

## APPENDIX 3 - INTERCOMPANY ACCOUNTS - RECONCILIATION PROCESS

Account Number Range	Account Description	Nature of Transactions	How To Reconcile	Review Complete (Y/N)?
113000-117999	THQ Deposit Accounts	Monthly interest, legacy deposits, donations, cash transfers, capital project withdrawals	Using the deposit account statement received from THQ verify that the balance per THQ ties to the G/L.	
118000-118999	PMA Deposit Accounts	Monthly interest, monthly remittances, property expenses	These accounts must be 0 at end of year as the PMA accounts were closed effective October 1, 2012.	
139100-139599	Other Receivables from related parties	Balances in these accounts would represent money owed to the MU by THQ/DHQ/NRO or other MU's based on a past transaction	Review the G/L balances at year end to determine if the amount is still outstanding and the related party is aware of the amount owing.	
212100-212199	Due to Territorial Headquarters	March 2013 MSA Accrual and other amounts owing to THQ	Based on the final MSA calculation received from THQ, accrue March's remittance in this account as the money will not be withdrawn until mid April. Review the AR statement received from THQ and accrue any invoices that have not been recorded in the AP module (recorded in AP control 211000).	
212200-212299	Due to Divisional Headquarters	Past transactions that occurred with DHQ that have not yet been paid	Review the AR statement received from DHQ and accrue any invoices that have not been recorded in the AP module (recorded in AP control 211000).	
219410-219419	Short Term Payable to THQ	Portion of the THQ operating loan that is coming due within the next 12 months (Note: this account balance should be zero if there is no loan with THQ)	Review the loan statement from THQ and determine the amount of principal that will be paid within the next 12 months, ensure that figure ties to this G/L balance.	
219420-219429	Short Term Payable to DHQ	Portion of the DHQ operating loan that is coming due within the next 12 months (Note: this account balance should be zero if there is no loan with DHQ)	Review loan with DHQ and determine what portion will be due within the next 12 months, ensure that figure ties to this G/L balance.	
219430-219439	Short Term Payable to Other Ministry Units	Balance in this account would be rare, however if another MU has the loaned the MU money this would be the portion of the loan that is coming due within the next 12 months	Confirm the loan balance and terms with the other MU to determine the portion that is due within the next 12 months, ensure that figure ties to this G/L balance.	
281100-281199	Loan Payable to THQ	Portion of the THQ <b>operating</b> loan that is <b>NOT</b> coming due within the next 12 months (Note: 1. capital project loans should not be recorded in the financial statements 2. this balance should be zero if there is no operating loans with THQ)	Review loan statement from THQ and determine what portion will <b>NOT</b> be due within the next 12 months, ensure that figure ties to this G/L balance.	
281200-281299	Loan Payable to DHQ	Portion of the DHQ operating loan that is <b>NOT</b> coming due within the next 12 months (Note: this balance should be zero if there is no loan with DHQ)	Review loan with DHQ and determine what portion will <b>NOT</b> be due within the next 12 months, ensure that figure ties to this G/L balance.	
642100-642109	Grants From DHQ - General	Grants/allocations received from DHQ that do not fit in one of the below categories.	Review the details of this account at year end and ensure it does not include allocations that related to legacy reserves, red shield, or CMG and allocations received from other related parties (THQ, NRO, other MU's).	
642110-642119	Grants From DHQ - RS Allocation	Monthly allocation received from DHQ Red Shield funds	When this amount is deposited by DHQ a description is included stating that the deposit is for red shield, therefore reviewing bank statements would provide insight. Furthermore, a confirmation could be made with DHQ.	
642120-642129	Grants From DHQ - Legacy	Monthly allocation received from DHQ legacy reserves	When this amount is deposited by DHQ a description is included stating that the deposit is for legacy, therefore reviewing bank statements would provide insight. Furthermore, a confirmation could be made with DHQ.	
642130-642139	Grants From DHQ - NRO	Monthly allocation received from DHQ related to NRO	When this amount is deposited by DHQ a description is included stating that the deposit is for NRO, therefore reviewing bank statements would provide insight. Furthermore, a confirmation could be made with DHQ.	
642140-642149	Grants From DHQ - Congregational Ministry Grants (CMG)	Allocation received from DHQ CMG funds	When this amount is deposited by DHQ a description is included stating that the deposit is for CMG, therefore reviewing bank statements would provide insight. Furthermore, a confirmation could be made with DHQ.	
642180-642199	Grants from DHQ - Home Missions	Allocation received from DHQ Home Missions funds	When this amount is deposited by DHQ a description is included stating that the deposit is for Home Missions, therefore reviewing bank statements would provide insight. Furthermore, a confirmation could be made with DHQ.	
642200-642209	Interest income from THQ	Monthly allocation of interest received on THQ deposit accounts (Note: interest paid on capital deposits should be posted to department 900)	Using the deposit account statements received from THQ as of March 31, 2013, sum the interest payments for the year and verify the total ties to this G/L balance across all departments.	

