

**PowerChurch Software Newsletter - Summer 2011**

We would like to start off by thanking you all for your participation in the latest Campbell-Rinker Church Management Solutions survey. PowerChurch Plus won the Campbell Award for User Satisfaction a second time! It feels great to know that the software is working the way that you need it to and you continue to recommend our products to others. [Read the press release here.](#)

Now on to business: In this edition of the PowerChurch Software newsletter, we demystify the bank reconciliation process. We are also introducing a new feature in the newsletter, called "Making a Difference". This is a collection of PowerChurch user stories which bring to light the many different ways our users are making the world a better place and how PowerChurch Software products help them to do so.

**Reconcile Bank Accounts**

The Reconcile Bank Accounts feature helps match the account balance in PowerChurch Plus to the ending balance shown on the bank statement. These balances will most likely not match, due to the amount of time that passes between writing the check and when it actually clears the bank. Transactions that have not yet cleared are considered "outstanding".

The reconcile process is very simple. It may not appear so when you are trying to find that \$7.82 difference between the PowerChurch account balance and your bank statement balance. But in reality, what the Reconcile Bank Accounts process is doing is simple addition and subtraction. There are no smoke and mirrors, just math!

As you clear checks and deposits in the reconciliation, you will see the balances and totals changing at the bottom of the screen. Here is an example of these fields and an explanation of the calculation that is actively occurring as you clear each transaction:

It starts with the "Bank statement balance" you entered, then subtracts outstanding checks, and adds outstanding deposits. The resulting total is the "Adjusted bank balance". That amount is then compared to the current "Account balance" in PowerChurch Plus. If the "To balance" amount is zero, then you have successfully reconciled with the bank statement.

If it does not balance to zero, then you will need to find the discrepancy. What steps you need to take will vary depending on your situation. A few different possibilities are listed below.

- **Incorrect beginning balance.** If this is the first month that you are reconciling in a new setup, then there is a good chance that the difference is because of an incorrect beginning balance on the account. If it's not the first month and you normally reconcile down to a zero difference, then you know that the problem has occurred

since the last successful reconciliation.

- **Missing or extra transaction.** It is possible that there is an additional transaction in PowerChurch Plus that needs to be reconciled, or a missing transaction that needs to be entered. If a transaction is listed on your bank statement, but does not show in the list of transactions on the screen, make sure that the "Only show items dated before statement date" box is unchecked. This option was added in Version 11, by popular demand, and limits the transactions in the Checks and Deposits list by date. It could be that the transaction you are looking for is hidden because of a date conflict.
- **Incorrect amount on transaction(s).** Double check all of the amounts of the transactions that you have cleared in this month's reconciliation. Verify that the amounts match what show on the bank statement. It is not uncommon for a bank error to occur and a check or deposit to show up as a different amount than the actual amount of the transaction. In this case, you would need to contact the bank.
- **Transaction incorrectly marked as cleared.** It is possible that a transaction was incorrectly marked as cleared in a current or prior month's reconciliation. You can postpone your current reconciliation and go back into it, choosing to include All Data instead of only Unreconciled Transactions. This will show all transaction history for this account, including all prior months/years of cleared transactions.

If you have exhausted all resources and cannot find the difference, or if the problem goes so far back that you are unable to post corrections, then you may choose to create a balance adjustment transaction in Fund Accounting. Postpone the current reconciliation, then go to the Enter Transactions screen in Fund Accounting and create the transaction. It is important to document the reason for this adjustment in the notes section. It also may be necessary in your organization to have the balance adjustment approved before posting.

Once this adjusting entry is posted, you will find it in either the Deposits or Checks list in the Reconcile Bank Accounts screen. When you mark this transaction as cleared, the To Balance amount should drop to zero.



Entering a transaction to "force" the reconciliation process to balance should only need to be done once to correct an existing problem. If you find you are unable to balance the next month, most likely there are ongoing problems. At that point, the effort should be spent to find the actual source of the problem, rather than force the balance to be correct with an adjustment.

## Training Seminars

The summer training seminar schedule is in full swing! There are many upcoming seminars around the US and Canada in the coming months. If you are looking for some in-depth training, check out the [schedule of upcoming seminars](#). The list is always being updated, so check back often!

## Tips on Avoiding Check Fraud from Dynamic Systems

Thieves are clever. Couple this trait with the wide-spread availability of technology and now you have a sophisticated criminal. Current numbers of check fraud and counterfeiting cause estimated losses of \$10 billion each year. Fortunately, a few simple precautions can help to lessen your chances of becoming a victim of check fraud. Some of the tips listed below may be familiar, but a reminder now and then helps reinforce them.

