How do I Transfer Money From One Fund To Another (V9 and higher)?

Many times a church will need to move money between accounting funds. Maybe money is being moved from the General Fund to the Building Fund to help finish the new church building. Or maybe funds need to be reallocated from the Missions Fund to the Youth Fund. In PowerChurch Plus Version 9 there is a new way to track the transfer of money between funds. You can now set up a section of your chart of accounts to contain a new type of account called Transfer accounts. Using Transfer accounts will allow you to transfer money between funds without misstating your income or expenses. The Transfer accounts will show as a separate section on your Income and Expense statement.

A transfer isn't considered a loan. If the General Fund is loaning money to the Building Fund with the expectation of being paid back, you would need to setup a receivable in the General Fund and a liability in the Building Fund. For more information on loaning money to another fund talk with your church accountant.

This document is designed for users who are already using the Accounting module in PowerChurch Plus and would like to add transfer accounts to their existing chart of accounts. It will walk you through enabling and setting a range for transfer accounts and creating transfer accounts. You will also see examples of how to use transfer accounts to move money between funds.

Creating a range of account numbers to use for transfer accounts

In version 8.5 and prior the typical account number range for expenses was 5000-9999. With the added feature of Transfer accounts, the range of expenses should be changed to 5000-8999, leaving room for transfer accounts in the 9000-9999 range. We'll walk through how to make these adjustments to your chart of accounts.

If you currently have any expense accounts in the range of 9000-9999, you will need to renumber them so that this range is available for transfer accounts. If you already have that range free, then you can skip the following section and continue with Enabling transfer accounts.

To renumber an existing account:

1. Select Fund Accounting from the Accounting menu and choose Maintain Chart of Accounts.
   You will see the Maintain Chart of Accounts screen.
2. **Find the account you want to renumber.**
   Use the Find and Locate buttons to select the account you wish to change.

3. **Renumber the account.**
   Change the account number to a number outside of your transfer account range.
   When you change the number on this screen, the program will change it wherever this account is used throughout the entire system, including any prior transactions.

4. **Click Save.**
   Click Save to save the changes made.

You will want to repeat these steps for all accounts you currently have that fall within the 9000-9999 account range.

**Enabling transfer accounts**

Now that you have a range of account numbers that are available for use as transfer accounts, the next step is to change your accounting setup options to recognize and use transfer accounts.

**To change the account ranges and enable the transfer accounts:**

1. **Select Preferences from the File menu and choose Accounting Setup.**
   You will see the Accounting Setup Options dialog.

2. **Click on the Fund Accounting tab.**
3. **Change the upper range of the Expenses from 9999 to 8999.**
The Expense range will now be 5000-8999.

4. **Click the Use transfer accounts check box to enable the use of transfer accounts.**
The account number range should already be set to 9000-9999. If it is not, go ahead and change it to this range. Click OK to save changes.

## Creating transfer accounts

Now that you have enabled the use of transfer accounts, you can now create the accounts. There are a couple of different ways to setup the transfer accounts. One way will give you more detailed information on your Income and Expense Statement and the other will just give you general totals. The detailed method is described first.

### Detailed setup

To show detailed information about transfers, you will need to create two accounts for each fund that money will be going in and out of. You will assign these two accounts to every fund in your chart of accounts that will be transferring money. For example, if you are going to be transferring money in and out of your 01 General Fund to other funds you would create a Transfer Out to 01 account and a Transfer In from 01 account. Those two accounts would be assigned to each accounting fund you have set up, except of course, the 01 fund since you wouldn't be transferring money to or from itself.

Let's say you have three funds: 01 General Fund, 02 Building Fund, and 03 Missions Fund. To transfer money between these funds, create the following accounts:

<table>
<thead>
<tr>
<th>Account #</th>
<th>Account Name</th>
<th>Funds this account is assigned to</th>
</tr>
</thead>
<tbody>
<tr>
<td>9010-000</td>
<td>Transfer Out to 01 Fund</td>
<td>02, 03</td>
</tr>
<tr>
<td>9510-000</td>
<td>Transfer In from 01 Fund</td>
<td>02, 03</td>
</tr>
<tr>
<td>9020-000</td>
<td>Transfer Out to 02 Fund</td>
<td>01, 03</td>
</tr>
<tr>
<td>9520-000</td>
<td>Transfer In from 02 Fund</td>
<td>01, 03</td>
</tr>
<tr>
<td>9030-000</td>
<td>Transfer Out to 03 Fund</td>
<td>01, 02</td>
</tr>
</tbody>
</table>
Setting up the transfer accounts in this way would allow you to show how much money was moved in and out of each fund separately. For example, let's say you transferred $550 from the 01 General Fund to the 03 Missions Fund and transferred $300 from the 02 Building Fund to the 01 General Fund. When you run the Income and Expense Statement by Fund report, the Transfer section would look similar to this:

<table>
<thead>
<tr>
<th>Account #</th>
<th>Account Name</th>
<th>Funds this account is assigned to</th>
</tr>
</thead>
<tbody>
<tr>
<td>9100-000</td>
<td>Transfer to Other Funds</td>
<td>01, 02, 03</td>
</tr>
<tr>
<td>9200-000</td>
<td>Transfer from Other Funds</td>
<td>01, 02, 03</td>
</tr>
</tbody>
</table>

Notice that the accounts in the TRANSFER TO OTHER FUNDS section hold a negative balance. That balance represents the amount that has moved out of that fund into another fund. The accounts in the TRANSFER FROM OTHER FUNDS section hold a positive balance which represents the amount of money that fund has received in transfers from other funds.

**General setup**

If your church doesn't have a need to see the transfers broken down by individual funds, then you could setup the transfer accounts in a more general, simpler way. This setup consists of having only two transfer accounts, one called Transfer to Other Funds and the other Transfer from Other Funds. Both accounts would be assigned to every fund. The accounts would look like this:

<table>
<thead>
<tr>
<th>Account #</th>
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</tr>
</thead>
<tbody>
<tr>
<td>9100-000</td>
<td>Transfer to Other Funds</td>
<td>01, 02, 03</td>
</tr>
<tr>
<td>9200-000</td>
<td>Transfer from Other Funds</td>
<td>01, 02, 03</td>
</tr>
</tbody>
</table>

Under this setup, the Income and Expense report would show the total transferred to and from all funds, rather than the amounts transferred by each individual fund as described in the detailed setup. Using the previous example of transferring funds, the Transfer section of your Income and Expense Statement would look like this:
Notice that with the general setup method, you don't see how much each fund received from other funds, just the overall totals.

So depending on your church's reporting needs, you could use either setup to successfully transfer money in PowerChurch Plus Version 9, without affecting your income or expense accounts. Once you have decided which method to use, the next step is to create the transfer accounts. The following procedure will apply to either setup method.

**To create a transfer account:**

1. **Select Fund Accounting from the Accounting menu and choose Maintain Chart of Accounts.**
   You will see the Maintain Chart of Accounts screen.
2. **Click on Add.**
   You will see the Add New Account dialog. Notice that since you have enabled transfer accounts, there is now a Transfer category. Add New Account dialog
3. **Choose the type and category for the account and click Next.**
   For accounts that will hold a balance the type would be Detail. Choose Transfer as the category.
4. **Enter the New Account Number, Description, and Level and click Next.**
   For example, 9010-000 Transfer Out to 01 Fund, level 4.
5. **Select the page break option if needed, enter any notes and click Next.**
6. **Select the funds in which you are creating the transfer account and click Next.**
   As described in the previous examples you will assign the account to funds based on the setup you choose.
7. **Select the Equity account that this account will close to and click Next.**
   Typically transfer accounts close to the main unrestricted equity account in each fund.
   The last screen will give you a review of the account you created. If any changes are necessary use the Previous button to return to the proper screen to make changes.
8. **Click Finish.**

You will want to repeat these steps for each transfer account you need to create, including any Group type accounts needed for titles.

**How to use transfer accounts**

Now that you have created your transfer accounts, you're ready to start using them. We'll walk through an example of each setup. Let's say that you're transferring $750 from the 01 General Fund checking account to the 02 Building Fund checking account. To enter this transaction, use the Enter Transactions screen in Fund Accounting. For the detailed setup, the transaction would look like this:
The first two lines of the transaction decrease the amount of money in the Fund 01 checking account and decrease the amount in the Fund 01 transfer account. The last two lines will increase the Fund 02 checking account and increase the amount in the Fund 02 transfer account.

Here's what the transaction would look like for the general setup: