

Category Number	700
Category Name	Reporting
Procedure Number	3
Name of Procedure	Migration of bank accounts in QuickBooks
Section	1
Effective Date	6/1/2010
Supersedes	N/A
Responsibility	Accounting Services
Applicability	Archdiocese of Chicago
Source Document	Chart of Accounts as updated on 6/9/2010.
Related Forms	Chart of Accounts

- I. Purpose:
  - a. To ensure bank accounts are properly presented on the parish balance sheet for reporting purposes, including the interim and annual reports submitted to the Pastoral Center.
  - b. To ensure historical account and transaction information is retained in its original form within QuickBooks for an effective audit trail.
  
- II. Definitions:
 

Bank Account in QuickBooks is any account set up with a type of “Bank” in QuickBooks where account is reconciled to a third party document such as a bank statement using the QB reconcile feature.
  
- III. Policy:
 

In accordance with Best Parish Practices, financial activity is maintained in QuickBooks using the standard Parish Chart of Accounts. Correspondingly, reports are issued internally and externally utilizing the standard chart of accounts.
  
- IV. Procedures:
  - a. Identify and/or add the proper general ledger account for a bank account which is not consistent with the standard chart of accounts as updated by the Pastoral Center each year or add a 1<sup>st</sup> tier or 2<sup>nd</sup> tier sub-account linked to a valid parent account for such purpose.
  - b. If a bank account has been set-up in QuickBooks utilizing a general ledger account which is not consistent with the standard accounts (as amended) issued by the Controller’s Group, the account and related activity must be relocated for proper reporting:
    - i. If the bank account has been closed (or will be closed before the next reporting period end) and the account has been reconciled and all activity cleared the account, the account should be edited and it should be made a sub-account of a valid parent account. No further transactions can be

- made to this account. However, historical reporting will reflect the account within the account range valid for its purpose.
- ii. If the bank account will remain open and continue to be used, the parish should complete their monthly reconciliation process and print it for review, approval and future reference. Upon successfully completing the reconciliation, the account should be edited to be a sub-account of a valid parent account or a 2<sup>nd</sup> tier sub-account linked to another sub-account which is ultimately associated with a valid parent (standard) account.
  - iii. Additional sub accounts should be created under the standard account (e.g. 1101). The sub-accounts should be numbered starting with the standard account number (e.g. 1101) followed by a period and a subsequent numeric digit, beginning with 1 (e.g. 1101.1, 1101.2, etc.)
  - iv. 2<sup>nd</sup> tier sub-accounts should be numbered similarly with a second digit after the period starting with 1 (e.g. 1101.11, 1101.12, etc. for 1101.1 and 1102.21, 1102.22, etc. for 1101.2).
- c. Once a bank account has been migrated to its proper account within the chart of accounts, the following should be completed:
- i. The description should be edited with “-migrated from XXXX{account number for the historical account }
  - ii. If applicable, the description should include “Inactive as of XX/XX/XX – DO NOT USE” and the account should be designated as Inactive in QuickBooks under the Chart of Accounts set-up.
- d. Once the account has been migrated, reconciliations, if applicable, should be completed at the level where current transactions are being recorded. In other words, if an account has been migrated as a sub-account of the correct account, reconciliations should be completed at the new account level which should include transactions outstanding from the migrated account although currently inactive.
- e. The following examples and attached exhibit are provided for further illustration of this procedure:

**Example 1 (Migrate a Closed Bank Account):**

If a parish has a closed bank account such as a Bingo Account incorrectly designated to account 1106, it should migrate the account to a sub-account within the correct parent standard account, 1110. Specifically, the account number should be edited to sub-account 1112 which is linked to parent account, 1110. The account description should be edited to “Bingo Account ABC – INACTIVE - XX/XX/XX” and the account should be designated as Inactive.

