

Importing a Chart of Accounts



Designing Your Chart of Accounts

Consider Your
Reporting
Requirements

IRS 990?

Governing Body Reports?

Program Department Reports?

Donor Needs?

“

KEEP IT SIMPLE!

”

You can always add more accounts later.

Understanding Types of Accounts

Assets Stick Around

- ▶ If you buy a stove for the kitchen, it will stick around, so it is an asset.

Expenses Go Away

- ▶ If the stove breaks and you repair it, that is an expense (the repair man goes away, the stove is back to working like it is supposed to.)

Understanding Types of Accounts

Income is yours

- ▶ If you receive a donation or a grant to serve meals to people, it is income.

Liabilities belong to someone else

- ▶ But if you borrow money from the bank to build a new kitchen, it is a liability.

Understanding Types of Accounts

Net Assets are what is left over

- ▶ QuickBooks does not use the proper non-profit name "net equity," instead it uses **Beginning Balance Equity** (the Net Assets the first time you enter information to set the business up)
- ▶ and **Retained Earnings** (the change in Net Assets over time).
- ▶ From the *Small Non-Profit QuickBooks Primer* by Poppy Davis, CPA

QBO Sorts Accounts by Account Type

Assets

- ▶ Bank Account
- ▶ Accounts Receivable
- ▶ Other Current Assets
- ▶ Fixed Assets
- ▶ Other Assets

Liabilities

- ▶ Accounts Payable
- ▶ Credit Card
- ▶ Other Current Liability
- ▶ Long-Term Liability



A **current asset** or **liability** is due or used within a year.

A **long-term asset** or **liability** is available or due in more than a year.



For example, a pledge made for the next year is a current asset, but a capital campaign contribution due in five years is a long-term asset.