

## Transfer Funds

**A transfer is a movement of money from one funding source to another funding source. There are three types of Transfers:**

1. Transfer money from Checking to Savings account (or from Savings to Checking Account).
2. Transfer all or portion of a balance from one Class to another Class.
3. Transfer Expense or Income from one Class to another Class.

NEW: To assign a class code to an existing bank account. Review section, [Assign Class Code to Existing Savings Bank Account](#).

### Before you create Transfer Transactions

- Determine if there is sufficient money in the appropriate funding source from which you are transferring money.
- Approval is required from the County Program Director and/or Extension Council in accordance with Council's guidelines. **Request for Transfer form must be signed and filed with Council's financial records.**

Use the appropriate Registers to create your transfer transactions: **Check Register** or **Savings Register**.

### Important Notes:

- A.** Do **not** use QuickBooks' Bank Transfer option. This option does not allow for class tracking.
- B.** All Transfers require **two transactions!**
- C.** For the two transactions, the **revenue or expense account number must be the same**. The effect will offset the amounts to zero.
- D.** Effective December 2010, all revenue and expense transactions for all Funding Sources (Classes and SubClasses) must have a class code assigned. It is recommended that Savings and Investment revenue and expense transactions, including opening balances, be assigned a class code, i.e. Class 4xxx.
- D** If you want savings and investments balances to be excluded on the Funds Class Balance Report, modify the report's Class filter and uncheck the appropriate 4xxx class codes.
- E.** Placing a checkmark in the checkmark column in the Register within the Transaction records prevents the transactions from appearing in the Bank Reconcile Screen.
- F.** Some CPDs use the account **1610-Funds-Reallocation** instead of the 1600-Balance Transfer account to show a reallocation (or transfer) of money from one class to another class(es). Create a new [account](#) for 1610, if you wish to use this account.
- G.** It is recommended that the use of account 8500-Purchase of Investments be discontinued when transferring money from checking to a new savings bank account. Instead, use 1600-Balance Transfer or 1610-Fund Reallocation. Note: Transactions posted to account 8500 and included in the revenue and expense report inflate the council's total year-to-date expenses.

## If you are transferring from Checking to an Existing Savings Account, then...

- \* If you are **writing a check from Checking** to be deposited to Savings, then..

See section, "*Move Money from Checking Account - Write a Check.*"

Then go to section "*Create the Second Transaction (where the money is going)*"

- \* If you are moving money as a **Direct Deposit** from Checking to Savings..

- Under the **Chart of Accounts**, double-click on the **0050-Checking account** to open the checking register.
- Enter the **date** of the transfer.
- In the Check # field, enter DD (for direct deposit)
- In the **Payment** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **1600 Balance Transfer** or **1610-Funds Reallocation** account. Note. In the 2<sup>nd</sup> transaction, **use the same account number**.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits button** at lower left of Register screen to open the splits screen
- Enter the **class code** from which you are transferring the money.
- Click **RECORD button** at lower right of Register screen.
- Go to section, "*Create the Second Transaction (where the money is going).*"

11/01/2000	DD	Payee	200.00	✓	Deposit
	CHK	1600 · Balance Transfers	Transfer from Checking Class 334...		
Account	Amount	Memo	Customer:Job	Billa...	Class
1600 · Balance Transfers	200.00	Transfer from Checking Class 3340 to Savings Class 4000			3340-Soybea

## Create the Second Transaction (where the money is going)

- Under the **Chart of Accounts**, double-click on the appropriate **Savings account** to open the savings register.
- Enter the **date** of the transfer.
- In the **Deposit** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **1600-Balance Transfer** or **1610-Fund Reallocation** account. Note: use the **same account number** used in the 1<sup>st</sup> transaction
- In the **Memo** field, describe what you are transferring.
- Click the **Splits button** at lower left of Register screen to open the splits screen.
- Enter the class code to which you are transferring the money. i.e. class 4xxx
- Click **RECORD button** at lower right of Register screen.

11/01/2000	Number	Payee	Payment	✓	200.00
	DEP	1600 · Balance Transfers	Transferred from Checking Class 33...		
Account	Amount	Memo	Customer:Job	Billa...	Class
1600 · Balance Transfers	200.00	Transferred from Checking Class 3340 to Savings Class 4000			4000-Desig.

# If you are transferring Money from Checking to a New Savings Account, then...

## Set Up new Savings Accounts

Open the **Chart of Accounts** (List, Chart of Accounts)

**\* Edit one of the existing unused savings bank accounts:**

- Highlight 0051 or 0052
- Click the **Account** button at lower left corner of screen
- Click **Edit**
- Change the **Name** field to describe the type of Savings Account
- Enter **bank account number** (optional)
- Click **OK**.

