import budget information back into ACS General Ledger. The import process may take a few minutes depending on the number of accounts you have in your chart of accounts.

If you have entered budget information in ACS, importing from Excel erases any existing budget information for the selected import year.

**To import data from Excel into ACS General Ledger:**

1. Under Manage Records, click the Budgets tab.

2. In the drop-down list, select Add/Edit Budgets, then click Go.
3. In the Add/Edit Budgets window, click Export/Import.

4. Select the Import Year of the budget you want to import.

5. Click Import Data.

6. The Progression bar shows the status of the import. When the confirmation message displays, click OK.

7. Select the distribution method for the annual budget, and then click OK.

8. Select the location where the file is saved and click on the file name.

9. Click Open.

10. When the confirmation message displays, click OK to overwrite the existing budget.

11. In the Status window, click OK.

New budget information is now entered into ACS General Ledger.

Now it’s your turn

Export the Child Care Development Fund’s annual budget for last year to Excel. Make several changes to the budget amounts, then import the budget again.

Editing Budgets by Grid

You can also use the Edit by Grid option to enter budget information. If you select to enter your budget by month, you must add an amount for each month. However, you do not have to enter amounts if you enter an annual budget, because ACS can divide the amounts by 12 for each month.

To enter budget information using Edit by Grid:

1. Under Manage Records, click the Budgets tab.

2. In the drop-down list, select Add/Edit Budgets, then click Go.

3. Click Edit by Grid.
4. Select the appropriate **Account Filter** options to display only the accounts to which you want to add a budget.

5. Under **Enter Budget**, select to enter budget information **by Year** or **by Month**.

6. Enter the budget amounts and click **OK**.
Copying Budget Information

You can copy a budget from one year to another year, which is useful if a budget doesn’t change much from year to year. After copying, you can make changes if you need to—for example, adding a certain percentage to an existing budget (such as adding 2% to next year's budget).

To copy budgets from year to year:

1. On the Add/Edit Budget menu, click Copy Budget.

2. In the Copy drop-down list, select a copy method:
   - **Budget** - The entire budget (annual and monthly) is copied when you select this option. Distribution options are not available.
   - **Annual Budget** - The annual budget is copied when you select this option. You can select a distribution option as well.
   - **Actual Balances** - The ending year balance is copied when you select this option. You can select a distribution option as well.

3. Select the year to copy the information **From**, and the year you want to add the information **To**.

4. If all of the amounts will increase by the same percentage, enter the percentage amount.

5. Select the Account Filter options to copy information for select accounts, then click **OK**.

6. When the confirmation message displays, click **Yes**.

7. Click **OK**.

Now it’s your turn

The Building fund’s Salaries department budget for next year needs to be increased to accommodate a cost of living raise. Copy the current year’s budget for this fund and department, and increase it by 3% to accommodate the change.
Unit 3: Using the General Ledger

This unit covers the basics of using the General Ledger module. In the General Ledger, you can enter and post transactions for the current or previous years. If necessary, you can also enter checks, and you can create and customize reports.

By the end of this unit, you’ll be able to:

- Enter and post transactions
- Use the transaction filter to find specific transactions
- Identify the differences between the transaction types
- Enter and print checks in General Ledger
- Perform transaction inquiries to view balances and budget information for accounts
- Customize and print transaction reports
The Daily Grind: Working with Transactions

Callie knows it’s almost time for the real work to start flowing in: entering and posting transactions. After polishing off a hurried lunch of a turkey sandwich and apple slices, she looks up to her monitor to see the lime green sticky note of things to do, which includes entering transactions for contribution gifts and this month’s phone bill.

The Enter/Post Transaction window contains options to handle beginning balances, regular transactions, check reconciliation, memorized transactions, and displays the current posting month/year for the General Ledger. You can also change the default posting month in this window by clicking Close Current Month.

Adding Transactions
When you add a transaction, it is considered open until you post it. You can post transactions to prior dates, the current date, or a future date.

