

How do I Transfer Money From One Fund to Another? (V6-8.5)

Transferring money from one accounting fund to another always requires a four part transaction. Each fund requires both a debit and a credit entry to remain in balance.

Before we can proceed, each fund in your chart of accounts should contain an "Income Transfer Account." This account should be listed within the income range and have the same four-digit account number throughout the chart of accounts. For example: 01-4500-000, 02-4500-000, and 03-4500-000.

Once you have these new accounts added to your chart of accounts, we can proceed with the transfer. In our example, we will be moving \$10,000 from the General Fund (01) to the Missions Fund (02). Proceed as follows:

1. From the "**Enter Transactions**" screen in Fund Accounting, we need to enter a transaction that will credit the Bank Account in Fund 01 for \$10,000 and debit the Income Transfer account in Fund 01 for \$10,000. In essence, this transaction is reducing the balance in your bank account and reducing the amount of income received by this fund.
2. Next, we will enter a transaction that will debit the Bank Account in Fund 02 for \$10,000 and credit the Income Transfer account in Fund 02 for \$10,000. This transaction is increasing the balance in your bank account and increasing the amount of income received by this fund.

By transferring money between funds in this manner, each fund stays in balance. In addition, because each Income Transfer Account has the same four-digit account number, consolidated reports show no additional income for the organization.

For more information on transferring money between funds, you may want to speak directly with your church's accountant or auditor.

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