1. **Review and balance your bank statement as soon as you receive it.** The law imposes the responsibility on customers to promptly examine their bank statements and notify the bank of any alterations and forgeries. The few minutes you spend reviewing your statement could save you thousands.
2. **Avoid using checks or deposit slips as scratch paper.** Do not view a check or a deposit slip as a good substitute for blank paper. It simply contains far too much information about you and your account. If you absolutely must use one, be sure you first tear off the portion that identifies your bank and the routing number and account number at the bottom.
3. **Shred bank-related documents before throwing them away, even if they're old and even if they relate to a closed account.** Bank statements and even cancelled checks provide sensitive information that needs to be shredded -- not thrown into the trash where it's accessible.
4. **Wait to sign a check** until you're ready to deliver or mail it, and wait to endorse a check written to you until it's time to cash or deposit it. If your checkbook is lost or stolen and it contains pre-signed checks, that's a thief's bonanza. If you endorse a check made payable to you, you've just created what's called "bearer paper" -- it may be cashed by whoever bears it. When it comes to signing or endorsing checks, timing is everything.
5. **When you write a check, fill the "amount in words" line completely.** If the amount doesn't fill the space, draw a horizontal line to fill it. If you leave space, you create an opportunity for someone who gets possession of your check, either legitimately or otherwise, to increase the amount. Guard against such alterations by eliminating the space necessary to make them.
6. **Confirm your orders.** Always confirm banking information, check numbering and number of forms enclosed when you receive your order of printed checks and deposit tickets. Be especially diligent if the package looks like it has been opened or if the shrink-wrapping has been tampered with.
7. **Have your checks printed on high security paper.** Dynamic Systems' standard line of checks has multiple security features to help prevent check fraud. These include a Thermochromic Icon, Warning Bands, Edge to Edge Printing, Microprinting, Diagonal Dimensional Backer, Padlock Icon and an Artificial Watermark. If you need additional security, we also offer papers that have 3-D Check Backgrounds and Holograms.

Although it is not possible to completely stamp out check fraud, you can significantly decrease your chances of incidence by being aware of how to securely handle your checks and other banking documents.

Visit [the Dynamic Systems web site](#) to view all of our PowerChurch compatible products.

## **Making a Difference:**

### **Lou Belanger - Serving others from coast to coast for over 60 years**

At PowerChurch Software, we know that your work extends beyond what happens at your desk. For each of you who enters data, collects membership information, manages contributions or plans events, there is a personal story to tell. After speaking with many of you, we were inspired to share some of your stories with others. The work you do encourages us to continue our goal of creating software that makes church management easy.

**Name:** Lou Belanger

**Title:** Finance Chairman/Secretary, West Anaheim United Methodist Church

**Passion:** Always looking for ways to give back

**Why PowerChurch:** "It's the best system ever."

Lou is a rock star.

By anyone's standards.

"I'm 81 and I'm one of the young ones," he laughs while family members chatter and prepare for dinner in the background. Lou has been a member of his church for 35 years and says his work with the financial tasks "keep him out of trouble." While he does spend hours on bleachers watching his 4 grandchildren play sports ("I've been a Scoutmaster and even a scorekeeper!"), volunteers weekly and helps organize brown bag lunches for the local food bank monthly, he's always looking for ways to engage further. "I've raised nice kids and they're raising great grandkids, but I've always been impressed with what the ministry can do to change people's lives, so I'm here."

As Secretary and Financial Chair at West Anaheim Methodist, Lou is responsible for accounts payable, contributions and other special collections, and he uses PowerChurch Plus to make these tasks easy and fast. "I pay the bills weekly and because I can handle 2 to 3 items at once, it's a cinch!"

His church is like many in large urban settings in that it has a varied mix of families, races and cultures all mingling to worship, minister and reach out. "We have lots of Korean, Vietnamese and Spanish-speaking parishioners at our church and we also invite and include folks from the local YMCA who want a place to belong."

A current project of Lou's church is taking donations for the victims of the earthquake in Japan that killed nearly 18,000 and devastated the country. "It's a tragedy - a huge tragedy - and even though it didn't happen on our shores, we feel that there are things that we can do, things we should do, to help those people. We sent out a newsletter asking for contributions and the response, even in our small church, was strong."

What is most beguiling about Lou, outside of his contagious laugh and complete joy in the work he does, is his desire to keep moving forward; he's focused on not wasting time. "I do the work at church and can have everything completed in about an hour

using the PowerChurch software. Suddenly, we're done and I can move on to other tasks and projects that need attention or I can spend time with my family." Where most retirees would be lounging and enjoying a season of reflection and satisfaction, Lou is propelled forward by his desire to give continuously to others in his community. His only wish these days is for time:

"What I want is simply 5 more years... so that I can watch my grandkids play baseball!"

*You make a difference all over the world. PowerChurch makes it easier. Read previous installments of Making a Difference at [www.powerchurch.com/stories/](http://www.powerchurch.com/stories/).*

## **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 Membership:*

**Q.** When I generate the Birthday / Anniversary Report, it is not working correctly. In the anniversary section, the birthdays of young children appear. No anniversaries appear.

**A.** There is a setting under File > Preferences > Personal Profiles Setup on the Dates tab that controls which field is treated as "anniversary", since that is not one of the standard/required date fields like birthday is.

*From Accounting:*

**Q.** How can I change the accounting year to reflect the Jan-Dec we actually use?

**A.** Under File > Preferences > Accounting Setup. There is a field labeled "Fiscal year starts with the month of". Change that to January and the software will use the January to December year.

*From Contributions:*

**Q.** I am unable to delete a repeating transaction as the "Delete" button is grayed out. How do I go about removing an item that will no longer be taking place?

**A.** It sounds like your user account does not have Delete rights in the Contributions area. Have the System Admin log in and either edit your user permissions under File > Preferences > Passwords or have them delete the repeating contribution for you.

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