The procedures for adding transactions vary depending on the type of transaction you want to add, but each transaction must balance, meaning the total credits must equal the total debits, and the transaction date and posting month or year must be correct.

To add a transaction:

1. Under Manage Records, click the Transactions tab.

2. In the drop-down list, select General Ledger Transactions and click Go.

3. Click Add/Edit Transactions, then click Add.
Figure 23: Add/Edit Transactions Window

The default setup for the Add/Edit Transactions window shows **Open, Unposted** transactions in entry order.

**Transaction Types and Source Codes**

A Source is the journal origin of a transaction entered into the general ledger. It represents what type of entry the transaction is. For example, the Source CHK represents a check transaction while DEP generally represents a deposit transaction.

The layout of the windows changes according to the transaction source selected in **Add/Edit Transactions**. When posting a Journal Entry, you can select the **Include in Check Reconciliation option** to include the transaction if the transaction involves a bank account.
### Source Code

<table>
<thead>
<tr>
<th>Source Code</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments (ADJ) and Journal Entries (JRE)</td>
<td>Correct account balances or transfers monies between accounts ONLY IF the account is not a checking account.</td>
</tr>
<tr>
<td>Checking Account Credit (CCR)</td>
<td>Corrects the checking account if the balance needs to be lowered (due to bank/user error).</td>
</tr>
<tr>
<td>Checking Account Debit (CDB)</td>
<td>Corrects the checking account if the balance needs to be raised (due to bank/user error).</td>
</tr>
<tr>
<td>Deposit (DEP) and Cash Journal (CSJ)</td>
<td>Show money deposited into the checking account</td>
</tr>
<tr>
<td>Check (CHK)</td>
<td>Used when a check is issued</td>
</tr>
</tbody>
</table>

---

### Now it’s your turn

Using the toolbar at the top of the window, practice selecting different modules and transaction statuses. Also, select different posting periods to see which transactions display.

These transactions were not posted to the General Ledger from Contributions, so Callie must manually enter them as deposits in the Financial Suite. Practice entering them as well. Use the General Checking Account (1-1010) and then offset the following accounts:

- Restricted Checking (1-1020) - $900.00 for Youth Camp Scholarships.
- Church Due To/From Account (1-2600) - $700.00 for non-pledged gifts.
- Pledge Offerings (1-4010) - $200.00 for pledged gifts.
Filtering Transactions

After a busy afternoon of entering transactions, Callie looks up for her mid-afternoon coffee mug only to find it missing.

“Again? Another ‘lost’ cup of coffee. I must do this three or four times a week,” she thinks to herself before hopping up to retrace her steps to the break area, copy machine, and network administrator’s offices.

Despite an array of colored pens, sticky notes, a meticulously organized file cabinet, and a thick day planner, Callie hopes ACS will help her keep track of all the checks, deposits, bills, gifts, and other items she has to enter.

ACS might not help you find lost car keys, cups of coffee, or other things you misplace, but you can use it to filter and find specific transactions you’ve entered. When searching for a particular transaction or group of transactions, you can use Filter By to narrow the search criteria.

In addition to filtering by things like transaction status, amount range, date range, transaction type, and bank information, you can also filter by text. Select Reference, Explanation, Batch, or Comment, then enter the text in the field below.

To filter in Add/Edit Transactions

1. Under Manage Records, select the Transactions tab.

2. In the drop-down list, select General Ledger Transactions and click Go.

3. Click Add/Edit Transaction, then Filter By.

4. Select your filter options and click OK. To find transactions by text or account code, click Find Transaction.

5. When the Add/Edit Transactions window displays, select All Users to view transactions posted by all ACS users, and All Periods to display transactions posted in any posting period.
Now it's your turn

Set up a transaction filter to find all bank revenue transactions for the last calendar year. Then, set the grid to display transactions posted by all users and during all periods.

Locate a Service Charge transaction posted in January.

