

Financial Data Migration Guide - CosmoLex

Introduction	3
Common Tips	4
General Pre-Migration CosmoLex Setup	4
1 Migration of Billing (AR) Balances	5
1.1 Prerequisites:	5
1.2 Export Legacy AR Balances	5
1.3 Prepare & Import Legacy AR Balances	6
1.4 Special Steps for Migration of Fixed Fee/Contingency Cases	12
1.5 Special Steps when using Advanced Client Costs (ACC)	13
1.6 WIPs Entries	14
1.7 Section Sign Off Checklist:	14
2 Migration of Trust Account and Ledger Balances	15
2.1 Prerequisite:	15
2.2 Option-1: Migrate ALL Historical Trust Transactions from Bank Account Open Date	15
2.2.1 Transfer Legacy Trust Transactions	15
2.2.2 Reconcile	16
2.3 Option-2: Migrate Trust Balances & Transactions from the Transaction Closing Date	16
2.3.1 Close Old System Through “Trust Closing Date”	16
2.3.2 Create “Bank Cleared” Ledger Balance Report	17
2.3.3 Import “Bank Cleared” Ledger Balances Into CosmoLex	17
2.3.4 Transfer All Uncleared Ledger Transactions Through Trust Closing Date	18
2.3.5 Complete reconciliation in CosmoLex through Trust Closing Date	18
2.3.6 Import transactions after Trust Closing Date and bank reconciliation	19
2.4 Section Sign Off Checklist:	19

3 Migration of Business Accounting Balances	20
3.1 Review & Finalize CosmoLex Chart of Accounts	20
3.2 Transfer Opening Balances	20
3.2.1 Close Your Old Books	20
3.2.2 Run Reports	21
3.2.3 Enter Starting Balances in CosmoLex	22
3.2.4 Compare Profit & Loss and Balance Sheet	24
3.3 Transfer New Transactions	24
3.3.1 Transfer Operating Bank/Credit Card Account Transactions.	24
3.4 Section Sign Off Checklist:	24

Introduction

Financial data migration consists of 3 main sections. Detailed instructions for each financial migration type is linked below:

1. [Migration of Billing Balances forward \(Outstanding Invoices / AR\)](#)
2. [Migration of Trust Balances and Ledgers](#)
3. [Migration of Business Accounting \(General Ledger\) Balances forward](#)

With these steps carefully performed and professionally reviewed, you will have migrated accounting balances from your old books to CosmoLex as well as previously uncleared transactions. From this point going forward all billing and accounting must only be performed in CosmoLex.

Once you have migrated to CosmoLex you will no longer be using your old system. The CosmoLex migration guide is generally built on transferring financial balances and not historical information. You are solely responsible for preserving your old books or exporting a complete set of reports that contain your historical data.

If you believe your data in your current system is not reliable and/or you don't trust some or all of the balances, then migrating this data to CosmoLex will not correct this situation. In this circumstance, you may wish to only bring your balances forward manually, which will require labor on the part of you and your staff but will give you an opportunity to correct the imperfections in your data as you migrate to CosmoLex.

CosmoLex provides comprehensive instructions and variety of tools so you or your bookkeeper can perform the financial data migration. Contact us if anything is not clear. If you do not have time or resources to perform financial data migration, CosmoLex along with its certified partners can also provide turn-key financial data migration service for a fee. If you wish to receive a quote, complete and submit our migration checklist sheet located at:

[Initial-Assessment-Checklist](#)

Important Notes:

- Ensure you have latest version of this guide available at: <https://www.cosmolex.com/documents/dm/Financial-Data-Migration-Guide.pdf> (clear your browser cache). You can compare "Last Edited" date in the footer section.
- Download the latest version of Financial Import Template available at: <https://www.cosmolex.com/documents/dm/cosmolex-financial-import.xlsx> (clear your browser cache). You can compare "Last Edited" date shown in the 1st tab of the excel.
- We have a full training video which walks you through these steps, located here: <https://support.cosmolex.com/knowledge-base/how-to-migrate-your-data-into-cosmolex/>

Common Tips

Importing financial data requires expertise in extracting data from legacy systems and ensuring proper formatting prior to starting the import. Most of this is performed in excel files. In general, prior to starting the import, you may want to keep following excel guidelines in mind:

- Use “TRIM” on all columns to ensure no space before first letter
- Client naming convention: (single column containing: “first name last name”)
- Find and replace special characters
- Remove unused or unnecessary columns before import
- Use “Yes/No” or “True/False” for cleared status
- Cells where amounts are “0” should be left blank; Don’t enter as zero.

General Pre-Migration CosmoLex Setup

This section outlines CosmoLex setup which must be completed prior to starting any of the financial migrations listed in this guide.

- Review/Add your Timekeepers (Setup > Timekeepers)
- Review/Add your Matter Owner's (Setup > Matter Owners)
- Review/Add your Bank Accounts (Accounting > Banks)
- Complete global accounting selections (Setup > Firm Settings > Accounting Settings)
 - Select appropriate client cost account by billing type
- Your non-financial data (Client & Matter information) must be successfully migrated into CosmoLex. [Click here](#) to learn more about CosmoLex’s non-financial data migration service.
- Update Chart of Accounts with Firm specific ones, if any (Accounting > Chart of Accounts)

1 Migration of Billing (AR) Balances

This section will walk you through the migration of your billing balances (accounts receivable) from another program.

1.1 Prerequisites:

- You have completed/reviewed steps as listed in [General Pre-Migration CosmoLex Setup](#)
- Your billing must be completed for the month prior to your billing closing date.
- Ensure a default timekeeper is selected within the program (Setup > Firm Settings > Firm Preferences). As any AR balances not assigned to a timekeeper, will be auto assigned to the default timekeeper
- If your AR contains Fixed Fee and Contingency Matters, ensure those matters billing method was already marked properly during the matter import process. Else, ARs will be imported into hourly matters and fixing will require extra efforts.
- If your invoice contains sales taxes (e.g. Law Firms from Canada), make sure tax rates are set correctly in the file being imported for both for fee and for costs. If these rates are not set properly, all imported invoices and associated time/expense cards would need to be manually removed and reimported.
- Note -> All costs are imported as soft cost/out-of-pocket costs. Further explanation and instructions are provided below.

1.2 Export Legacy AR Balances

1. Choose a “Billing Closing Date”, which is normally the last date of current month.
2. Continue to enter your Timecards and Expense Cards in your old system as usual up to the Billing Closing Date.
3. Once the closing date has arrived, issue your client invoices for work/expenses from your old system for as many matters as possible through your Billing Closing Date. This avoids the need to manually enter any work-in-progress (WIP). For active Fixed Fee/Contingency matters, please use the instructions below for “**Special Steps for Migration Fixed Fee/Contingency Cases**”
4. **NOTE: After the Billing Closing Date and going forward, enter ALL of your time and expense cards in CosmoLex only.**
5. After billing is complete, export “Account Receivable (AR) Report” into Excel from your old system (or manually create one) as of the billing closing date, that includes the following information for each unpaid invoice (fields marked with a “*” are required for import).
 - Invoice Date*
 - Invoice #*
 - Client Name*
 - Matter Name*
 - Time Keeper - A timekeeper is assigned to each AR balance. If you would like to divide an AR balance among multiple timekeepers, you can separate them when preparing your import file.
 - Fees owed - may want to separate by timekeeper
 - Cost owed - may want to separate by timekeeper
 - NOTE: The CosmoLex import process assumes that you used “Reimbursable Client Costs” in your legacy system (on the Profit and Loss Statement). Using this method, all costs will be imported as “Soft Costs” since you’ve paid the expense in the old system with date as the Billing Closing Date. If you used Advanced Client Costs (on the Balance

Sheet) especially when costs are not paid contemporaneously, please use the instructions below for [Special Steps when using Advanced Client Costs](#) for outstanding balances

- Fee & Cost Tax Amounts or Rates in % for the Invoice.

Important Notes:

- All legacy fees & costs will get imported under their respective timekeeper (when blank, CosmoLex will use the default timekeeper). If you use CosmoLex's income allocation reports for staff compensation, you should create AR balances manually instead of excel imports so you can account for fees to various Timekeepers.
- As part of the import process, if any invoice belongs to a fixed fee or contingency matter in imported non-financial data in CosmoLex, its fee portion will be used to increase Matter's "Fixed Fee" or "Contingency Fee" setting.

