


**PowerChurch Software Newsletter - Spring 2011**

Welcome to the Spring 2011 edition of the PowerChurch Software newsletter. The hectic year-end processes are behind us for the year and we have nine months to start preparing for next year-end! This issue covers using some new features in Version 11, as well as revisiting a misunderstood old friend. If you haven't checked out Constant Contact, which Version 11.1 now integrates with, we have a great opportunity for a tour of their features for PowerChurch Software users in a live webinar with the folks at Constant Contact.

**Refresh Report Options**

One of the most common suggestions that have been received into the wishlist in past years was to make the reporting system a little more forgiving. Some of the reports in PowerChurch Plus have several setup screens, asking for a host of different selections and settings. If you make it all the way through the process, then see the report preview and realize that you forgot to set a check box, you would have to close the report and start all over. Well, not anymore!

Version 11 features an option to Refresh Report Options, which closes the report preview, then re-opens the Report Options or Selection Criteria screen with all of your current settings in place. This allows you to change the one thing that you missed originally and run the report again. Considering reports like the Church Directory, Attendance Register Form, or Contribution Statements, this can save a lot of time with the number of options that can be set and the number of steps that it takes you through. If you mess up once, it's bad enough, but what if it's two or three times?

The Refresh Report Options button looks like this  and is located in the Report Viewer toolbar. Once you use it, you will wonder how you lived without it all this time! For those of you who are not yet using Version 11, go download the free full working demo from our web site to take a look: [www.powerchurch.com/demo](http://www.powerchurch.com/demo)

**Donor Restrictions**

The Donor Restrictions functionality was added in Version 9 of PowerChurch Plus and allows you to track the available balance of restricted funds from one year to the next. Without this, you would have to use any number of workarounds, including setting up sub-accounts of the checking account, transferring income amounts to asset accounts at year end, or some even worse ideas. Many have tried and successfully set up and used the Donor Restrictions tracking over the years, while many others have had their minds blown trying to understand all the moving parts and follow the flow of money through the entire process. This article, we hope, will demystify the Donor Restrictions features and help convince those of you who have given up on it to give it another try.

The way the system is designed to work, it simply needs to be set up correctly in the beginning, then you hardly ever need to think about it again. You will not be transferring funds around, making adjustments, adding new accounts or anything else after the initial two or three minute setup process. When writing a check to spend restricted money, click the Release From Restriction button, and PowerChurch Plus will take care of the rest.

### **About the accounts**

There are three accounts involved in each Donor Restriction. The initial income account, which is hit when you take in restricted money from Contributions or other sources. There is a release account, which is used when spending restricted money. You don't need to worry about this one once you have set it up. The last account is an equity account (also known as Net Assets or Fund Balance). This is the account that should always show the available balance of the Donor Restriction. You will see it on the Balance Sheet.

### **Different types of restrictions**

In most cases, when dealing with Donor Restrictions, you are dealing with Temporarily Restricted funds. This means that you are allowed to spend the money only for what the donor specifies. They can also be Permanently Restricted, but that money can never be spent and is more frequently an endowment in a long term investment account.

In the following example, the church has gotten estimates for having the interior of the building professionally repainted, but will not be able to fit it into the budget this year. Members begin donating money specifically for this purpose.

### **Setting up a new Donor Restriction**

To set up a new restriction, go to Accounting > Fund Accounting > Maintain List of Donor Restrictions. In Version 11, this is in the Setup sub-menu of the Fund Accounting menu. Click the Add button.


**Add New Donor Restriction**

**Step 1: Specify the description of the donor restriction.**

There are several accounts that need to be added in the fund accounting module to keep track of donor restrictions. This assistant will help you add these needed accounts. The first step is to provide a name and description for this restriction.

Restriction name:

Restriction type:  Temporarily Restricted  Permanently Restricted

Accounting fund:   GENERAL FUND

Notes:

This screen asks for a descriptive name for the Donor Restriction, and which Accounting Fund you will be adding the accounts to. Once finished entering this information, click Next.

**Add New Donor Restriction**

**STEP 2: Specify the equity account.**

The equity account is used to keep track of the current balance of the money for this restriction. This amount will be shown in your Balance Sheet as either a temporary or permanent restriction. You need to have a separate equity account for each donor restriction.