- What was the service charge amount?
- Which checking account was credited in the transaction?
- Which account was debited in the transaction?

**Posting Transactions**

After entering your transactions, you can print and review the proof list, then post the transactions.

Printing the proof list is an important step in the posting process because it lets you make sure your entries are correct. When you enter transactions in other modules, they automatically post to the General Ledger.
To post transactions

1. Under Manage Records, select the Transactions tab.

2. In the drop-down list, select General Ledger Transactions and click Go.

3. Click Post Transactions.

4. Verify the Post Month/Year. To change the posting period, click the up and down arrows in the Post Month or Year date box. If you don't see your transaction, select All Users and/or All Periods.

5. If you do not want to create balancing transactions, clear Generate Auto Fund Balancing Transactions.

6. All transactions will post by default. If you don't want to post all transactions, select the transaction you want to post. To select multiple transactions for posting, hold down the Ctrl key while clicking on the transactions you want to post.

7. To preview the proof list, click Preview. To print the proof list, click Print.

8. Review the proof list to ensure accuracy and correct transactions, if necessary.

9. To correct a transaction, select it in the grid, then click View. This opens the Add/Edit Transaction window so you can edit it. If you make corrections, print another proof list and review it prior to posting.

10. After reviewing the proof list, click Post Transactions.

11. Verify the transactions you have selected, then click Yes.

12. Click OK.
Figure 25: Posting Transactions

Now it’s your turn

Remember the transactions we entered earlier for the Contributions to the General Fund and the Pledge Offerings? We’re going to work with them more now.

First, preview the proof list for the transactions. Notice the transaction amounts and the accounts credited and debited.

Oops, you notice a mistake on the pledge offerings transaction. Edit this transaction to change the transaction date to yesterday’s date. Then, preview the proof list again.

Whew…..everything looks correct! Go ahead and post the transactions to the General Ledger.
Printing the Posting Journal and Closing Batches

The Posting Journal shows the detail of debits and credits for all transactions posted since the last batch was closed. You can print it based on a single module or all modules (including Contributions and HeadMaster, if interfaced); the current user or all users; and by posting period or batch number.

Each time transactions are posted to the general ledger, the posting journal is updated with the activity. The posting journal prints transactions by the date posted. After printing it, you can close batches.

To print the posting journal and close transaction batches

1. Under Manage Records, select the Transactions tab.
2. In the drop-down list, select General Ledger Transactions and click Go.
3. In the Enter/Post Transactions window, click Posting Journal.
4. If necessary, select Print Options.
5. To preview the posting journal before printing, click Preview. Otherwise, click Print.
6. To close the batch, click Yes. To leave the batch open and continue posting to it, click No.

Now it’s your turn

Preview the posting journal for the transactions we entered earlier.

Close the batch of transactions. If prompted, mark the batch as printed.
Voiding Transactions

After entering the deposit for pledge offerings, Callie realizes that the $200.00 transaction should have been credited to the non-pledge offerings account.

“Oh shoot! Now I’ve really messed up... I hope I can fix this in ACS before I have to run reports tomorrow,” she says to herself.

Fortunately, Callie can fix this in ACS. She can delete open transactions that were entered in error; but, to maintain an audit trail, she cannot just delete the posted transactions.

If you need to delete a transaction that is posted (such as a check debiting the wrong expense account), you must void it and re-enter it in ACS.

If another ACS user within your organization entered the transaction in error, you must have permission to Edit All Users Transactions in Users and Security in order to delete the transaction.

To void a posted transaction in General Ledger

1. Under Manage Records, select the Transactions tab.
2. In the drop-down list, select General Ledger Transactions and click Go.
3. Click Add/Edit Transactions.
4. Click the view bar, and select Closed Transactions.
5. Click the view bar again, and select General Ledger.
6. Under Posting Period, select the correct Month/Year.
7. Select the transaction you want to void and click Void.
8. When the confirmation message displays, click Yes.
9. Select the void Month/Year, then enter a void explanation.
10. Click Post Void.

Now it’s your turn

Using the transaction filter, locate a closed transition and void it. Enter a void explanation explaining why we are voiding and re-entering the transaction.

Re-enter the transaction to the General Checking Account. Be sure to credit the Non-Pledge offerings account.
Signed, Sealed, and Delivered: Entering Checks

You can enter and print checks directly from the General Ledger. You can also enter checks with split transactions by clicking on the Ledger tab and selecting the appropriate credit and debit accounts. Checks are posted and batches are closed just like other transactions.

If you own the Accounts Payable or Payroll module, we recommend that you enter, print, post, and void checks in those modules.

To enter a check:

1. Under Manage Records, click on the Transactions tab,
2. In the drop-down list, select General Ledger checks and click Go.
3. Click Lookup to select a checking account.
4. Make sure the posting month and year is correct and, if necessary, click the up and down arrows in the Month or Year date box to change the posting period.
5. If you are entering a handwritten check, select Check Printed. This indicates that the check is only posted in the General Ledger.
6. If you enter a reconciled check, select Reconciled.
7. Enter the Check Number, Date, and Amount of the check.
8. In the Pay To The Order Of field, enter the payee.
9. Enter the amount of the check in the Amount field, and then enter a description in the Memo field.
10. Click Lookup to select the general ledger account to debit, and click OK.
11. Click Yes.

Now it’s your turn

Callie gave a check to Rev. James Carson for $100.00 for speaking at a youth rally. Use the General Checking Account to create the check and mark it as printed since it was handwritten.
Becoming a Know-It-All: Running Inquiries

In General Ledger Inquiry, you can quickly access and print balance information or check the remaining budget information for an account or group of accounts.

You can view and print transactions associated with a particular bank or payee. You can also preview or print a graph that compares balances for the account based on actual amounts, budget amounts, or last year's amounts for the months selected. You can even filter transactions or print an inquiry.

![General Ledger Inquiry](image)

Figure 26: General Ledger - Inquiry

Clicking **Set Filter** filters the transactions by Transaction Status or Type, Source Type, dollar amount, etc.

Selecting **Balance** lets you view month-by-month totals as well as the current balance for a specific account.

**Include Open Transactions** includes open transactions in the current balance calculation and in the Account Transactions window.
To perform an inquiry

1. Under Run Inquiries, select the Inquiry Type tab.

2. In the drop-down list, select Account Inquiry and click Go.

3. Click the Accounts tab.
4. Select the Month and Year you want to view.
5. To select an Account Code, click Lookup.
6. To display a listing of transactions for the General Ledger account, select Transactions.
   To display balances for the General Ledger account, select Balance.
7. If necessary, select any other options, such as MTD, YTD, or All, on the Accounts tab.

Now it’s your turn

Perform an inquiry for the General Checking Account for October 2012, then answer these questions:

1. What is the reference number for the check to Office Depot on October 15, 2012?

2. What was the check amount paid to ACS Technologies on October 15, 2012?

3. What was the balance for this account as of October 2012?

4. What was the year-to-date actual amount for this account?
Data In, Data Out: Generating and Using Reports

The ACS General Ledger module contains many reports that you can preview and print. You can customize prepared reports as needed, then save your customized reports and use them again.

The General Ledger includes several kinds of reports. Some examples are:

- **Lists**— Chart of Accounts and Bank/Checking Accounts List. These reports provide lists of information primarily entered through Define Lists option (i.e., Funds, Departments, Projects, Bank Accounts, etc.).

- **Journals**— Posting Journal or a Check Register. These reports provide transaction activity for your financial organization.

- **Statements**— Balance Sheet or an Analysis of Revenues & Expenses. These reports provide an analysis of current balance information for your financial organization.

**To generate reports:**

1. Under **Generate Reports**, click **Reports**.

2. In the drop-down list, select **General Ledger** and click **Go**.

3. Expand the report types, then select the report you want to customize.

4. Click **Customize** to access the available fields and options for the ACS General Ledger reports. The available options vary depending on each specific report, and we recommend experimenting with them.