1.3 Prepare & Import Legacy AR Balances

If you have only a handful of balances or would prefer to enter your balances individually (and not import), you can follow these instructions [HERE](#)

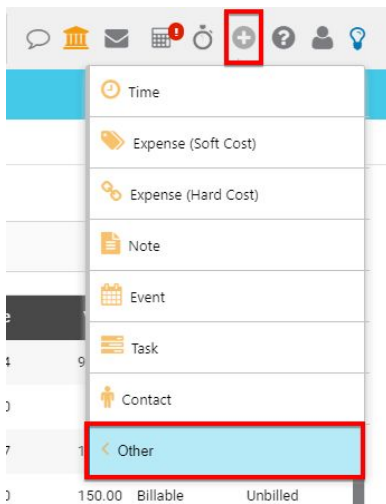
Preparing Import File

1. After exporting the required AR data, you have two options for preparing your import file
 - a. **RECOMMENDED** - Transfer these values carefully to appropriate columns in the **provided** Financial Import Excel Template's AR sheet. (more detail on columns below)
 - b. If you feel your exported or manually created excel sheet provides the information needed in a clean format, you can choose to import a generic excel file.
2. Double check that total of Fee and Cost in the Excel matches with your AR balance in old system. If not fee amount might need to be adjusted to account for any discounts, late fee, finance charges etc.
3. Important tips for preparing your import file or use the financial data import template -
 - Matter-Key
 - This is the unique Matter identifier for each matter. You can use Matter File#, Matter Import Identifier (used at the time of Non-Financial Data Import) or Matter Index# for mapping the AR to the respective matter.
 - Invoice Date - Original Date of Invoice
 - Invoice #*
 - One row per invoice.
 - You can enter each unpaid invoice with a balance, or If preferred, you can record the most recent invoice only with total balance owed including any previous balances.
 - This is a balance transfer only. No detail/entries will be migrated.
 - Client Name, Matter Name - not required, only needed if mapping balances by client-matter name. Typically the matter-key will be used.
 - Time Keeper
 - The fees & costs will get imported under their respective timekeeper (when blank, CosmoLex will use the user's default timekeeper).
 - Fees owed & Costs owed

- It is essential to list these values separately, so that when imported there is a fee portion and a cost portion to the invoice. That way when a payment is eventually applied to the invoice, that payment will be properly allocated to the general ledger.
- Finance Charges (If any)
- Taxes (if any)
 - GST Tax collected on Fees and Cost Owed to be separated in Columns ServiceTax1 & SalesTax1
 - Sales Tax collected on Fees and Cost Owed to be separated in Columns ServiceTax2 & SalesTax2

Importing Your file

1. In your CosmoLex account, click on the “+” icon at the top right corner, and in the drop-down menu, select “Other > Import Data”.



On the next screen, choose option “Import Account Receivable Data” and click Continue.

Please select your operation

Operations that have already been started will have a "Continue" label

Operations:

- Import Clients/Contacts
- Import Matters
- Import Matter Trust Bank
- Import Relations
- Import Notes, Events or Tasks Data
- Import Payees
- Import Time/Expense (Work in Progress)
- Import Accounts Receivable Data
- Import Trust Balance Data

Continue

Once you select this option next option you will have to choose the method in which you want to import. Are you using our provided Financial Data Migration template? or any generic excel file?

- CosmoLex Pre Formatted Standard Excel File: This option is to be used if you have the data per the columns in the template.
- Generic Excel File: This option is to be used if your spreadsheet is not using the template and you would need to “map the columns” so that CosmoLex can interpret the data.