Existing equity accounts

Description	Account	Type
1. NET ASSETS	3000-000	Group
2. UNRESTRICTED	3100-000	Group
5. Unrestricted Net Assets	3110-000	Detail
2. DONOR RESTRICTED	3200-000	Group
<b>3. SHORT-TERM RESTRICTED</b>	<b>3201-000</b>	<b>Group</b>

Use existing account (Select from above)

New Account Number:

Description:

Level:

This step deals with the equity account. By default, the restricted equity accounts are in the 3200 range. You'll notice a checkbox option that reads "Use existing account". If you have already gone through the trouble to set up the accounts, then you can use this Add New Donor Restriction process to link all the existing information together. If you don't already have the account set up, you can provide the information in the

fields at the bottom of the screen. Refer to the list of existing accounts to decide which account number you would like to use and what report level to assign. Click Next when finished.

**Add New Donor Restriction**

**STEP 3: Specify the income account.**

The income account is used to keep track of how much money has been received during a period of time for the restriction. This amount will be shown on your Income & Expense Statement. You need to have a separate income account for each donor restriction.

Existing income accounts

Description	Account	Type	
2. CONTRIBUTION INCOME	4010-000	Group	<input type="checkbox"/>
3. UNRESTRICTED	4020-000	Group	
5. Tithes and Offerings	4030-000	Detail	
3. DONOR RESTRICTED	4200-000	Group	
4. SHORT-TERM RESTRICTED	4201-000	Group	<input checked="" type="checkbox"/>

Use existing account (Select from above)

New Account Number:

Description:

Level:

Previous Next Finish Cancel

The same principle applies here on the income account. By default, the Temporarily Restricted income accounts fall into the 4200 number range. You can add a new account or pick an existing account, and refer to the list of existing accounts to choose the account settings. Click Next when finished.

**Add New Donor Restriction**

**STEP 4: Specify the release account.**

The release account is used when you have satisfied the donor restriction. This account will show how much of the donor restriction has been met during a period of time. The amounts in this account will show on your Income & Expense Statement. You need to have a separate release account for each donor restriction.

Existing income accounts

Description	Account	Type	
5. Book Sales	4611-000	Detail	
5. Tape/CD Sales	4612-000	Detail	
5. Miscellaneous Income	4620-000	Detail	<input type="checkbox"/>
2. RELEASE FROM RESTRICTIONS	4800-000	Group	
3. TEMP RESTRICTED RELEASE	4801-000	Group	<input checked="" type="checkbox"/>

Use existing account (Select from above)

New Account Number:

Description:

Level:

Previous Next Finish Cancel

By default, the release accounts for these Temporarily Restricted accounts fall into the 4800 number range. You can add a new account or pick an existing account. Click Next when finished.

**Add New Donor Restriction**

**STEP 5: Specify the expense account.**

Adding an expense account is optional. If needed, you can add a new expense account here to use when spending money on this restriction.

Existing expense accounts

Description	Account	Type
1. EXPENSES	5000-000	Group
2. FIXED EXPENSES	5010-000	Group
3. PASTORAL STAFF	5050-000	Group
4. PASTORAL SALARIES	5060-000	Group
5. SENIOR PASTOR	5061-000	Group

Use existing account (Select from above)

New Account Number:

Description:

Level:

It is optional to add an expense account. For this example, there will be multiple expense accounts for supplies and labor for the painters, so we won't bother adding a new expense account this time.

**Add New Donor Restriction**

**STEP 6: Specify the contribution fund.**

This step is optional, if you have already added a contribution fund, select it from the list and check the 'use existing' option. If you have not already added a contribution fund for this restriction, you can add one now. If there is no contribution fund associated with this restriction, just leave the contribution fund number blank.