**Example 2 (Migrate Multiple Accounts with only one recommended standard account):**

If a parish with a school has been using account 1109 for the school's operating account, it must be migrated to the standard account, Parish Checking Accounts, 1101. In this example, the Parish is already utilizing 1101 for the Church Operating Account. The following should be completed:

1. The existing church operating account should be renumbered to be a sub-account (1101.1) of the standard chart of account, 1101, and the related account description should indicate that it was "Renamed as of XX/XX/XXXX."
2. An additional account should be added for the School Operating Account. The next available numeric value in this example is 1101.2.
3. The reconciled account 1109 should be edited to be 1101.21 and should be made as a 2nd tier sub-account of 1101.2. No further transactions should be recorded to 1101.21 however any outstanding reconciling transactions will be selectable by reconciling account 1101.2 which now includes the historical transactions from 1109 and the ongoing transactions for this bank account which should be recorded to 1101.2.

**Example 3 (Migrate Account to proper account and/or range):**

If a parish has an auxiliary group account that has been historically tracked using account 1325, the account should be edited to be included in the next available 2<sup>nd</sup> tier account for auxiliary group accounts as a 2<sup>nd</sup> tier sub account. For instance, if 1133 is the next available account. Account 1325 should be edited to be 1133.1. All historical transactions will continue to be represented via 1133.1 while all new transactions will be recorded in 1133 which is the valid 1<sup>st</sup> tier sub-account for an auxiliary group bank account. This is the level at which the account will be reconciled in the future.

- V. References and Related Policy:  
AOC – Business Administration – Best Business Practices, issued February 2005  
**Chart of Accounts published by the Controller's Group**

Archdiocese of Chicago  
Accounting Services  
Policy Procedure Manual  
Exhibit - Migration of Bank Accounts in QuickBooks

Current Main Account Number	Current Main Account Description	Current Parent Account Number	Current Parent Account Description	Correct Main Account Number	Correct Main Account Description	Correct Parent Account Number	Correct Parent Account Description	Correct Sub-Account Number	Correct Sub-Account Description	Correct Sub-Account Number	Correct Sub-Account Description	Inactive ?	Reconcile ?
<b>Example 1 (Migrate a Closed Bank Account)</b>													
				1100	Cash								
				1100	Cash	1110	Bingo Accounts					No	No
				1100	Cash	1110	Bingo Accounts	1112	Bingo Account - Checking			No	Yes
1100	Cash	1100	Bingo Account ABC	1100	Cash	1110	Bingo Accounts	1112	Bingo Account - Checking	1112.1	Bingo Account ABC - Migrated from 1100 and inactive as of XX/XX/XX - DO NOT USE	Yes	No
<b>Example 2 (Migrate multiple accounts with only one recommended standard account)</b>													
				1100	Cash							No	No
				1100	Cash	1101	Parish Checking Accounts					No	No
1100	Cash	1101	Church Checking Account ABC	1100	Cash	1101	Parish Checking Accounts	1101.1	Church Checking Account ABC - Renamed from 1101 on XX/XX/XX	N/A	N/A	No	Yes
				1100	Cash	1101	Parish Checking Accounts	1101.2	School Checking Accounts			No	Yes
1100	Cash	1109	School Checking Account DEF	1100	Cash	1101	Parish Checking Accounts	1101.2	School Checking Accounts	1101.21	School Checking Account DEF - Migrated from 1109 and inactive as of XX/XX/XX - DO NOT USE	Yes	No
<b>Example 3 (Migrate account to proper account number and/or range)</b>													
				1100	Cash								
				1100	Cash	1130	Auxiliary Accounts					No	Yes
				1100	Cash	1130	Auxiliary Accounts	1133	CCW - Auxiliary Bank Account				
1300	Long-Term/Restricted Savings	1325	CCW - Auxiliary Bank Account	1100	Cash	1130	Auxiliary Accounts	1133	CCW - Auxiliary Bank Account	1133.1	CCW - Aux. Acct. - Migrated from 1325 and inactive as of XX/XX/XX - DO NOT USE	Yes	No