Kids Central, Inc. System of Care
Policy & Procedure

Series: **Master Trust Accounts**

Policy Name: **Performing Functions in QuickBooks and Posting Transactions into FAST**

Policy Number: **1213**

Origination Date: **07/01/10**   **Revision Date:**

Authority: **402 F.S., 737 F.S., 39 F.S., 415 F.S., 65C-17 F.A.C.**

Purpose

To establish guidelines and a consistent manner in which transactions are posted in the FAST and QuickBooks systems.

Policy

It is the policy of the organization to ensure there is accurate record keeping of all master trust clients accounts activity. Once client accounts are established, various types of transactions are posted to either FAST or QuickBooks and in certain situations to both systems. These types of transactions include deposits, writing checks to pay for expenses, transfer of funds to an investment account, bank fees, interest earned, and cost of care maintenance fees.

Procedure

The Master Trust Account Clerk should complete the following procedures when performing transaction functions in the FAST and QuickBooks systems:

Posting to FAST

A. Deposits
   1. For each transaction
      - Search/ Client Information
      - Select *Transaction* function
      - Enter the date,
      - Client account (11-SSI or 12-SSA),
      - Deposit and transaction type 200 to the individual client account
      - Account number (1000-current needs), (3000-dedicated)
      - Reference, (check# or reference# off bank statement printout)
      - Notes (SSI EFT deposit mm/yy),
      - Enter amount
      - Save

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2. The type of transaction code used when posting a deposit entry may vary depending on the circumstance surrounding the purpose of the transaction. Refer to the FAST system "Chart of Accounts" for a description of all transaction codes to use when posting.

B. Posting Payments/Transactions
1. Search/ Client Information
2. Select client
3. Select transaction, tab
4. Enter date of check
5. Select client account (example: SSI-11, SSA-12)
6. Select type (Example: 610-client withdrawal)
7. Enter Account type (1000, 3000)
8. Enter check #
9. Enter notes: enter vendor name if check payment transaction
10. Enter Amount

C. Interest Income
Interest income is posted monthly to FAST after the bank statements have been reconciled in QuickBooks. The initial interest entry in QuickBooks from the bank statement reconciliation process is not client specific. It entails a total, lump sum entry from the bank statement. When the net of interest minus service charge amount is posted to the FAST system, FAST prorates the entry across all active client accounts. Once interest is posted in FAST, a client detailed report is generated, and client specific interest amounts are posted in QuickBooks.

1. *FAST Interest Posting*
Interest income is posted monthly to FAST for the following type of accounts:
- Current needs
- Invested current needs
- Dedicated
- Invested Dedicated

Interest is posted for each account individually based on monthly bank statements and/or investment reports. The total amount posted to the FAST system is the net amount of Interest income less bank fees. Transaction type 900 is used to post interest in FAST.

Steps to post interest in FAST are as follows:
(a) Select Client Trust
(b) Select post/un-post interest
(c) Select account type
(d) Enter/select month/year
(e) Enter net amount of interest minus bank fees (enter sum as positive or negative) (enter dollar and cents separately)

(f) Repeat steps b – e for dedicated bank account; and each subsequent account type.

2. Print Interest Report from FAST system
   a) Go to Client Trust Reports
   b) Select Transaction Report
   c) Enter current month date range
   d) Check box for Kids Central
   e) Click on Financial section and check box 900-Interest under Transaction Types
   f) Click Run Report
      The FAST interest report will show the amount of interest that was prorated to each client's account for the date range of the report. The report is used to post interest to each client's account in QuickBooks.

D. Collected Cost of Care (Maintenance fees):
- Search/ Client information to pull up client's account
- Go to post transactions function
- Enter in date
- Select client's account
- Enter transaction type (300)
- Enter account type (1000)
- Enter into reference field "MMYYBS"
- Enter the following in the notes section (Mfees mm/yy)
- Enter amount
- Save.

Posting to QuickBooks

A. Processing a Check for Payment:
When setting up a check to be processed for the payment of goods and services the "Enter Bills" and "Pay Bills" functions in QuickBooks will be utilized in order to set up the payment requisition and generate an accounts payable report for supervisory approval prior to printing the check.