-Or-

**\* Create a new Bank Savings Account:**

- Click the **Account** button at lower left corner of screen
- Click **New**
- Select **Bank**.
- Select **Continue**.
- Enter the **next bank account chart of accounts number**, i.e. 0053, if 0051 and 0052 are already in use.
- Describe the type of Savings account in the **Name** field
- Enter **bank account number** (optional)
- **Do NOT enter the Opening Balance** in this screen!!! (No place to identify 1600-balance account or the class code)
- Click **Save and Close**.

## Move the Money from Checking Account - Direct Bank Transfer

- Under the **Chart of Accounts**, double-click on the **0050-Checking** account to open the checking register.
- Enter the **date** of the transfer.
- In the **check #** field, enter DD for direct deposit.
- In the **Payment** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select **1600-Balance Transfer** or **1610-Fund Reallocation revenue** account. Note: use the same account number for the 2<sup>nd</sup> transaction.
- In the **Memo** field, describe your action, i.e "purchase money market".
- Click the **Splits** button at lower left of Register screen to open the splits screen
- Enter the **class code(s)** from which you are transferring the money.
- Click **RECORD** button at lower right of Register screen.
- Go to section, "**Create the Second Transaction (Where the Money is going)**"

12/01/2010	DD	Frontier Bank	5,000.00	✓	Deposit													
	CHK	-split-	Transfer from checking Class 3400 to...															
<table border="1"> <thead> <tr> <th>Account</th> <th>Amount</th> <th>Memo</th> <th>Customer:Job</th> <th>Billa...</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1610 - Funds Reallocation</td> <td>5,000.00</td> <td>Transfer from Checking Class 3400 to Money Market Class 4100</td> <td></td> <td></td> <td>3400-XYZ Event</td> </tr> </tbody> </table>							Account	Amount	Memo	Customer:Job	Billa...	Class	1610 - Funds Reallocation	5,000.00	Transfer from Checking Class 3400 to Money Market Class 4100			3400-XYZ Event
Account	Amount	Memo	Customer:Job	Billa...	Class													
1610 - Funds Reallocation	5,000.00	Transfer from Checking Class 3400 to Money Market Class 4100			3400-XYZ Event													

-Or-

# Move Money from Checking Account - Write a Check

- Select **Banking** from the menu bar.
- Select **Write Checks**
- Enter **Date**
- Select appropriate **Bank Name** from the Vendor pull down list in the "Pay to the Order of" field.
- **"To be Printed"** should be checked. ✓
- Fill in **Memo** field, as needed.
- Select **1600-Balance Transfer or 1610-Fund ReAllocation** in the Account field.  
Note: use the **same account number** in the 2<sup>nd</sup> transaction.
- Enter the **Amount** of the Transfer.
- Fill in **second Memo** field.
- Enter a **Class Code**
- Click **Save and Close**
- Go to **File, Print forms, Checks** to print the Check.
- Go to section, **"Create the Second Transaction (where the money is going)"**

Account	Amount	Memo	Customer:Job	Billa...	Class
1610 · Funds R...	5,000.00	Open new Savings Account. From Checking Class 3400 to Savings Class 4100			3400...

## Create the Second Transaction (where the money is going)

- Under the **Chart of Accounts**, double-click on the appropriate **Savings account** to open the savings register.
- Enter the **date** of the transfer.
- In the **Deposit** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **1600 Balance Transfer or 1610-Fund ReAllocation** account.  
Note: use **same account number** as in the 1<sup>st</sup> transaction.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits button** at lower left of Register screen to open the splits screen.
- Enter the **class** code to which you are transferring the money. i.e. class 4xxx
- Click **RECORD button** at lower right of Register screen.

Account	Amount	Memo	Customer:Job	Billa...	Class
1610 · Funds Reallocation	5,000.00	Transfer from Checking Class 3400 to Savings Class 4100			4100-Money ...

# Transferring Class Balances

If you have Class balances for Short courses, grants, etc, that will **not** continue into the new year, you may want to *close these Classes* by creating a **Reduction of Revenue** transaction (1600-Balance Transfer or 1610-Fund ReAllocation) in the **Class to be closed** and a **Revenue** transaction (1600-Balance Transfer or 1610-Fund ReAllocation) in the **Class which will receive the positive balance**.



The same account number must be used in both transactions.

Example: Transfer balance of \$500.00 from Class 3100 to Class 2000.

## If you are transferring a **Balance** from one Funding source (Class) to another Funding Source (Class) within Checking, then...

*Determine that you have sufficient money in the Class from which you will transfer.*

- Open the checking register. (Banking, Use Register)
- Enter the **date** of the transfer.
- In the **Payment** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **1600 Balance Transfer** or **1610-Fund ReAllocation** account.  
Note: the **same account number** must be used in the 2<sup>nd</sup> transaction.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits** button at lower left corner of Register screen to open the splits screen
- Enter the **class code** from which you are transferring the money.
- Click **RECORD** button at lower right of Register screen.

