Setting Up Bank Ledgers and Budgets in Charms

Whenever you enter a financial transaction for a student or chaperone in the Charms system (or simply into the bank ledger itself), Charms asks you “what bank ledger” and “what budget category” the transaction is to be credited to -- this applies to Trip payments, Fixed Payment income, donations, Fundraiser transactions, and even transfers between bank accounts and PayPal transactions. These “ledger and budget” choices are OPTIONAL fields – i.e., you can say “Do Not Post” if you wish... however, having your transactions tied to your bank ledger and budget lines can be VERY useful, enabling you to pull reports along the way as to what money has gone where. Therefore, taking a short amount of time at the start to set up your bank ledger(s) and budget categories is WORTH IT – because once they’re in, they’re always there, continuing into future years, and there are many, many financial reports right there for you in Charms for quick access.

Setting Up Bank Account Ledgers

The Bank Account Ledger area (NOT the “School Budget” area!!!) is intended to be a “mirror” of wherever your money is being deposited to (or checks written against). It is NOT “electronic banking” tied directly to your account. Therefore, when you create an account ledger, call it something related to where the money is going – “Activity Fund” or “Bank of Texas #48559”, etc.

To do this, go to the “ACCT. LEDGERS” tab, and the “Setup Account Ledgers” dropdown choice

![Screenshot of Charms interface]

This brings up the ledger creation screen – create your ledger name(s), and it will appear in the list. You also have choices to make one account the “Default” one that comes up in transactions, and whether or not you want to create budgets. If you choose to activate budgets, hit “Refresh Screen” – this allows the “Setup Budgets” choice to appear in the dropdown list.

![Screenshot of Charms interface]

You can create as many account ledgers as you need to, but be sure to set one as “Default”... and each will have its own unique Budget area.
Creating Budgets in Charms

Plan out your budget categories BEFORE you go into this area – it will make setup much faster. You can create as many (or as few) budget INCOME and EXPENSE categories as you feel you will need, named whatever you wish. We suggest keeping it simple, because you can pull reports on individual trips, fundraisers, and Fixed Payments in those financial areas. You can always add more categories later, but you will not be able to DELETE a budget category once transactions have been entered in against it (you can ‘deactivate,’ but not delete).

**SPECIAL NOTE**  – We recommend that you create one ‘catchall’ budget income line for Fixed Payment transactions – because in the student ledger, you can check off multiple Fixed Payments to be paid by one large payment. This makes assigning the payment to a budget category a one-step process, and you can pull separate reports in the Fixed Payment area to see who has paid what in total for specific items – so it’s not really necessary to have a budget line for each Fixed Payment. If you DO set up distinct budget categories for each Fixed Payment, you will have to enter the payment for each item in a separate step to be able to credit the individual budget line. The same concept applies for Fundraisers and Trips.

An accounting hint -- INCOME categories are for precisely that – money being turned in by students, or received from whatever source. Try to avoid crediting withdrawals (outgoing checks) to an INCOME line – this is bad accounting. Likewise, EXPENSE budget categories are for money going OUT – not coming in. We suggest making both Income AND Expense categories for things like fundraisers, where students are turning in money (income) and you will eventually pay a supplier (expense) for goods or services.

To create a budget, mouse over “Acct. Ledgers” and find the “Account Budgets” link.

When you go to ACCOUNT BUDGETS for the first time, Charms has created one “sample” category for you in both INCOME and EXPENSE areas. These categories can either be deleted, or simply edited to change the name to something useful – your choice.
The budget category creation area itself looks like this, at the top of the same screen:

Name is whatever you call it. “Sequence” is a sorting number you create, similar to “chart of accounts” numbering in accounting programs. This can be any number from 0 to 99999 – it’s your numbering system, but we suggest leaving room between sequential categories for later additions/insertions. Budget categories are sorted by this number – and if the number happens to be the same (and they can be) for multiple category names, those names will sort alphabetically. Make sure to designate the category as INCOME or EXPENSE when you create it! If you forget this, you can delete the category and re-create it correctly.

A sample budget follows, ready for “Budget Amounts” to be entered in their fields. Remember, the budget category names can be edited or deleted as needed – except that you cannot delete a budget line once it has transactions against it. Also note the “Sequence” number sorting.
Enter Budget Amounts in the appropriate fields, and hit “Update Budget” to save it. *Wah-lah!* – your bank ledger and budget is ready for transactions!!

**How Financial Transactions Tie Into Bank Accounts and Budgets**

As stated earlier, EVERY financial transaction where money is moving asks you what bank ledger and budget line is potentially involved – including “Do Not Post” and “No Budget Category” options. This is a very straightforward thing, where all potential categories are shown in a dropdown menu – but again, it is your choice whether to utilize the bank ledger / budget area or not – you can still record all student money transactions in their individual ledger areas to have that transaction history, without using the bank area.

When you first enter the Finances area (by clicking on the “calculator” icon), you are taken to a “DEFAULTS” screen – this is where you can set certain features of your financial area to come up automatically on transaction screens. This screen appears as shown – set things however you wish:

If you were to make a deposit or withdrawal directly in the Bank Ledger screen itself, the screen appears as follows – notice that the bank ledger name is in the upper right, and the budget category choices are there to choose from.
Similarly, here is an example of the Student Miscellaneous Ledger

The same bank ledger / budget capability exists in every student financial transaction screen, so it is a simple one-step procedure to assign transactions to your bank ledger.

The Miscellaneous Ledger in particular has a handy “transfer money” feature to it, where funds can be moved from the student’s ledger to any other financial area or to another student. This screen also allows you to move money between bank ledgers and budget categories, if desired.

**Budget Details** -- As financial transactions are made in any and all areas (Trips, FPs, etc.), “actual” totals are accumulated in the budget area, and shown vs. the budgeted amount that you have entered earlier
Look at the budget once again -- notice the buttons to the left of each category line. You can select any of these buttons to “match and compare” specific multiple budget lines and their amounts. This is useful when examining income vs expense for a general category like a trip or fundraiser. Click the buttons, then hit the blue “Compare and Display” button – the budget will now look something like this, only showing your selections and a total comparing them all. Hit “Show All” to return to the main Budget screen.

Budget reports for the bank ledger area are pre-programmed into Charms – simply click on the report you wish to view, and it comes up in a new browser window!

ADDENDUM ON FUNDRAISERS AND STUDENT PROFIT vs. BUDGET AREAS

When money is turned in and credited in the student Fundraising Ledger, student profit can be automatically calculated and assigned in the same transaction (see the Fundraiser Setup area). Note that this profit CANNOT BE SPLIT OFF INTO A SEPARATE BUDGET CATEGORY IN THIS STEP, regardless of whether it is credited to the student’s Miscellaneous Ledger or directly towards a Trip. The entire deposit transaction goes to whatever budget line you select (typically “Fundraiser Income”). This is true for both the individual student fundraising ledger screens and the Global Money and Profit screens.
If you have a need to credit student FR profit to a separate budget area, you have two choices – 1) do a totally separate transfer operation in the budget area after every deposit (which creates more work, and obviously doesn’t work if you’re using the Global Money screen), or 2) simply wait until the fundraiser has been completed, and pull the Fundraising Summary report – this lists all fundraisers, and shows the breakdown of financial totals for product, sales, AND profit assigned. Use this Total Profit number, and make a one-time transfer in the Budget area from Fundraiser Income to whatever other category you wish the student profit to go into.

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