Fund No.	Description
100	Tithes and Offerings
200	Missions
201	Mexico Missions
300	Building
400	Memorials

Use existing (Select from list above)

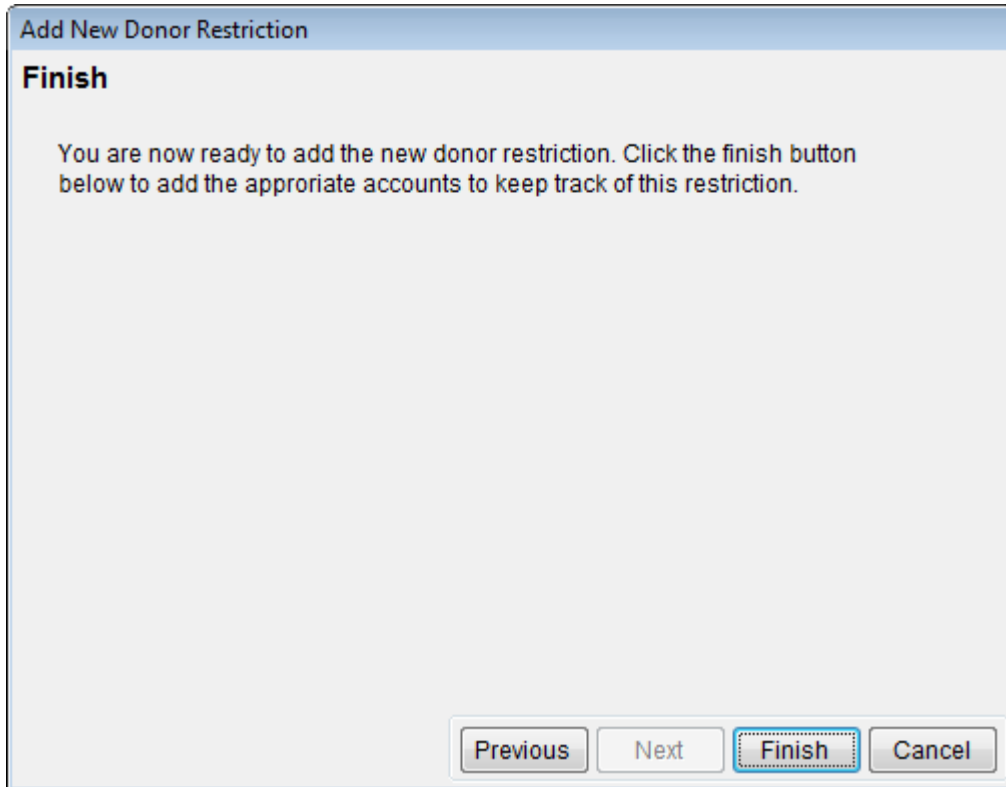
Contribution Fund No.:

Contribution Fund description:

Debit (bank) account:

Since most or all of the money coming in for this Donor Restriction will be from

Contributions, we will want to add a new Contribution Fund. You can choose an existing Contribution Fund if you already have it set up, or add a new one like we did above. It is important to note that all money coming in to whatever fund you select here will be treated as restricted. This is an optional step and if you do not wish to connect the restriction to a Contribution Fund, you can simply click Next without entering anything.



**Add New Donor Restriction**

**Finish**

You are now ready to add the new donor restriction. Click the finish button below to add the appropriate accounts to keep track of this restriction.

Previous Next **Finish** Cancel

That's it! Click Finish and everything will be added.

### **Contributions income**

When money comes in from Contributions for repainting the building, you would enter it just like all the other contributions for that date. When they are posted into Fund Accounting, PowerChurch Plus will automatically handle making the money restricted. There are lots of moving parts behind the scenes to make this happen, but to use it, you don't have to worry about any of that!

### **Spending restricted money**

Now, the only other thing to worry about is when spending restricted money. In the example below, we are working in the Accounts Payable > Maintain Open Invoices screen to generate a check to the painters to get started working. This transaction looks like any other transaction would; credit the checking account and debit the expense.

Maintain Open Invoices - Accounts Payable

Vendor ID: BOBSPA    Bob's Professional Painting    123 Main St    Pay now:  Yes  No

Reference: 20110316-PAINT     1099    Cheque date:

Description: Bob's Professional Paint    Cheque number:

Due Date: 03/16/2011    Amount: 500.00    A cheque has not been printed for this invoice

Account	Account Name	Line Description	Debit	Credit
01-1110-000	First Bank - Checking			500.00
01-5745-000	Painting Service		500.00	

Press F2 to lookup an account number        Totals: 500.00    500.00

   To balance: 0.00    0.00

   Note: Should restricted funds be released?       