Import source file type

Select appropriate option of the data file you are bringing in

Data File Type

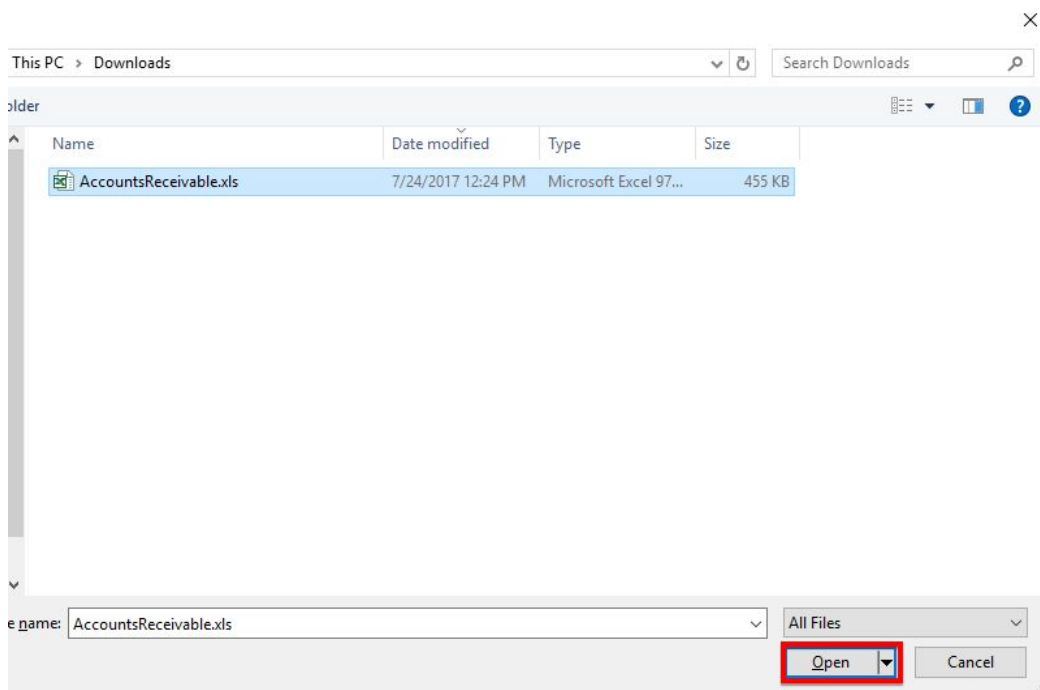
- CosmoLex Pre Formatted Standard Excel File
- Generic Excel File

Click "Choose File" to browse for the Excel/CSV file.

Select the file you want to import



Locate and select the Excel file you have prepared and click Open



If the Excel file has a header row, check “File has header” box, then click upload

AccountsReivable.xls Choose File

File has headers.

On the next screen, if you are using a generic excel file, you must map the available categories with the columns in your Excel. E.g. :match invoice date, matter-key, fees, costs etc. (Columns not mapped will not be imported). If using our provided template, the columns are mapped for you.

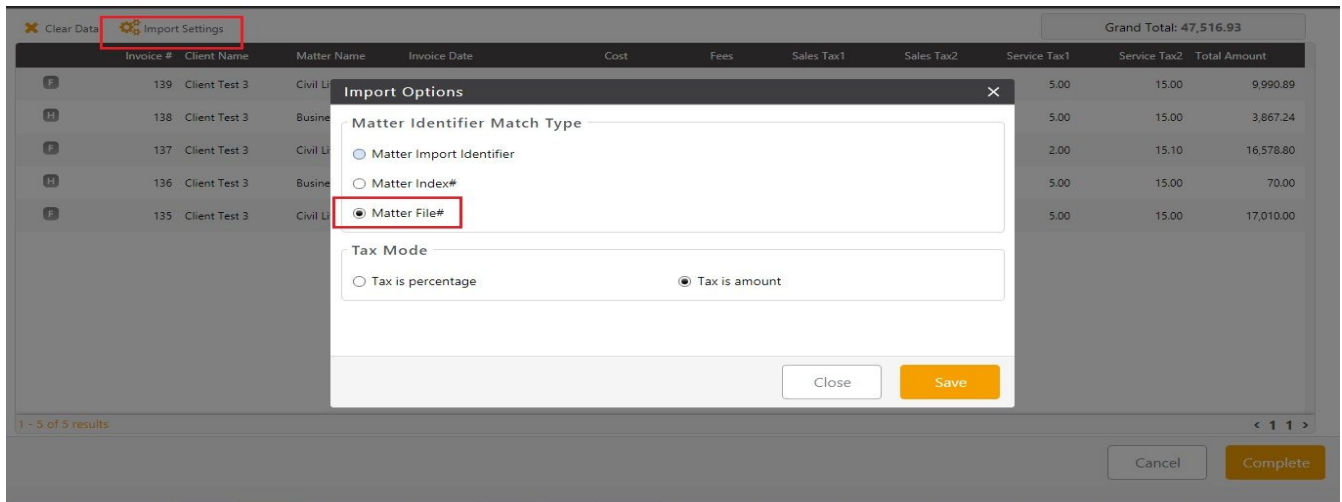
✖ Clear Data

Matter Key	Invoice Date	Invoice number	None	Fees	Soft Cost	Finance Charge	Service Tax1	Sales Tax1
1	2018-09-11 00:00:00	6	Hourly	100		10		
1	2018-09-11 00:00:00	5	Hourly	100				
1	2018-09-11 00:00:00	4	Hourly	100	100		1	1
2	2018-09-11 00:00:00	3	FF	100		10		
2	2018-09-11 00:00:00	2	FF	100				
2	2018-09-11 00:00:00	1	FF	100	100		1	1

Click Continue

On the next screen, you will see an “Import Settings” button at the top left. Click on it and select the Matter-Key Type that you used in your template. Eg; If in Account Receivable File, you have used Matter File# as unique Matter-Key, select ‘Matter File #’ as the Matter Identifier Match Type within Import Settings

Similarly, if you wish to import tax values for your balances, here you can select if that value is an amount or percentage. Click Save to proceed.



Review any error cues. You can hover over the error cue to see the reason. If there are errors to be fixed, you would need to fix the original excel file, click 'clear data' at the top left and restart this process. Import cannot continue unless data is completely clean.

Import CosmoLex Data



Once there are no errors, click “Complete” at the bottom right of the screen.

On the next screen, carefully review the default text shown which will be used to create “dummy” Time/Expense Cards and Invoices to transfer AR Balances. You can make suitable changes to the default text but **once import is complete, there is no method to make bulk changes in this text.**

Import Descriptions
×

Enter the text which will be used during the creation of Time, Expense and Invoice

Please enter the description data:

Time Card Description:

Expense Card Description:

Invoice Description:

2020 characters left

Click on “Save”. This completes the Import process.

After import is complete, you will then notice within your CosmoLex account, each of these matters now have an unpaid balance listed. The import process created dummy invoices for those with balances. Do not send these invoices to clients as these are solely created for the purpose of migrating balances and contain no activity detail.

Final Step: Print CosmoLex’s AR report (Reports > Collections > Accounts Receivable) and ensure it matches with your previous programs’ AR balance. This completes the AR Migration Process.

1.4 Special Steps for Migration of Fixed Fee/Contingency Cases

1. As part of the import process, if any unpaid invoice belongs to a fixed fee or contingency matter, its fee portion will be used to increase Matter’s “Fixed Fee” or “Contingency Fee” setting.
2. Fixed fee amounts not yet billed must be added manually to the fixed fee matter’s fixed fee amount (locate matter > Edit > complete fixed fee amount). Enter any associated unbilled cost using the “soft cost” as described above.
3. Contingency fee amounts not yet billed must be added manually to the contingency fee matter’s contingency amount (locate matter > Edit > complete contingency fee amount). Enter any associated unbilled cost using the “soft cost” as described above. If you use Advanced Client Costs, do not enter as soft costs. Instead, please see the ‘Special Steps’ section below.
4. Work In Progress: Depending on how soon those cases are due to be billed, you have two options:
 - a. Continue to manage these entries in your old system to maintain full record of activity (ensure any trust activity is being managed in CosmoLex as of the billing closing date.). When it comes time to bill, invoice from the old program, then transfer the A/R balance to CosmoLex for payment.

- b. Manually enter any related time and expenses as well as the actual fixed/flat fee for each matter into CosmoLex and continue entries there. If you need data entry assistance, please reach out to us for available services.

1.5 Special Steps when using Advanced Client Costs (ACC)

Uncleared transactions linked to ACC:

1. These will be later entered in CosmoLex during the accounting migration. You can link them to their respective expense cards at that time.

Cleared transactions linked to ACC:

1. Run report for Advanced Client Costs in old system. *This report should show transaction details by matter and total of all transactions.*
2. In CosmoLex Chart of Accounts create “3101:Opening ACC Balance” as a subaccount of “3100: Opening Balance Equity”
3. All transactions must be posted before the selected closing date, e.g. Transaction closing date is June 30, use May 31, or the actual transaction date.
4. Enter “Hard Costs” by matter
 - a. Enter amount (this can be total of all ACC transactions for matter)
 - b. Use “Wire Out/ACH
 - c. Ref. # use “post ACC”
 - d. “Pay to” is firm name
 - e. Memo: “Transfer ACC from old software”
 - f. On expense card, Expense: “Opening ACC Balance(s)”
 - g. Save
5. Create an operating bank transaction “Adjustment In”
 - a. Use same date as ACC expenses, e.g. May 31st.
 - b. Amount must equal **total** of all ACC transactions from old system
 - c. Payor is firm name
 - d. Memo: “Opening ACC Balance(s)”
 - e. Account: “3101:Opening ACC Balance”
 - f. Save
6. Reconcile bank account
 - Use previously selected date, e.g. May 31st
 - Bank Ending Balance = \$0.00
 - Clear all ACC transactions Note: be careful not to clear non-ACC; use Ref # notation as confirmation.
 - Clear deposit
 - Reconcile

1.6 WIPs Entries

- Any fixed fee or contingency matter's **unbilled** fee or costs as well as any WIP entries **post Billing Closing Date** can be imported into CosmoLex using financial data import template located [HERE](#).
- [Click here](#) for detailed Instructions on how to import Unbilled Time Entries
- [Click here](#) for detailed Instructions on how to import Unbilled Cost Entries

1.7 Section Sign Off Checklist:

- CosmoLex AR matches with legacy software AR as of the Billing Closing Date.
- Any ACC has been moved and reconciled
- Run the GL report for "1700:Advanced Client Costs" in CosmoLex. Does it match the ACC from the old software?
- If WIPs were entered:
 - Run Pre-Bill Report in CosmoLex, "Exclude Billed Items"
 - Match legacy WIPS by matter to Pre-Bill Report by Matter in CosmoLex

2 Migration of Trust Account and Ledger Balances

2.1 Prerequisite:

- You have completed/reviewed steps as listed in [General Pre-Migration CosmoLex Setup](#)
- If you were using separate systems for billing and accounting, ensure client-matter names or Matter-Key matches between two systems. If not, it will cause extra efforts and potential inaccuracies in financial migration.
- Your legacy system transactions must have payee and client-matter associated with each transaction.
- If transactions/balances being imported belongs to inactive matters, those matters must have been imported into CosmoLex as part of the earlier non-financial migration done.

This article is to walk you through the migration of your trust account balances from another program.

There are two methods for transferring trust accounts from one bookkeeping system to another depending upon your trust migration strategy.

- Option -1 : Migrate ALL historical trust transactions from your trust bank account opening date.
 - This option is extremely labor intensive and may not even be feasible if bank accounts are several years old. However, it does provide an opportunity to organize records, fix legacy issues and keep entire data set in one system.
- Option -2: Migrate only from the “Trust Closing Date”. This is most commonly used option.
 - Note - While it’s preferred, Trust Closing date need not be same as Transaction Closing Date (GL cut off date).It is preferred that the “Trust Closing Date” and “Billing Closing Date” do match as this data can be affected by invoice payments.

2.2 Option-1: Migrate ALL Historical Trust Transactions from Bank Account Open Date

2.2.1 Transfer Legacy Trust Transactions

1. For **each** trust bank account, export ALL transactions from your legacy system into an individual excel file Each transaction record row in Excel should contain:
 - Date*
 - Reference or Check #
 - Payee*
 - Memo
 - If possible, specify client name for matter-related transactions. E.g. if exporting from QuickBooks, "Job" column can be referred as Memo)
 - Amount*
 - +ve for Deposit, -ve for Payment.
 - Or use separate Payment/Deposit columns with +ve values only. If both columns are being used, for each item, only one column should have value, other must be blank
 - Matter-Key* (Could be Matter File#, Matter Import Identifier or Matter Index #)
 - Cleared Status
 - For cleared only Yes or True values allowed. Blank would be considered uncleared
2. Transfer these values carefully to appropriate columns in the Financial Import Excel Template’s **Trust Uncleared Trans** tab.

3. Pay special attention to the Cleared Status as this will be used to simplify legacy data reconciliation in CosmoLex. If you wish to reconcile ALL legacy data in CosmoLex again, you can leave this blank.
4. Import ALL transaction excel files:
 - a. Log into CosmoLex.
 - b. Accounting > Bank > Select Trust Account Bank > Details > Transaction Tab > Action > Import Transactions
 - c. Click "Choose File" to browse for the Excel/CSV file.
 - d. If the Excel file has header row, check "File has header" box. Click Upload
 - e. On the next screen, carefully map column headers. Click "Continue Import"
 - f. On the next screen, map Matter-Key to header "Client/Job". You can do bulk mapping using "Create/Apply Matter Mapping Profile". "Create/Apply Matter Mapping Profile" screen should show list of your Original Matter/Projects and you just need to specify corresponding CosmoLex Matters and Apply the profile.
 - i. Pay extra attention to the Matter Mapping. You can "Export" & Print the chosen Map and review it carefully prior to committing. If an error is discovered in the mapping post Import, it will corrupt matter balances and significant rework will be required. The critical nature of this step can't be stressed enough.
 - ii. The automated matter mapping will work only if same Matter-Key is correctly selected in Import Settings in Accounts Receivable Import Option.
 - g. Select all rows and Click "Add/Confirm Match".
 - i. ALL transactions must be imported. If there is any error, fix those prior to completing import.
 - h. Repeat these steps for all trust bank accounts**

