This is a chapter from the LUCIS Helps. The links do not work in pdf format. Use the LUCIS Helps for full functionality.

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LUCIS Setup for Churches

This chapter assumes you ran the LUCIS Startup Wizard or performed its equivalent functions manually. If you have not already done so, study the LUCIS Software Introduction chapter to familiarize yourself with the general features of the software before continuing. You can access the introduction from the LUCIS Manager help menu ("Help" > "Contents").

If you are importing data from The Church Accountant see the chapter Transferring Church Accountant Data to LUCIS for Windows. This setup chapter is for churches using software (or manual systems) that do not have a means to directly import data into LUCIS for Windows.

This chapter is divided into two sections: Donations Setup and Ledger Setup. Perform the appropriate setup for the module you wish to start using. Neither setup assumes the other has already been performed.

Donations Setup (Back to Top)

If you are not ready to use the donations module you may skip to Ledger Setup. If you continue, you may need to identify the donation file set if you have not previously accessed it – see Open File section of the LUCIS Software Introduction. Donation programs are found in the Donations menu of the LUCIS Software Manager.

DN Step 1: Review Offerings – use DN Offering Query to review the offerings on your starter file. Most standard offerings are included in the starter file set.

If your conference supplied you with a list of codes to use to identify offerings on your remittance report, locate the offerings one-by-one and click [Edit] to use DN Offering Editor to edit the remittance identifier for the offering (this may be different than the offering code used by the LUCIS Software).   To add an offering click [Add] (refer to the helps in the in the DN Offering Editor window for more information). Offerings may also be added at any time in the future, even while you are processing donations.

DN Step 2: Add Donors – use DN Donor Editor to add donors (if you wish to import addresses from a third-party source contact support for help).

ID – IDs are used for positive donor identification. Assign IDs yourself or let the program assign one by entering "#" for the ID. You may assign donor IDs by family – use the same integer for the family with a unique decimal digit for each member (e.g. 123.1, 123.2). Let the program assign the first number then add .1 – enter the full number for additional family numbers.

Name/Address: Use the following rules when entering in addresses:
- For organizations, type in the name as you normally would.
- For individuals always enter the name in natural first name, last name sequence.
    - For simple names, insert a "/" between the first and last names e.g. Jane/Jones.
    - For names with a prefix, add a "/" between the prefix and the first name e.g. Ms/Jane/Jones.
    - "/"s will be replaced by spaces for printing.
- Use either or both address lines as needed.
- To identify the components of the city-state line insert a "/" between the city and state and another between the state and postal code e.g. Berrien Springs/MI/49103. U.S. postal codes can be five or nine digits (e.g. 12345-6789). Other codes can be alpha-numeric (e.g. L1H 1H8 in Canada). "/"s will be replaced by spaces for printing.
- The email address is intended for future use and presently only serves as a reference (it can be included on donor lists).

Giving Unit: Identify the donor as either individual, joint or not applicable: individual represents one person, joint represents more than one person (e.g. husband/wife or family), not applicable is used for organizations. This will be used for future statistical purposes.

Donor Notes: Use the Donor Note area to record information about the donor that is of use to you. This will not be used by the programs but can be printed on donor lists for your reference.

Remaining Donor Information: The remaining donor information is not material at this point.

DN Step 4: Next – If you are ready to setup your ledger proceed to Ledger Setup. Otherwise, you are ready to start processing donations. See Using LUCIS Software: Churches for a description of the normal processing cycle for churches.

Ledger Setup

   To initialize your church accounting records if you are not importing from The Church Accountant or LUCIS Classic, follow these steps carefully to insure that you get started properly. Do not attempt to take short cuts. There are audit controls built into the programs that may make it difficult to correct problems you create if you do not follow these steps. Though you can start in the middle of an accounting year, it is not recommended unless you are quite comfortable with accounting since it is more complicated.

   GL Step 1: Edit General Accounts – Use GL Account Organizer to edit the name of your checking / savings account(s) and add any additional general accounts. The LUCIS Software starter ledger for churches contains accounts that would commonly be used. Edit account names and add accounts as desired. You may need to identify the ledger if you have not previously accessed it – see Open File section of the LUCIS Software Introduction
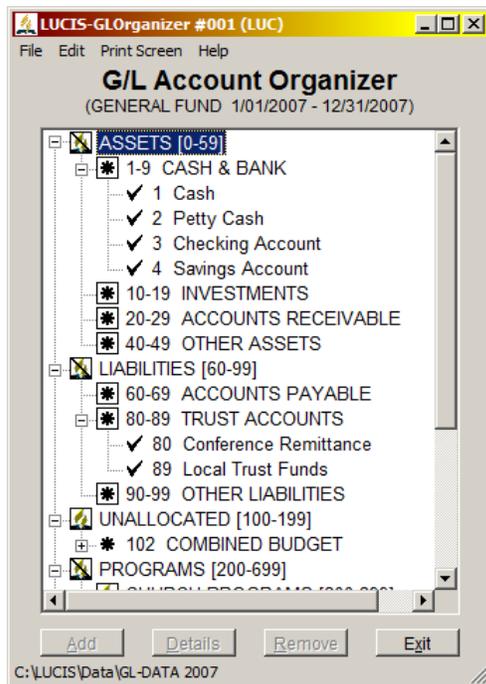

   To edit an account, click to select it then click Details . The account will open in the GL Account Editor window for editing.

   The software uses preassigned ranges of account numbers to identify different types of accounts. Assigning account numbers properly is a key to successfully producing accurate and appropriate financial statements.

   All accounts fall under * headings in the GL Account Organizer. When adding accounts, to assure proper positioning and identification of its nature, select the * heading under which the account is to be added (i.e., click on it) then click Add . GL Account Editor will open restricting your account ID to the range of the heading.

   Refer to the GL Account Organizer chapter for further instructions on adding/editing accounts. Consult your support team if you have questions regarding appropriate accounts and where they should be located.

GL Step 2: Edit Function Activity – The LUCIS starter ledgers for churches contain function activities that are common. Add functions and/or activity accounts as desired
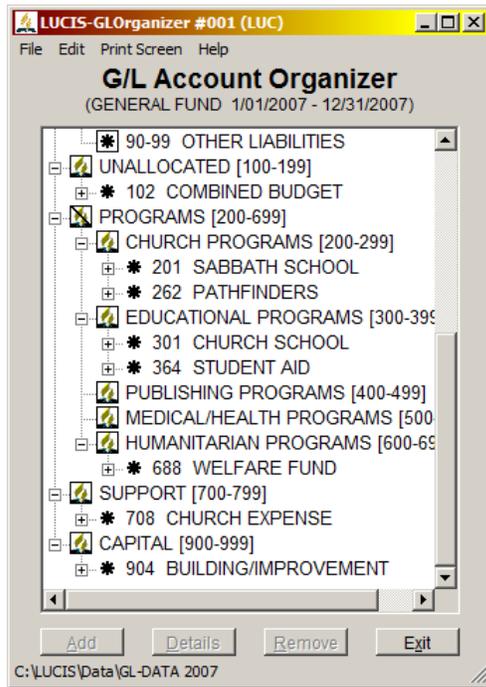
The LUCIS Software ledgers are designed specifically to accommodate not-for-profit accounting standards. As such the net assets (equity/fund balance) is subdivided into functional activity areas typical for churches.

If you have been using software that accommodates separate net asset activity areas, make sure your LUCIS chart of accounts has an activity function set up for each.

To add a new activity function, click on the group it is to be a part of (identified with a flame) then click Add . Enter in the number to be assigned to the function, its name, and abbreviation (for internal use) then Save.

Each function can have any number of accounts for different income and expenses specific to the function. Most functions are pre-populated with typical accounts. Add, Edit, or Remove accounts as needed (click on the * function first before adding an account).

GL Step 3: Check Your Fiscal Year – Check the subtitle of any GL window (see above) to make sure the ledger fiscal year is your *last completed accounting year*. If it is not, turn off Auto-Assist, use GL Ledger Controls Editor to edit the fiscal year, rename the ledger accordingly, then turn Auto-Assist back on.

The year must be your *last completed accounting year*. This will allow you to enter ending balances for that year, which roll forward as beginning balances to the next year when you perform the annual close. This is the only way to set the beginning balances for your starting year – *they cannot be entered or edited directly*.

GL Step 4: Print your chart of accounts – use GL Account List to print a chart of accounts for use in the following steps.

GL Step 5: Determine Balances – Once all your accounts are set up, determine the balances for your most recently completed accounting year. Do this whether you plan to start your accounting from the beginning, or the middle, of the year. It will be easier, however, if you start your accounting as of the beginning of an accounting year.

If you have been using the manual columnar pegboard system, chances are you have only one asset account -- your bank account. The funds held in trust for the conference will probably be your only liability and it should not have a balance at year-end. The final balance for each local fund will be found at the bottom of each local fund column. If you have multiple columns that will be recorded as separate accounts in a single local fund (e.g. church expenses) add the balances of those columns together.

On your chart of accounts, mark the balances for each asset and liability account—accounts with numbers *less than 100*. Mark the ending balance for each net asset function (account *100 or greater* WITHOUT digits following the decimal). If any account balance is negative, note it as such.

Finally, add the balances of the asset accounts (account numbers *less than 60*). Record that total. Next add the liability and function balance accounts (all account numbers *60 and above*). The two figures should equal. If not, determine why not and correct them until they balance.

GL Step 6: Check Balances – Your ledger account balances are assumed to all be zero until you are ready to enter your year-end balances in the next step. If you have been inadvertently posting your deposits from the Donations module prior to performing these steps some accounts will already have balances. Use GL Account Query to check your account balances. Use GL General Entry to post reversing entries to any non-zero account. Check the results with GL Account Query. Once all your account balances are zero you may proceed to the next step.

NOTE: If you had non-zero account balances as a result of prematurely posting donation deposits to the general ledger, this step will effectively reverse them (it will not affect amounts in the donation module itself). Unposted deposits will not be affected.

GL Step 7: Enter Balances – Once you have determined your account balances, you are ready to enter them into the LUCIS Software. Use the "Retrieve Accounts" feature of GL General Entry in the General Ledger menu and, since these are year-end balances, specify the year-end date (e.g., 12/31/06 for 2006, 06/30/07 for 2006-07). If you receive a warning that the date is out-of-range then you either did not use the year-end date for your last completed accounting year or the fiscal date for the ledger is not correct (see GL step 3) or you are using the wrong ledger (check the ledger name in the lower-left corner of the window – use the file menu to locate the correct ledger).

Enter your balances from the list in the previous step as debits and credits (D or C in the D/C column of the entry window). If you have a negative account balance, one that is opposite of what it normally should be (e.g. overdrawn bank account), enter that balance with a minus sign. If you are unsure of whether a balance should be entered as a debit or a credit, use the following:

> Assets (accounts 1-59) – debits
> Liabilities (accounts 60-99) – credits
> Local Fund Balances (accounts 100-999) – credits

If, after entering your account balances, the entry program will not allow you to post them because the screen is **out-of-balance** (i.e., debits do not equal credits), you have either made a mistake in entering or else your original figures were out of balance (the out-of-balance amount will appear at the top of the amount column on the screen). If you cannot find the error by analyzing the balances and correcting them on the screen, you can force the screen to balance by posting the out-of-balance amount to CASH (account 1) so that you can continue.

GL Step 8: Check your Balances – After all balances have been entered, check them. Use GL Monthly/Annual Close in the General Ledger menu, select Close/Reclose selected month and specify month 12 (ignore any warnings at this point). This will give you a listing of your balances. Study it.
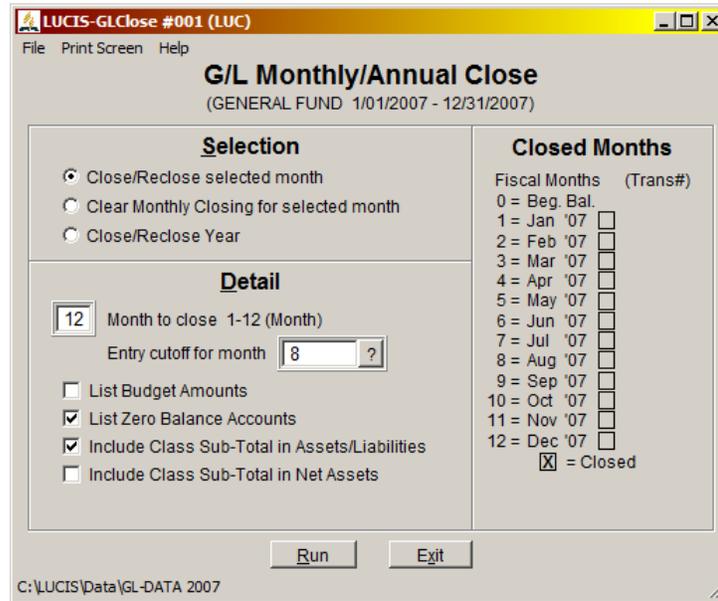
Use GL General Entry to post any adjustments and/or corrections then re-close the month. You may repeat this as many times as necessary until you are satisfied with the results.

Your cash account balance (account 1) should normally be zero at year-end. If you had to force your year-end entries to balance the screen and used the cash account as recommended, the account will show a balance for the net amount your entries were out-of-balance. If you are not able to clear the cash account, continue, but make a note to consult with auditing to resolve it by your next audit.

GL Step 9: Close the Year – Once you are satisfied the balances are correct, close the year to set up your current posting year. Use GL Monthly/Annual Close and select Close/Reclose Year. Keep the listing from this closing as part of your permanent audit record.
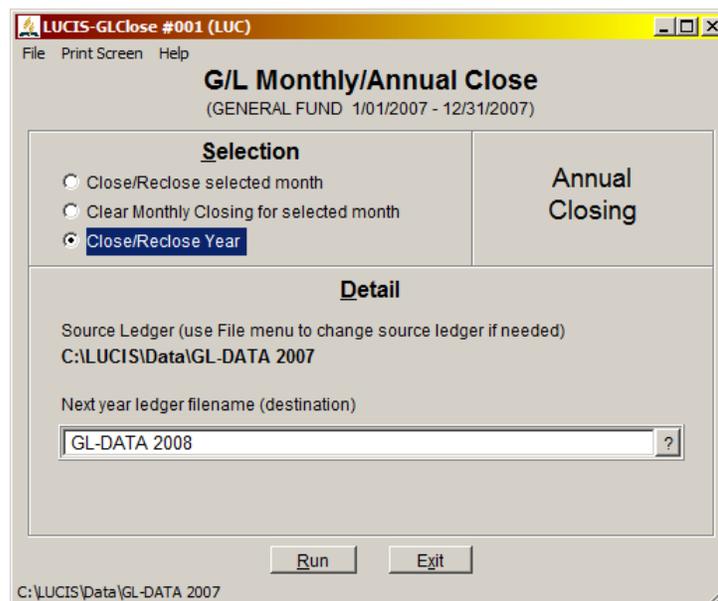
GL Step 10: Update Offering Account Links – If you have changed function numbers in the ledger that contain offering income, use DN Offering Lists to produce a basic offering list to review the offering posting account links (GL Acct in the list). Use DN Offering Editor to edit the links to maintain correct synchronization with your ledger.

GL Step 11: Next – If you are starting as of the beginning of the year as recommended you are ready to start posting current year entries. See Using LUCIS Software: Churches for a description of the normal processing cycle for churches. Otherwise continue with **Starting Mid-Year**.

Mid-Year Ledger Steps (Back to Top)

This procedure only pertains to **Ledger Setup**. With the current US IRS rules you cannot produce an appropriate donor statement without entering full donation detail so there is no procedure currently noted for starting donations in mid-year except by importing from The Church Accountant.

In the previous steps you entered the ledger ending balances for your most recently completed accounting year and forwarded them as the beginning balances for the current year ledger. Now activity that took place between the beginning of the accounting year and the date you will start your processing with the LUCIS Software needs to be recognized. Perform the following steps in order.

Mid-Year 1: Print a Beginning Balance List – Use GL Account Balance Lists in the General Ledger menu, specify report month "0" (beginning balances) then click ⬚ Run ⬚.

Mid-Year 2: Post Year-to-Date Activity – For asset and liability accounts (account numbers *less than 100*), mark the difference between the account balance on the list and the balance it should be at the point you start your accounting (mark decreases in account balance with a minus). Next mark the year-to-date amount for each function activity income and expense account (account numbers *greater than 100 with a 1, 2, 3, 4, 5, 6, or 7 following the decimal*) – transfer activity (9 following the decimal) will be handled later. Do not mark any amounts for function balance accounts, the program will automatically take care of updating these accounts at the proper time.

Add the differences for assets (account numbers *less than 60*) and subtract those for liabilities (account numbers *from 60 through 99*) – record that total. Next, add the amounts marked for income (accounts *100 and up with a 1, 2, or 3 to the right of the decimal*) and subtract the amounts marked for expenses (accounts *100 and up with a 4, 5, 6 or 7 to the right of the decimal*). The income-expense amount should equal the asset-liability amount. If they do not, re-work your figures until they balance and you are satisfied with them.

Once your figures balance, use the "Retrieve Accounts" feature of GL General Entry to enter and post them. Use the ending date represented by the activity. Enter assets amounts as debits (with a leading minus sign for any that are negative) and liability amounts as credits (also with a leading minus sign for any that are negative). Enter income amounts as credits and expense amounts as debits.

If the entry program will not allow you to post them because the screen is **out-of-balance**, you have either made a mistake in entering your balances or else your original figures were out of balance (the out-of-balance amount will appear in parenthesis at the top of the amount column on the screen). Locate errors by analyzing the entries and correcting them on the screen.

Mid-Year 3: Post Year-to-date Transfers – If you are on the combined budget plan, or otherwise need to show a distribution or transfer of funds, use GL Transfer Entry to post year-to-date transfers, usually from Combined Budget.

Mid-Year 4: Check Your Results – To check your results use GL Monthly/Annual Close, select Close/Reclose selected month and specify the month *prior to the month you will start your accounting* (ignore any warnings at this point). This will give you a listing of your last month balances. Study it. If you do not agree with the figures, use GL General Entry and GL Transfer Entry as appropriate to make corrections. After posting corrections, re-close the month. Check the list and repeat this process until you are satisfied.

Mid-Year 5: Update Deposit Controls – If you have been using the donations module to process contributions, use DN Controls Editor in the Donations menu to update the GL Posting Batch Controls.—change the "Last Batch Processed for Ledger" to the last batch included in the year-to-date activity (you will have to turn off Auto-Assist temporarily to do this).

Mid-Year 6: Next – You are now ready to start regular processing. See Using LUCIS Software: Churches for a description of the normal processing cycle for schools.