5. To see what your customized report looks like, click **Preview**.
**Additional Report Features**

Some features in General Ledger Reports include:

**Setting a Custom Month Range for the Posting Period** — If you want to include data for a period of months, you can enter a customized month range for the report. For example, you can set the range of months for a quarter, two months, six months, or any combination of months that you need to report. The month range feature is not available for all reports.

**Saving Reports** — You can save multiple copies of a report per user, per dataset. In your report settings, you can save reports with a new name and enter comments or a description of the report. You can also save the report for its purpose, as a private user report that only you can view, or a public report that any user can view and print.

**Including Open Transactions** — You can view all open general ledger transactions on reports before posting, so you can see the effect of transactions before they are finalized. This is an easy way to verify the transaction details and correct them before posting, if necessary.

**Batch Reports** — You can set up a different batch for the reports you want to print weekly, monthly, or anytime. The batches can include ACS default reports or your own customized reports. You can set up as many report batches as you want to meet the needs of your organization.

**Selecting the module to generate a report** — In the Financial Reports window, a selection bar is available on the Reports tab. Depending on the ACS modules that your organization owns, you can click the selection bar to select the type of report you want to generate, whether it is General Ledger, Accounts Payable, Accounts Receivable, Fixed Assets, or Purchase Orders.
Now it’s your turn

Now that Callie has entered all of her accounts in Define Lists, she wants to print a list of the bank accounts and their associated checking accounts. Select and preview the appropriate report in ACS.

Preview the Funds Out of Balance report for this fiscal year.

Locate the Check Register List and then customize it to view transactions for this fiscal year-to-date. Group the report by fund and include inactive accounts.

Customize the Statement of Financial Position report to view it for December of last year. Then, set up the report to display only the tax accounts for the day care. Hint: All Day Care accounts begin with a “3”.

After customizing the Statement of Financial Position report, save the report. Enter a description to remind you that only day care accounts are represented on the report.

If you have extra time, use the drop-down list to find the other modules’ reports. Explore the different reports and their customization options.
**Working with the Analysis of Revenues and Expenses Report**

The Analysis of Revenues and Expenses report provides an analysis of all revenue and expense accounts.

You can print this report in summary or detail form. You can also print the report in portrait or landscape mode. To extract any of the Analysis of Revenues and Expenses reports to a Microsoft Excel spreadsheet, click **Extract**.

When printing the Detail Analysis of Revenues and Expenses, you can print subtotals for specific account headings. You can subtotal accounts for the following major headings:

- Revenues
- Expenses
- Other Revenues
- Other Expenses

The **Subtotal Heading** option in Add>Edit Chart of Accounts, in conjunction with the Subtotal on Selected Headings option on the **Setup** tab, allows you to print detail and summary on the same report. You can select the **Subtotal Heading** option on specific account headings, which produces a report that includes:

- Detailed information on those account headings without the Subtotal Heading option.
- Totals for all account headings with the Subtotal Heading option selected.
- Subtotals display only for account headings with the Subtotal Heading option selected.

**To set up columns:**

1. Under **Generate Reports**, click **Reports**.
2. In the drop-down list, select **General Ledger**, then click **Go**.
3. Expand **Statements**, then select the **Analysis of Revenues & Expenses** (Summary or Detail) statement.
4. On the **Options** tab, click **Setup Columns**.
5. Under **Available Fields**, click the plus sign to view column headings associated with a category.
6. Click the right arrow button to move a column heading from **Available Fields** to **Columns to Include**.
7. **Optional**: Change the description of the column at the bottom of the window in the Column Heading field.
8. Click the left arrow button to move a heading from **Columns to Include** to **Available Fields**.

9. **Optional:** Click **Include Closing entries in Custom Range Fields** to include closing entries in the columns for **Custom Range Fields** when the report range includes multiple years.