- Select "Vendor" tab
- Select "Enter bills"
- On Check enter the following:
  o Vendor
  o Date
  o Reference # (if any)
  o Total dollar amount to be paid
  o Bill date due (when you want to pay the bill)
  o Memo
- On the *Expense* tab the following:
  o Enter account name: i.e." client check"

- - Enter line item dollar amount. Payment can be in one lump sum or can be split out to multiple line items for different customers (clients) or different account numbers
  - Amount memo
  - In field customer/ job: click drop down arrow and select client (this is the client where the transaction should be posted under)
  - In field "Class" click on drop down arrow, select type of account <u>name</u> (do not select a number)
- 'Save and close' or ' Save and new'
- Select one of the following reports:
  - Transaction Detail by Account modify the report to select TYPE: BILL
  - Transaction List by Customer modify the report to select TYPE: BILL
  - Unpaid bills by job
- The report will show all payments that have been set up in QuickBooks and are ready to be paid and check cut
- Present the report to the Director of Accounting and Revenue Maximization for approval and check issuance.
- After approval of payments: Select "Pay Bills"
- Check bills to pay and enter the following:
  - Payment date,
  - Account: this is the bank account for current needs or dedicated
- Place checks in printer
- On print functions: cut the check

B. <u>Deposits</u>
- Go to "Banking" tab or "Bank Center"
- Select Make Deposits
- In field, "Deposit to", click drop down arrow, select Bank account that money will be deposited to.
- Enter memo if desired
- In field, "Received from", click on drop down arrow, select customer (client's name) that deposit is for. Note: if deposit is for more than one client enter a separate line item transaction for each client.
- In field "From Account", click on the drop down arrow, select appropriate account transaction <u>name</u>, i.e. Client Account Deposit (do not select the corresponding number only select the <u>name</u>).
- Enter any memo
- In field "Pmt method", click on the drop down arrow, select cash or check
- In field "Class", click on drop down arrow, select name of type of account, i.e. current needs account (do not select the corresponding number, only select the <u>name</u>).
- Enter the dollar amount (that is part of the deposit) for this client.
- Again, if multiple clients continue with the above steps to post the deposit for each individual client.

- Click "Save and Close" or ("Save and New") depending on whether there are more deposits to make. Note: the deposits for the "Current Needs Account" and the "Dedicated Account" would be processed as separate batches.

C. Posting Interest to Client's Accounts
  1. Go to QuickBooks to allocate interest to each Client's account
     a) Go to Memorized transaction list
     b) Select interest memorized journal entry transaction
     c) Based on the FAST report, post interest to each Clients account
        - Enter the total dollar amount from the FAST report in the 'Credit' column next to the 'Service Charge' account if the Net Total is negative (to the 'Debit" column if positive)
        - Enter each client's amount in the 'Debit' column if a negative amount (to the 'Credit' column if a positive amount)
        - Edit template to delete client accounts that are closed and to add new client accounts.
     d) Save and close
     e) Go to Memorized reports: Service Charge/Interest report
     f) Open report and update the date range
     g) Notate balance of service charge account
     h) Go to Memorized transaction list
     i) Select 'Service charge transfer to interest' journal transaction
        - Entries: If balance from service charge report is a negative, enter the amount as a credit next to the 'service charge' account and a debit to the 'interest' account.
        - Entries: If balance from service charge report is a positive, enter the amount as a debit next to the 'service charge' account and a credit to the 'interest' account.
     j) Go back to the Memorized Report: Service Charge/Interest and refresh the report. The balance in the service charge account should be zero.
     k) Interest account balance for the month = Net amount of interest – service charge and should match the net interest amount in FAST.

D. Collected Cost of Care (Maintenance fees):
  1. After completing the month end Client Trust Fund Deposit Summary worksheet a check is prepared to pay maintenance fees to the FL Department of Children and Families.
  2. Go to "List"
  3. Select from memorized transaction list the maintenance fee check template.
  4. Add any new clients and delete any closed clients from the template.
  5. Enter dollar amount of maintenance fee for each child.
  6. Save and Close

E. Vendors

The Vendor is the payee of payment transactions. To set up new Vendors, complete the following steps:

- On the Vendor tab, select new Vendor
- On the Address tab: Add Vendor name
- Enter name of company (or same name as Vendor)
- Enter first and last name of contact person
- Enter address, phone, fax, and other relevant information
- Review field "Print on Checks" to make sure the payee name is correct to whom the check should be payable.
- On Additional info tab: In field "Type" click on drop down arrow, select the type of vendor
- On Account Pre-fill tab: Select any default accounts desired from the drop down arrow. The account selected will be the default the shows up when writing a check and is where the transaction will be classified in the general ledger.
- Click, OK to save entry.

Approved By:

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Cynthia A. Schuler, Chief Executive Officer   Date