

Accounting Changes – July, 2023

UUSD's recent migration from PowerChurch to QuickBooks has prompted several changes and improvements to our accounting procedures. Some of these changes are based on how QuickBooks performs and how best to leverage the new system. Others are based on relooking at past procedures and deciding to optimize processes going forward.

With PowerChurch, our accounting system was divided essentially into two separate ledgers, defined as "funds" by PowerChurch. UUSD chose years ago to define these two ledgers as General/Operations and Capital. Accounts for the balance sheet and income/expense recording were separate for each. This may have provided useful separation in the past with the construction of the new facility. However, in recent years there has been no clear definition of what is "capital," as distinct from the "general" fund. Our balance sheet had specific bank accounts assigned to one or the other. Liabilities on our balance sheet fell in both categories inconsistently. And our bookkeeper needed to keep track of and correct how monies moved from one ledger to the other.

Beginning FY24 (July 1, 2023), we will dissolve the distinction between the General/Ops and Capital ledgers and move to a single chart of accounts for all accounting. The balance sheet will be neutral in that assets, liabilities, and equity will not be divided. Fund accounting with accounts will continue to preserve the required and accurate recording of assets, liabilities, and equity. Restricted funds will continue to be managed on the balance sheet with separate accounts. The Finance Officers will have the increased flexibility to move bank assets between bank accounts as necessary for better returns and liquidity for expense handling.

The income and expense accounts will be divided into two distinct account families, Operations and Non-Operations. The Operations budget (income and expense) will continue to track to our pledge campaigns and our annual operating expenses. Non-Operations will manage all outside of Operations, including any expenses that would be traditionally considered capital. Reporting to the Board will continue to separate Operations vs Budget and Non-Operations.

No loss of how our finances are managed, recorded, or reported will occur with these changes.

These changes above have received support from the UUSD Finance Committee, the Board of Trustees, and the Bookkeeper. Additionally, the accounting change is more tailored to QuickBooks and follows the approach of other consulted UU congregations.