10. To return to the Setup window, click **OK**.

11. Click **Preview** to display the report.

---

**Useful Information**

To display a blank column in the Analysis of Revenues and Expenses, select **Blank Column**.
Appendix

Back to the Basics: Accounting Concepts
This section covers the definition of Accounting, Importance of Accounting Principles, and Accounting Tools available from ACS.

Cash and Accrual Accounting
In cash basis accounting, revenue is recognized when cash is received, and expenses are recognized when cash is disbursed.

Accrual basis accounting recognizes revenue and expenses for the period in which they occur, regardless of when payments are made or received.

You must configure ACS for either cash or an accrual basis method of accounting. Depending on the method you choose, transactions post in different ways to the general ledger.

The church and its accountant must determine which method of accounting is applicable for their organization’s requirements, and both are responsible for following the selected method.

Fund Accounting
Fund Accounting is an accounting system used by churches, synagogues, governments, colleges and universities, hospitals, and other non-profit organizations. In this accounting system, funds are kept in separate sets of books.

All general accounting principles still apply in fund accounting, but each fund has distinct accounts. This way, each fund can have fund has a separate report. By default, all funds display on reports, but you can customize them to display only selected funds.

Funds and Datasets
Funds and datasets are used to separate sets of financial books.

A fund is a set of financial books. Thus, if you have two funds, you must have two sets of books in the same chart of accounts. The fund code designates the set of books in which to place an account. Each fund must have its own assets, liabilities, income, expense, and restricted accounts. Each fund must have a unique fund principal account, which is a closing account.

A dataset is a complete financial database with its own fund(s) and chart of accounts. You can create additional financial datasets for a school or for a day care center. That chart of accounts is kept completely separate from the church’s chart of accounts. Each dataset also has its own payroll roster, vendor list, and assets. You cannot transfer information between datasets.
Use the following guidelines to determine if you want to use a separate dataset:

- You have two or more financial books that operate on different accounting periods. For example, one is on a fiscal year and one is on a calendar year.
- You have separate federal identification numbers.
- You have separate accounting staff.
- You need to keep financial information for different areas, such as for a church, school, or day care, completely separate.

**Double-entry bookkeeping**

ACS is a double-entry bookkeeping system.

- Double-entry bookkeeping keeps your books in balance.
- Double-entry bookkeeping requires that each transaction affect at least two accounts in a self-balancing system.
- Think of an equation with two sides separated by an equal sign. In accounting, an entry in the left side of a transaction is called a debit, and an entry on right side is called a credit. For each transaction, the sum of all debits must equal the sum of all credits. If the sums are not equal, the entry is out of balance, and you cannot exit the transaction window if all entries do not balance.
- Each account in your general ledger also has a left and a right side. Because of this arrangement, these accounts are called T-accounts.

**Debits Left – Credits Right**

- Debits and credits are the backbone of accounting.
- You can split debits and credits between accounts, but the totals self-balance in the double-entry bookkeeping system.
- The left side of the account is the debit side. The abbreviation for this is DR.
- The right side of the account is the credit side. The abbreviation for this is CR.
- In accounting, the language of debits and credits is very specific. The meaning of words used in non-profit accounting is different from the words used by the general public. For example, a debit card decreases cash in your bank account, which is an asset account, but in double-entry accounting the same transaction is called a credit. The offset decreases in your liability account, that is, the amount you owe to the vendor you pay with your debit card.

Debits and credits DO NOT NECESSARILY EQUATE TO INCREASES AND DECREASES. The effect of a debit or a credit on an account depends upon the classification or type of account.

- Debits increase asset and expense accounts, while they decrease revenue, liability, restricted, and fund principal accounts.
Credits increase revenue, liability, restricted, and fund principal accounts, while they decrease asset and expense accounts.