11/15/2000	Number	Payee	500.00	✓	Deposit										
	CHK	1600 · Balance Transfers	Transfer from Class 3100 to 2000												
<table border="1"> <thead> <tr> <th>Account</th> <th>Amount</th> <th>Memo</th> <th>Customer:Job</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1600 · Balance Transfers</td> <td>500.00</td> <td>Transfer from Class 3100 to</td> <td></td> <td>3000-Educator</td> </tr> </tbody> </table>						Account	Amount	Memo	Customer:Job	Class	1600 · Balance Transfers	500.00	Transfer from Class 3100 to		3000-Educator
Account	Amount	Memo	Customer:Job	Class											
1600 · Balance Transfers	500.00	Transfer from Class 3100 to		3000-Educator											

## Create the Second Transaction (where the money is going)

- Enter the **date** of the transfer.
- In the **Deposit** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **1600 Balance Transfer** or **1610-Fund ReAllocation** account.  
Note: use the **same account number** as in the 1<sup>st</sup> transaction.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits** button at lower left of Register screen to open the splits screen
- Enter the **class code** to which you are transferring the money.
- Click **RECORD** button at lower right of Register screen.

11/15/2000	Number	Payee	Payment	✓	500.00										
	DEP	1600 · Balance Transfers	Transfer from Class 3100 to 2000												
<table border="1"> <thead> <tr> <th>Account</th> <th>Amount</th> <th>Memo</th> <th>Customer:Job</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1600 · Balance Transfers</td> <td>500.00</td> <td>Transfer from Class 3100 to</td> <td></td> <td>2000-Center Op</td> </tr> </tbody> </table>						Account	Amount	Memo	Customer:Job	Class	1600 · Balance Transfers	500.00	Transfer from Class 3100 to		2000-Center Op
Account	Amount	Memo	Customer:Job	Class											
1600 · Balance Transfers	500.00	Transfer from Class 3100 to		2000-Center Op											

Indicate in Memo fields of both records the Classes that you transferred to/from.

# Adjusting Negative Class Balances



If you need to close out a Class with a **Negative** balance, then create a **Reduction of Income** transaction (use appropriate revenue account, i.e. 0100, etc) in the **Class from which you will transfer the money** to offset the deficit and create an **Income** transaction in the **Class with the negative balance**.

Indicate in the Description of each transaction record that this is a **Transfer to offset deficit balance in Class #####** where ##### is the Class, or type a similar statement.

## You have **Two Options**:

- Transfer earned Income
- Transfer Class Balance.

## **Option 1** - Transfer **Income** earned in one Class to a Class with negative balance.

Example: Transfer \$200 from Class 3350 to Class 2000 to offset operating costs not covered by County appropriations. Class 2000 has a negative cash balance of \$200. You must have at least \$200 in cash in Class 3350! This example shows what type of income (0100 - student fees) was used to offset the negative balance.

## If you are transferring **Income** from one Class (fund) to another Class (fund) within Checking, then...

*Determine that you have sufficient year-to-date money recorded in the income account and in the Class balance from which you will transfer. This means earlier deposits were made in the income account.*

- ★ Open the Checking register. (Banking, Use Register)
  - Enter the **date** of the transfer.
  - In the **Payment** field, enter the transfer amount.
  - Place a ✓ in the checkmark column.
  - In the **Account** field, select the appropriate Income account.  
Note: use the **same account number** in the 2<sup>nd</sup> transaction.
  - In the **Memo** field, describe what you are transferring.
  - Click the **Splits** button at lower left of Register screen to open the splits screen.
  - Enter the **class code** from which you are transferring the money.
  - Click **RECORD** button at lower right of Register screen.

11/20/2000	Number	Payee	100.00	✓	Deposit
	CHK	0100 · Student Fees: Transfer 3350 fees to 20			
	Account	Amount	Memo	Customer:Job	Class
	0100 · Student Fees:01	100.00	Transfer 3350 fees to		3350 · Wat

This transaction will **reduce** the income in the specified income account.

## Create the Second Transaction (where the money is going)

- Enter the **date** of the transfer.
- In the **Deposit** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **same Income** account as you did for the first transaction.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits** button at lower left of Register screen to open the splits screen
- Enter the **class code** to which you are transferring the money.
- Click **RECORD** button at lower right of Register screen.

11/20/2000	Number	Payee	Payment	✓	100.00
	DEP	0100 - Student Fees: 01	Transfer 3350 fees to 20		
Account	Amount	Memo	Customer:Job	Class	
0100 - Student Fees:0	100.00	Transfer 3350 fees to		2000-Cente	

This transaction will **increase** the income in the specified income account.

Indicate in Memo fields of both records the Classes that you transferred to/from.

**Option 2** - Transfer part of the positive cash **balance** in one Class to a Class with **negative** balance.

See above section "*Transferring Class Balances*"

## Transfer Expense

If you are transferring **Expense** from one Class (fund) to another Class (fund) within Checking, then...

*Determine that you have sufficient year-to-date money recorded in the expense account and Class from which you will transfer. This means earlier payments were made in the expense account.*

- Open the checking register. (Banking, Use Register)
- Enter the **date** of the transfer.
- In the **Deposit** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the appropriate **expense** account.  
Note: use the **same expense account** in the 2<sup>nd</sup> transaction.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits** button at lower left of Register screen to open the splits screen.
- Enter the **class code** from which you are transferring the money.
- Click **RECORD** button at lower right of Register screen.

11/22/2000	Number	Payee	Payment	✓	300.00
	CHK	5100 - Supplies/Services	Transfer supplies to 3360		
Account	Amount	Memo	Customer:Job	Class	
5100 - Supplies/Services	300.00	Transfer supplies to 3360		1000 - County A	

This transaction will **reduce** the expense in the specified expense account.

## Create the Second Transaction (where the money is going)

- Enter the **date** of the transfer.
- In the **Payment** field, enter the transfer amount.
- Place a ✓ in the checkmark column.
- In the **Account** field, select the **same expense** account as you did for the first transaction.
- In the **Memo** field, describe what you are transferring.
- Click the **Splits button** at lower left of Register screen to open the splits screen
- Enter the **class code** to which you are transferring the money.
- Click **RECORD button** at lower right of Register screen.

11/22/2000	Number	Payee	300.00	✓	Deposit
	CHK	5100 - Supplies/Service	Trans.supply 1000 to 33		
Account	Amount	Memo	Customer:Job	Class	
5100 - Supplies/Servic	300.00	Trans.supply 1000 to		3360 - Sum	

This transaction will **increase** the expense in the specified expense account.

## Assign Class Code to Existing Savings Bank Account

Effective December 2010, MU Extension Fiscal Office requests that all funding sources, including Savings and Investment bank accounts, be assigned a class code, i.e. Class 4xxx.

**If the existing savings account already has a class code assigned, then you are OK. No changes needed.**

**If the existing savings account was created in this current year and was not assigned a class code, then**

- Open the savings account from the chart of accounts.
- Edit each transaction, including the opening balance transaction, and assign a class code. i.e. 4xxx
- Select **Record** to save the change for each transaction.

**If the existing savings account was created prior to the current year and was not assigned a class code, then a transfer is recommended to close out the existing bank account and recreate a new bank account.**

### Recreate a new Bank Account.

1. Create a transfer transaction within the existing savings register.
  - a. Open the existing savings register.
  - b. Enter date.
  - c. Enter the amount of the current balance in the payment column.
  - d. Enter 1600-Balance Transfer for the account
  - e. Leave the Class code blank.
  - f. In Memo, type "Recreate bank account to assign class code."
  - g. Select Record to save.
2. Create a new bank account. See section, [Setup New Savings Account](#), on page 3.
  - a. Use same bank account number and with a slightly different name to make it unique. for example, if original bank account number is 0060-Money Market, then create a new bank account with 0060B-Money Market at ABC Bank.
3. Create a transfer transaction within the new savings bank account.
  - a. Open the new bank savings account register
  - b. Enter date.
  - c. Enter the amount of the balance from the former savings bank account as in item 1c above.
  - d. Enter 1600-Balance Transfer for the account.
  - e. Enter a Class code, i.e. class 4xxx.
  - f. In Memo, type "Recreate bank account to assign class code."
  - g. Select Record to Save.

**Please read next page!!!!**

## Adjust Report Filter

When a new bank account is created in QuickBooks, the software will place a checkmark for the new bank account in certain reports. When this occurs, the positive amounts will become negative amounts! To correct this, perform the following report filter change.

### In the **Unclassified Transaction Report,**

- Open the Unclassified Transactions Report
- Select Modify Report button
- Select Filters tab
- Select the down arrow for Accounts
- Select Multiple Account, highlighted in black
- **uncheck the new savings bank account(s)** to remove it from the Account filter.
- The **old savings bank accounts should be checked** because the transactions originally were not assigned a class code.
- Memorize and Replace the report to save the filter change.

### In the **Funds Class Balance Report,**

- Open the Funds Class Balance Report
- Select Modify Report button
- Select Filters tab
- Select the down arrow for Accounts
- Select Multiple Account, highlighted in black
- **uncheck the new savings bank account(s)** to remove it from the Account filter.
- Memorize and Replace the report to save the filter change.