



Amicus Accounting: Migrating from Another Accounting System

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A. Selecting the conversion date

To ensure Amicus Accounting continues where your existing accounting system left off, decide on a date of conversion to Amicus Accounting. If you recently completed a year-end, use the balances as of that date. The advantage to using balances as of your most recent year-end is that you will be able to enter an entire year's worth of data into Amicus Accounting. Alternatively, if you are many months into a fiscal year, bring forward balances as of your most recent month-end.

Consult your accountant in selecting an appropriate conversion date. Then, balance your existing accounting records and print a trial balance as of this date. You will refer to this trial balance after conversion to ensure your data has been entered into Amicus Accounting accurately.

B. Setting up your Firm Settings, accounting method, and users

Firm Settings

Make sure that the Firm Settings information is correct. Much of the information shown is what you entered or accepted in the System Setup wizard when you first log in to the system after installation.

To edit the Firm Settings, choose Start Up > Firm Settings. For details, see the Help topics under *Start Up > Company > Firm Settings*.

Accounting method

Amicus Accounting provides three accounting methods: Cash, Modified Cash, and Accrual. You select an accounting method in the System Setup wizard at initial login, but can modify it later in Firm Settings prior to entering transactions in Amicus Accounting. The method you choose depends on how your firm records revenue and expenses. The automatic journal entries posted by Amicus Accounting are based on your accounting method. Consult your accountant if you are unsure which method is best for your firm.

- In the **Cash accounting** method, revenue is recorded when payment is received and expenses are recorded when they are paid. For example, bills are generally recognized as expenses when you pay them, not when you receive them. Firms using cash basis accounting typically do not record accounts receivable, accounts payable, or accrued expenses.
- In the **Modified Cash** accounting-method, revenue is recorded when it is received, expenses are recorded when they are paid, and recoverable client expenses are treated as work-in-progress.
- In the **Accrual** accounting method, revenue is recorded when it is earned and expenses are recorded when they are incurred. A bill is recognized as an expense to your firm when you receive it, not when you pay it, and revenue is recorded when you post bills.

To view or change your accounting method, choose Start Up > Firm Settings and then click the Control Accounts tab. Do not change your accounting method after you start posting unless you have discussed it with your accountant and are familiar with the steps to take to ensure your General Ledger is adjusted appropriately.

Users

You will need to set up your users and assign their permissions to the system. For integration purposes, ensure that user first and last names match those entered in Amicus Attorney.

To set up users, choose Start Up > Users. For details, see the Help topics under *Start Up > Company > Users and security*.

C. Preparing your Chart of Accounts

Amicus Accounting comes with a default Chart of Accounts for each accounting method; however, you and your accountant will need to review it to ensure that your firm's financial reporting requirements are met. Identify any necessary changes.

To print the Chart of Accounts, choose Reports > General Ledger > General Ledger Reports, and select the Chart of Accounts option. For details, see the Help topics under *General Ledger > General Ledger > Chart of Accounts*.

For information on how General Ledger accounts in Amicus Accounting are set up, and how to use the Account and Budget Maintenance function to add and edit them, see the Help topic *General Ledger > Account and Budget Maintenance > Account and Budget Maintenance*.

If you are adding accounts, list the following for each new account:

- Unique account number
- Account description, up to 35 characters long
- Header account, posting account, or total account
- Account type (Asset, Liability or Equity, Revenue, or Expense)
- Hierarchy, for total accounts
- Bank type (general or trust), for bank accounts

With the exception of the account number, all information can be modified later if necessary. However, you should not edit an account after you have posted to it.

If you are creating a new Chart of Accounts, leave numbers between accounts so that you can add more accounts later if necessary. If you modify or create a new Chart of Accounts, make sure that the Control Accounts in Firm Settings are correct.

D. Integrating Amicus Attorney and Amicus Accounting

When you initialize the integration between Amicus Attorney and Amicus Accounting, Client Matter Files are exchanged in one direction, from Amicus Attorney to Amicus Accounting. Therefore, if you intend on integrating the applications, and you are currently using an accounting or other software program, we recommend that before integrating, you first bring your data into Amicus Attorney using either of the following methods:

- Initialize the Amicus Attorney link with your existing accounting program. Amicus Attorney features Client Matter integration with QuickBooks, PCLaw, and Timeslips (and Tabs3 and Juris, in Version V and Version 2008 Small Firm Edition) and a Link Guide is available for each.
- Import Client Matter data from your existing accounting data to Amicus Attorney (via the Import functions in Amicus Administrator).

Ensure that your data in Amicus Attorney is correct.

Note that if you desire to keep your existing Client and Matter IDs, then prior to initializing the Integration, ensure that Client Matter auto-numbering is turned off. (This option is located in your Amicus Accounting Firm Settings.)

For full details on preparing for and using the Integration, see the appropriate *Integration Guide*, available from the Help menu or Help Center.

E. Bringing forward existing balances

You will need to bring forward the existing WIP (Work In Progress) time and expenses on your Files so that you can bill them in Amicus Accounting. You will also need to bring forward A/R so that you can post payments in Amicus Accounting. And, you will need to bring forward trust balances on Files. The main task is to decide how much detail is required on your Files – are individual transactions required, or are balances sufficient.

WIP Expenses

Decide if individual transactions are required on your Files, or if balances are sufficient. Think about how you will bill for the expenses: if you anticipate billing the client on more than one invoice for the balance forward amount, post the expenses individually so that you can select which expenses to include on the invoices.

Here are some common ways of posting expense balance forwards:

- Post a total for each client as non-taxable.
- Separate each client's expenses by transaction and post each transaction individually (this is the most time consuming).