Account Number Range	Account Description	Nature of Transactions	How To Reconcile	Review Complete (Y/N)?
642210-642219	PMA Interest Income	Monthly allocation of interest received from DHQ on PMA deposits (Note: interest paid on property maintenance accounts should be posted to department 910)	Using the historical PMA statements received from DHQ, sum the interest payments for the year and verify the total ties to this G/L balance.	
642300-642399	Grants from other SA Units	A balance in this account would represent any grant received from another MU. Please include which MU the money was received from in the JE description	Review the details of this account at year end and ensure it does not include allocations that related to legacy, red shield, or CMG and allocations received from other related parties (DHQ, NRO, and THQ).	
642400	Grants From THQ - General	Any grants received from THQ, with the exception of sale proceeds received from the sale of properties.	Review the details of this account at year end and ensure it does not include any grants received from any other related party (DHQ, NRO, and other MU's).	
642401	Grants from THQ - Trusts/Endowments	Any amount deposited into a deposit account that has and derivative of the word endowment or trust in the journal entry description. (Note: not all MU's will have these types of payments, therefore this account may be zero at year end.)	Using the deposit account statements received from THQ as of March 31, 2013, sum the endowment/trust interest payments for the year and verify the total ties to this G/L balance across all departments.	
642410-642429	Grants From THQ - RS Allocation	For DHQ use only	Ensure that there is not a balance in this account at year end.	
642430-642439	Grants From THQ - NRO	For DHQ use only	Ensure that there is not a balance in this account at year end.	
642440-642449	Grants From THQ - CMG	For DHQ use only	Ensure that there is not a balance in this account at year end.	
642450-642459	Grants From THQ - Operating	For DHQ and colleges use only	Ensure that there is not a balance in this account at year end.	
642460-642469	Grants From THQ - Property Sale Proceeds	Property sale proceeds which have been deposited to the THQ deposit accounts (Note: deposits to the capital deposit should be posted to department 900)	Using the deposit account statements received from THQ as of March 31, 2013, sum all transactions related to property sales for the year and verify the total ties to this G/L balance across all departments.	
642500-642599	Legacy Income	Allocations in deposit accounts relating to estates left to the MU (Note: funds deposited to the general deposit must be posted to an operating department; funds deposited to the capital account must be posted to department 900)	Using the statement received from THQ as of March 31, 2013, sum the "Estate" payments for the year and verify the total ties to this G/L balance (Note: Legacy fund deposits can be identified by all journal IDs with the LE nrefix).	
642800-642899	Rental Income - Internal	Monthly rental payments received from a related party (THQ, DHQ, NRO or other MU's)	Review this account at year end and verify that all related party rental payments for the year are included and that no other income has been recorded to this account.	
642900-645999	Other Income from SA Sources	A balance in this account would be rare. This should only include amounts that did not fit in one of the above categories. The JE description for entries included in this account should include where the money came from and why.	Review this account year end and ensure that the transactions have an adequate description and do not belong in one of the above accounts.	
713800	Officers' Benefit Plan Levy	All charges withdrawn by THQ for the officer benefit levy.	Annual charges per officer is \$10,080. Reconcile your charges based on the number of officers appointed at the ministry unit.	
742630	Rental Expense - Internal	Any rent paid to another SA unit including, DHQ, THQ, NRO and other MU's	Review the agreement and ensure the annual charge equals the expense in this account. If no agreement is on file confirm with the other centre that the amount paid equals the amount received.	
742710	Capital Loan Repayment - THQ Capital Loan	Monthly withdrawal made by THQ for capital loan repayments	Review this account to ensure that the total in this account equals the amount repaid for the year on the loan statement. If the loan statement has not been received, request this information from THQ.	
742720	Capital Loan Repayment - External Loan	Monthly payment made to the bank for outstanding mortgage	Review the mortgage statement at year end and verify that the total payments match the total in this account.	
751000	Management Support Assessment	Monthly withdrawal made by THQ for MSA	Review this account to ensure that the total in this account equals the amount communicated by THQ. Also verify that the March 2013 expense has been accrued.	
761200-761299	Allocations to Capital Projects	Balance will represent the amount spent on capital projects where a financial scheme exists at THQ.	Review any financial schemes currently in progress, summing up all payments/withdrawals processed in the year. Ensure this total ties to the GL balance.	
761301-761303	Payments of Partners in Mission, Home Mission, Sponsorship	Amounts remitted to THQ / DHQ for special appeals. (Partners in Mission funds were withdrawn automatically by THQ this fiscal year.)	Review the bank statement to verify that the total payments match the total remittances / withdrawn in these accounts.	
761000, 762000-769000	Other Grants	Balances in these accounts would be rare, however would exist if money is paid to THQ, DHQ or other MU's as a grant	Review these accounts at year-end to ensure the transactions are appropriate and relate to a grant paid to a related party or in rare circumstances an individual.	