At the bottom left of the screen is a "Release Restricted Funds" button. Click that and the following screen opens up.

Release Restricted Amounts

Select a restricted fund to release money from.

Repainting the Building

Member donations for repainting the interior walls of the building later this year.

If you have multiple Donor Restrictions set up, each will show in this list. Select the one that you wish to release money from and click Next.

**Release Restricted Amounts**

Enter the amount to release from this restriction.

Amount to release:

Enter any notes for the release entry: (optional)

The amount of the invoice is automatically entered in the amount field. If, in this example, we had only \$400 left in the restricted equity balance, but need to write a \$500 check, then we would actually release \$400. Click Finish.

**Maintain Open Invoices - Accounts Payable**

Vendor ID: BOBSPA    Bob's Professional Painting    123 Main St    Pay now:  Yes  No  
 Reference: 20110316-PAINT     1099    Cheque date:   
 Description: Bob's Professional Paint    Cheque number:   
 Due Date: 03/16/2011    Amount: 500.00    A cheque has not been printed for this invoice

Account	Account Name	Line Description	Debit	Credit
01-1110-000	First Bank - Checking			500.00
01-5745-000	Painting Service		500.00	
01-4810-000	Repainting the Building	Release restricted amount	500.00	
01-4999-000	Release from restrictions	Release restricted amount		500.00

*Press F2 to lookup an account number*            Totals: 1000.00 / 1000.00  
 \$500.00 released from restrictions for Repainting the Building    To balance: 0.00 / 0.00  
    Note: Should restricted funds be released?       

PowerChurch Plus will automatically add two additional lines to the transaction that take care of moving the money out of the restricted equity account and make it available to be expensed. That happens behind the scenes, though. We won't worry about that here. Click Save.

When the transaction is posted, the Balance Sheet will show an accurate balance in the restricted equity account. This amount will carry forward from year to year until you release and spend it.

### More information

There is a ton of detail available on our web site about all the inner workings of the Donor Restrictions tracking. For inquiring minds that just need to have all the gory



details, please refer to the following article in the Knowledge Base on our web site:  
[Accounting For Contributions](#)

## Constant Contact for PowerChurch Software users

We have arranged a webinar with Constant Contact, which will discuss best practices in email marketing - what email marketing is, and isn't. It will address the two biggest questions most customers have - Why is email marketing a good idea, and how can it help my church grow? It will review proven ways to get your message opened, strategies for improving response and how the new Can Spam laws apply to you. During this presentation, they use examples of how other churches are using email marketing to grow their organization.

Register for the webinar at the following address:

<https://constantcontact.webex.com/constantcontact/j.php?ED=127662052&RG=1&UID=0&RT=MiMxMQ%3D%3D>

## Training Seminars

Spring has officially sprung. We know this because there are some new training seminars scheduled for the upcoming months! These seminars are scheduled and presented by independent consultants. Take a look at the [Training Seminars](#) page on our web site to see if there is one in your area.

## Forum Q&A

The Support Forum on our web site is a very active online community of our users and Tech Support staff members. There you can browse through thousands of questions and answers, or post your own. Below are some recent examples.

*From General:*

**Q.** We have powerchurch 11 installed. I do a lot of remote connections via RDP for system administration. Is there any way I can turn off the backgrounds within powerchurch? over my slow cell phone internet connection they often bring my session to a standstill while they redraw.

**A.** Go to File > Preferences > User Setup. Uncheck the *Display background on main screen* checkbox.

*From Accounting:*

**Q.** We have been processing payroll checks manually. How do we update the manual payroll information from January to March, Journal Entries or Salary history in the payroll module?

**A.** You can change the payroll date on the Process Payroll screen to a previous date and run the payroll for that date. Change the date, and repeat, and repeat, etc.

*From Events:*

**Q.** I can't find a place to add a location that would include the church address. We don't use the room scheduler and stuff, but for the Google calendar, which is then displayed on the website, it would be nice that the location (church address) would be uploaded.

**A.** You can put that in the web notes field and it will be uploaded to the Google calendar. It will not be in the location field, but will show in the notes area.

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