

Accounting for Restricted Funds, within ACNC & IAS requirements

Procedure to explain, and show examples of, how to account for Gifts and Donations received for specified purposes, called "Restricted Funds".

There are accounting standards to be followed to ensure that current accounts reflect the actual receiving and appropriation of monies in the current period, as well as utilising funds specified in prior periods

Chart of Accounts

Gifts

4.1310 Gifts Building Fund

4.1320 Gifts Building Maintenance

4.1330 Gifts "Other" Restricted Funds

Funds

3-4000 Restricted Funds Group

- individual Funds account details depend on the Parish's own accounts

Use of Restricted Funds

3-1300 Use of Restricted Funds Group

(this group sub-total will net against General Funds which includes the Current Surplus/Deficit)

3.1310 Allocation of Restricted Funds

3.1320 Appropriation/Use of Restricted Funds

Accounting Procedures

1. When money is received for a restricted purpose

Allocate the Gift/Donation to the appropriate Income account, with a note/memo that it is for the Restricted Fund.

Accounts to 4-1310, 4-1320 or 4-1330

This is just the normal entry when money is received

2. Transfer the Gift Amounts to Restricted Funds Allocation

The transfer identifies that there are Gifts received in the General Income that are "restricted" and not available for general budget expenses

This is a new entry that can be **done as each amount is** received into Gifts Income 4-1310, 4-1320 or 4-1330, or it could be done monthly, or annually. The \$ amount must **match the credit to Gifts** in the previous entry.

Recommended "at the time" or monthly, not annually

3. When money is spent for a restricted purpose

Allocate the spending **to the expense or asset** as per the "restriction" on the Fund, ie the designated or intended use of the gift/donation

This is just the normal entry when money is spent

4. Appropriation of the restricted fund

Appropriate Funds to the spending that has happened for the "restricted purpose", such as build or a new staff person

This entry can be done as each spending is entered and allocated, or it could be done monthly, or annually. The \$ amount must match the debit in the previous entry.

Recommended "at the time" or monthly, not annually

Note about timing of entries for #2 and #4

Recommended "at the time" or monthly, rather than annually because any interim P&L and Balance Sheet reports will be distorted by the movements in the Gifts and/or the Restricted Funds

Note about GST

GST is taken-up at the time of the spending transactions, and does not affect the Funds accounts

Accounting for Restricted Funds

Example entries to follow the notes above, using SAPAS in MYOB

1. When money is received for a restricted purpose

Receive Money

Deposit to Account: Bank GAB#1234

Balance ⇄: \$113,024.50

Tax Inclusive

Payor ⇄: ID #:

Amount Received: Date:

Payment Method:

Memo:

Acct #	Name	Amount	Job	Memo	Tax
4-1310	Gifts Building Fund Restrict I	\$5,000.00			N-T
4-1320	Gifts Building Mtce Restrict	\$5,000.00			N-T
4-1330	Gifts "Other" Restricted Func	\$6,128.00			N-T
Total Allocated:		\$16,128.00			

2. Transfer the Gift Amounts to Restricted Funds Allocation

Record Journal Entry

Display in GST [BAS] reports as: Sale (Supply)

Purchase (Acquisition)

Tax Inclusive

General Journal #:

Date:

Memo:

Acct #	Name	Debit	Credit	Job	Memo	Tax
3-1310	Allocation of Restricted Fun	\$16,128.00				N-T
3-4110	Building Fund		\$5,000.00			N-T
3-4120	Organ Refurb Fund		\$5,000.00			N-T
3-4130	Youth Worker Fund		\$6,128.00			N-T
Total Debit:		\$16,128.00				
Total Credit:		\$16,128.00				

Accounting for Restricted Funds

3. When money is spent for a restricted purpose

Spend Money

Pay from Account: 1-4110 GAB Deposit Ac1111 Balance ⇨: -\$66,000.00
 Tax Inclusive

Card ⇨: Building Co Pty Ltd Cheque No.: 2106
 Payee ⇨: Building Co Pty Ltd Date: 10/04/14
 Amount: \$66,000.00
 Sixty Six Thousand Dollars and 0 Cents
 Memo: Building Co instalment *SAPAS Std FY14 ACNC compliant*

Acct #	Name	Amount	Job	Memo	Tax
6-6300	Improvement Projects	\$66,000.00	hr		GST
Total Allocated:		\$66,000.00			
Tax ⇨:		\$6,000.00	<input type="checkbox"/> Cheque Already Printed		
Total Paid:		\$66,000.00	Remittance Advice Delivery Status:		

Spend Money

Pay from Account: 1-1111 Bank GAB#1234 Balance ⇨: \$113,024.50
 Tax Inclusive

Card ⇨: Organ Specialist Cheque No.: 1032
 Payee ⇨: Organ Specialist Date: 13/04/14
 Amount: \$38,500.00
 Thirty Eight Thousand Five Hundred Dollars and 0 Cents
 Memo: Organ Specialist first instalment *SAPAS Std FY14 ACNC compliant*

Acct #	Name	Amount	Job	Memo	Tax
6-6300	Improvement Projects	\$38,500.00	or		GST
Total Allocated:		\$38,500.00			
Tax ⇨:		\$3,500.00	<input type="checkbox"/> Cheque Already Printed		
Total Paid:		\$38,500.00	Remittance Advice Delivery Status:		

Pay Employee

Pay from Account: 1-1111 Bank GAB#1234 Balance ⇨: \$109,971.50
 Payment Method: Cheque

Employee ⇨: Minister, Carlos Cheque No.: 4
 Payee : Carlos Minister Payment Date: 1/02/14
 Pay Period Start: 1/02/14
 Pay Period Ending: 28/02/14
 Memo: Net Pay: \$3,053.00

Payroll Category	Hours	Account	Amount	Job
Base Salary:		6-1110 Ministers & Staff Musicians	\$3,608.17	y
PAYG Withholding:		2-1330 PAYG Payable	-\$555.17	
ENTITLEMENTS				
Holiday Lve Entitlmt sal:	11.667			
EMPLOYER EXPENSES				
MEA Entitlemt Min#1:		6-1150 MEA Entitlemts & Staff Allo	\$2,714.00	y
MEA Entitlemt Min#1:		2-1910 Owed to Minister #1 re ME	-\$2,714.00	