2.2.2 Reconcile

1. Reconcile each trust account to the present time. You can do month-by-month reconciliation from the Opening Date or you can do a cumulative reconciliation from Opening Date through the end of current month. Consult your accountant.
 - a. Transactions from your imported data that had "Cleared Status" as true will be automatically marked as Cleared.

2.3 Option-2: Migrate Trust Balances & Transactions from the Transaction Closing Date

2.3.1 Close Old System Through "Trust Closing Date"

Establish a month ending date to establish a cut-off from the old bookkeeping system to the new one, called "Trust Closing Date". Ideally, this date is the date through which reconciliation is complete in your old system. This date need not be same as "Transaction Closing Date" used for Business Accounts, but would be beneficial to match your billing closing date, as invoice payments may come from trust.

Reconcile your previous trust account books up to the Trust Migration Date in your old program.

2.3.2 Create “Bank Cleared” Ledger Balance Report

1. Create a ledger card "bank" balance sheet in an Excel file, which shows following info for each matter (must have only one row per Matter per trust bank):
 - a. Matter-Key (Could be Matter File#, Matter Import Identifier or Matter Index #)
 - b. Bank Index # (For importing trust balances of single matter but has multiple banks)
 - c. Cleared Balance* [As of Trust Closing Date]
2. Note, Matter’s Cleared Balance is the actual money for the ledger card in the bank as of the Trust Migration Date. If starting from book balances, uncleared deposits are to be subtracted and uncleared payments are to be added. You might have matters with book balances of 0 but with uncleared transactions. Those matters must be on this list.
3. Verify that total of these ledger card "bank" balances is matching with the bank ending balance.
4. You should be able to export bank cleared balances from your legacy software.
5. Transfer these values carefully to appropriate columns in the “Financial Import Excel Template”’s Trust Balances sheet.

2.3.3 Import “Bank Cleared” Ledger Balances Into CosmoLex

NOTE: If you have only a handful of balances or would prefer to enter your balances individually, you can follow those instructions [HERE](#)

1. Import Excel Balance Sheet into CosmoLex (See AR balance [instructions](#) for screenshots)
 - a. In your CosmoLex account, click on the “+” icon at the top right corner, and in the drop-down menu, select “Other > Import Data”.
 - b. On the next screen, choose option “Import Trust Data” and click Continue. You will have option to select CosmoLex Financial Import template to be imported or any generic excel file.
 - c. Click "Choose File" to browse for the Excel/CSV file.
 - d. If the Excel file has header row, check “File has header” box. Click Upload
 - e. On the next screen, if using a generic import file you must map the available categories with the columns in your excel then click “Continue”. If using our provided template, these columns are mapped for you.
 - f. Review any error cues. You can hover over the error cue to see the reason. If there are errors to be fixed, you would need to fix the original excel file, click ‘clear data’ at the top left and restart this process. Import cannot continue unless data is completely clean.
 - g. Once there are no errors, click “Complete”.
 - h. On the next screen, carefully specify the "Balance Date" as your “Trust Closing Date”. Basically the total balance being imported must be identical to the actual Bank balance as of this date. You can also change the default text for the balance transaction memo. **This is a critical step once transactions are created, there is no option to make bulk changes to the date or text.**
2. Once complete, you will then notice within your CosmoLex account, each of these matters have a trust ledger balance.
3. Final Step: Print CosmoLex’s Trust Ledger Balance Report (Reports > Trust > Trust Ledger Balance Report) and ensure it matches with your previous programs’ ledger report.