To post opening balances for unbilled expenses, choose Start Up > Expenses. For instructions, see the Help topic *Start Up > Balances Forward > Expenses*. Posting expenses to Client Files increases either the WIP or client expense on the File (depending on your accounting method).

If you have WIP Time Entries in Amicus Attorney that were previously posted to another system (and not yet billed), you could unpost them in Amicus Attorney (from the Time module) and then, after initialization of the Integration, repost them to Amicus Accounting.

When you post to your Client Files, Amicus Accounting also posts to your General Ledger accounts via automatic journal entries. For more information, see the Help topic *Tips for using Amicus Accounting > Posting > Automatic journal entries*.

IMPORTANT: Taxes are calculated based on the tax settings on the expense code used when posting. Therefore, do not post using a non-taxable code and manually add tax, and do not delete or modify the calculated tax amounts if you post using a taxable code. Instead, use an expense code with tax settings appropriate for the transaction you are entering.

WIP Time

Again, keeping in mind how you will bill for the existing fees on your Files, decide how much detail you require.

To post opening balances for unbilled expenses, choose Start Up > Time. For details, see the Help topic *Start Up > Balances Forward > Time*. You can enter time as either billable or non-billable. Non-billable time will not affect client or lawyer balances and will not appear on client invoices.

If you have WIP Time Entries in Amicus Attorney that were previously posted to another system (and not yet billed), you could unpost them in Amicus Attorney (from the Time module) and then, after initialization of the Integration, repost them to Amicus Accounting.

When you post to your Client Files, Amicus Accounting also posts to your G/L accounts.

Accounts Receivable

You will need to post each client's A/R into Amicus Accounting. If a Client File has multiple invoices you can post them individually or as one total. Break invoices/balances down into fees, time and applicable taxes.

To enter an opening balance for your A/R by posting invoices to your Client Files, choose Start Up > Accounts Receivable. For instructions, see the Help topic *Start Up > Balances Forward > Accounts Receivable*. Accounts Receivable increases your A/R balance, distributes the appropriate amounts to your lawyer Files and reduces the client's WIP.

When you post to your Client Files, Amicus Accounting also posts to your General Ledger accounts via automatic journal entries. For more information, see the Help topic *Tips for using Amicus Accounting > Posting > Automatic journal entries*.

Trust

You will need to post each client's trust. Organize trust balances by bank and by trust type (regular/interest-bearing). Again, you have the option of posting individual transactions or one total per bank, per trust type, for each client.

To post opening balances for regular or special (interest bearing) receipts to Client Files, choose Start Up > Trust. For instructions, see the Help topic *Start Up > Balances Forward > Trust*. Receipts debit (increase) your trust bank balance and credit (increase) your Client Funds in Trust liability account.

When you post receipts, ensure that you use the correct trust code: **R** for pooled or regular trust and **T** for special or interest-bearing (term) trust. You cannot write checks on special trust.

When you post to your Client Files, Amicus Accounting also posts to your General Ledger accounts via automatic journal entries. For more information, see the Help topic *Tips for using Amicus Accounting > Posting > Automatic journal entries*.

General Ledger account balances

The last balances to be brought forward are your G/L balances. You will need to post journal entries to your G/L accounts to reconcile to your Trial Balance from your previous system. Involve your accountant in this step if you are unsure how to post these balances.

As a result of the balance forward entries posted to your Client Files, you may not need to post balance forward entries to the control accounts listed below because they are updated when you post to Client Files.

- Trust banks
- Client Funds in Trust Liability
- WIP Fees
- WIP Expenses or Client Recoverable Expenses
- Time Equity
- A/R Fees
- A/R Expenses
- Billed Fees Revenue
- Billed Expenses Revenue
- Tax 1 accounts
- Tax 2 accounts

Depending on your accounting method, some of these accounts may not apply to your system.

To post General Ledger opening balances:

- 1** Go to Start Up > General Ledger.
- 2** Enter the date of the transaction, click to select the date from the calendar, or press Enter to use the current system date.
- 3** Enter the General Ledger account number.
- 4** (Optional) Enter the reference number.
- 5** Enter the description of the journal entry. For example, indicate why you are posting it. To automatically insert frequently used text in the description, type the Auto-text code in the field and press the space bar.
- 6** Enter the amount of the transaction. If you are entering a negative (credit) amount, type a minus sign (-) in front of the amount.
- 7** Click Save.
- 8** Repeat these steps, entering the journal entry to the offsetting account. For example, if you are posting bank service charges you, will probably need to post a credit to your bank account and a debit to your Bank Service Charges expense account.
- 9** Continue entering journal entries or click Post.

Journal entries should consist of an equal debit and credit. If you post a journal entry that does not consist of an equal debit and credit, you will cause your General Ledger to go out of balance.

Because journal entries do not affect Client Files, you should not post journal entries to the control accounts unless your System Balance is already out of balance (e.g. you are posting the journal entry to correct an error). These accounts are used to reconcile your General Ledger with your Client subledgers; therefore, any posting must be attributed to a Client File.

For example, do not post journal entries to a trust bank account. Use the Trust Checks or Trust Receipts function instead, so that the trust transaction is recorded on the related Client File. Posting using the appropriate posting function means that both the Client Files and the General Ledger will be updated, and your System Balance will remain in balance.

Summary

Plan your migration carefully and proceed step by step:

- Choose your accounting conversion date.
- Configure your Amicus Accounting Firm Settings, choose an accounting method, and add users.
- Prepare your Chart of Accounts.
- Bring your existing Client Matter data into Amicus Attorney and then (via Integration) into Amicus Accounting.
- Bring forward your existing WIP time and expenses, Accounts Receivable, and trust balances on your Client Matter Files. Finally, bring forward your General Ledger balances.

For further information, contact



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