**Accounting Procedures Charts**

### Accounting Procedures

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Fund Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR</td>
<td>CR</td>
<td>DR</td>
</tr>
<tr>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue</td>
<td>DR</td>
<td>CR</td>
</tr>
<tr>
<td>-</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Expenses</td>
<td>CR</td>
<td>DR</td>
</tr>
<tr>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>CR</td>
<td>DR</td>
</tr>
<tr>
<td>-</td>
<td>+</td>
<td>-</td>
</tr>
</tbody>
</table>

**Debit Increases**

- Assets
- Expenses

**Credit Increases**

- Liabilities
- Fund Principal
- Revenues
- Restricted

**Don’t Ignore An Elephant!**

Debits Increase Assets & Expenses

**Cheerful Individuals Like Fun, Rest & Relaxation**

Credits Increase Liabilities, Fund Principal, Revenues & Restricted

### Summary Chart I

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Fund Principal</th>
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</thead>
</table>
Summary Chart II

<table>
<thead>
<tr>
<th>Type of Account</th>
<th>What Does a Debit Do?</th>
<th>What Does a Credit Do?</th>
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<tr>
<td>Assets</td>
<td>Increases</td>
<td>Decreases</td>
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<tr>
<td>Liabilities</td>
<td>Decreases</td>
<td>Increases</td>
</tr>
<tr>
<td>Fund Principal</td>
<td>Decreases</td>
<td>Increases</td>
</tr>
<tr>
<td>Revenues</td>
<td>Decreases</td>
<td>Increases</td>
</tr>
<tr>
<td>Expenses</td>
<td>Increases</td>
<td>Decreases</td>
</tr>
<tr>
<td>Restricted</td>
<td>Decreases</td>
<td>Increases</td>
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</table>

Summary Chart III

<table>
<thead>
<tr>
<th>Type of Account</th>
<th>Where are the Increases Recorded?</th>
<th>Where are the Decreases Recorded?</th>
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<tr>
<td>Assets</td>
<td>Debit Column</td>
<td>Credit Column</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Credit Column</td>
<td>Debit Column</td>
</tr>
<tr>
<td>Fund Principal</td>
<td>Credit Column</td>
<td>Debit Column</td>
</tr>
<tr>
<td>Revenues</td>
<td>Credit Column</td>
<td>Debit Column</td>
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<tr>
<td>Expenses</td>
<td>Debit Column</td>
<td>Credit Column</td>
</tr>
<tr>
<td>Restricted</td>
<td>Credit Column</td>
<td>Debit Column</td>
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</table>
### Accounting Procedures

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Debit</td>
<td>Increases</td>
<td>- Debit</td>
</tr>
<tr>
<td>- Credit</td>
<td>Decreases</td>
<td>+ Credit</td>
</tr>
</tbody>
</table>

#### Revenues

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Liabilities</th>
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</thead>
<tbody>
<tr>
<td>- Debit</td>
<td>Decreases</td>
<td>+ Debit</td>
</tr>
<tr>
<td>+ Credit</td>
<td>Increases</td>
<td>- Credit</td>
</tr>
</tbody>
</table>

#### Expenses

Designated accounts work on the same principal as liabilities.
CREDITS VS. DEBITS

DEBITS
INCREASE ASSET & EXPENSE ACCOUNTS, AND DECREASE REVENUE, LIABILITY, RESTRICTED, & FUND PRINCIPAL ACCOUNTS.

HERE’S HOW YOU CAN REMEMBER A DEBIT’S FUNCTION:

DON’T IGNORE AN ELEPHANT!
DEBITS INCREASE ASSETS & EXPENSES

CREDITS
DECREASE ASSET & EXPENSE ACCOUNTS, AND INCREASE REVENUE, LIABILITY, RESTRICTED, & FUND PRINCIPAL ACCOUNTS.

HERE’S HOW YOU CAN REMEMBER A CREDIT’S FUNCTION:

CHEERFUL INDIVIDUALS LIKE FUN, REST, & RELAXATION
CREDITS INCREASE LIABILITIES, FUND PRINCIPAL, REVENUES, AND RESTRICTED.

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