2.3.4 Transfer All Uncleared Ledger Transactions Through Trust Closing Date

1. For each trust bank account, export ALL uncleared transactions from your legacy system through Trust Closing Date in an individual excel file Each transaction record row in Excel should contain:
 - a. Date*
 - b. Reference or Check #
 - c. Payee*
 - d. Memo (if possible, specify client name for matter-related transactions. E.g. if exporting from QuickBooks, "Job" column can be referred as Memo)
 - e. Amount* (or Payment amount/Deposit amount)
 - f. Matter-Key (Could be Matter File#, Matter Import Identifier or Matter Index #)
 - g. Cleared Status (For cleared only Yes or True values allowed. Blank would be considered uncleared)
2. Transfer these values carefully to appropriate columns in the Financial Import Excel Template's **Trust Uncleared Trans** tab
3. Import ALL transaction Excel Files:
 - a. Log into CosmoLex.
 - b. Accounting > Select Trust Account Bank > Details > Action > Import Transactions
 - c. Click "Choose File" to browse for the Excel/CSV file.
 - d. If the Excel file has header row, check "File has header" box. Click Upload
 - e. On the next screen, carefully map column headings. Click "Continue Import"
 - f. On the next screen, map map Matter-Key to heading "Client/Job". You can do bulk mapping using "Create/Apply Matter Mapping Profile". "Create/Apply Matter Mapping Profile" screen should show list of your Original Matter/Projects and you just need to specify corresponding CosmoLex Matters and Apply the profile.
 - g. Pay extra attention to the Matter Mapping. You can "Export" & Print the chosen Map and review it carefully prior to committing. If an error is discovered in the mapping post Import, it will corrupt matter balances and significant rework will be required. **The critical nature of this step can't be stressed enough.**
 - h. The automated matter mapping will work only if same Matter-Key is correctly selected in Import Settings in Accounts Receivable Import Option
 - i. Select all rows and Click "Add/Confirm Match".
 - i. ALL transactions must be imported. If there is any error, fix those prior to completing import.
 - j. **Repeat these steps for all trust bank accounts**

2.3.5 Complete reconciliation in CosmoLex through Trust Closing Date

1. With migration of "cleared" matter balances and uncleared transactions, your CosmoLex book balance should be same as legacy book balance through Trust Closing Date. Next thing is to reconcile in CosmoLex through Trust Closing Date.
2. Under Accounting > Bank > Highlight Bank > Details > Reconciliation, Create a statement for the month ending as Trust Migration Date and enter the bank ending balance as of that date.

3. On the resulting screen, difference should be 0 as imported “cleared” matter balance adjustment entries should be showing as “Cleared” and imported Uncleared Transactions should be showing as “Uncleared”.

2.3.6 Import transactions after Trust Closing Date and bank reconciliation

- If you still have transactions in legacy system after Trust Closing Date, you can export and import following same process as above.
- NOTE: After the Trust Closing Date and going forward, ALL new entries should be made in CosmoLex, and not the old system. Enter transactions under each matter as they occur and complete your bank reconciliations monthly.

2.4 Section Sign Off Checklist:

- CosmoLex Trust ledger balances as of Trust Closing Date are matching with Legacy Software.
- CosmoLex trust banks are reconciled through same duration as in legacy software.
- All uncleared transactions until Trust Closing Date are accounted for.
- ALL transactions since Trust Closing Date are accounted for.
- Run three-way reconciliation and compare bank, liability, and client ledger balances with old software.

3 Migration of Business Accounting Balances

Migrating accounting data from third-party software is a multi-step and essential process to ensure the financial status of the firm is accurately reflected in CosmoLex. Below are general data migration instructions and are not designed to cover your unique situation or provide you with any type of tax or financial advice. Please confer with your accountant or one of our certified consultant to ensure the accuracy of transferred data and for assistance with this process.

Migration of business accounting data consists of three parts:

- Part-1: Set CosmoLex Chart of Accounts
- Part-2: Transfer Opening Balances
- Part-3: Importing Transactions

3.1 Review & Finalize CosmoLex Chart of Accounts

CosmoLex has a full legal specific Chart of Accounts (Located Under Accounting > Chart of Accounts) which can be customized to meet the user's specific needs, e.g. adding "Mortgage" in "Long-Term Liabilities". These additions/changes should be added prior to importing legacy transactions in order to facilitate mapping and expedite the process.

This completes Part 1: Set CosmoLex Chart of Accounts

3.2 Transfer Opening Balances

3.2.1 Close Your Old Books

1. Pick a suitable "Transaction Closing Date". A date when all bank transaction work ends in old software and begins in CosmoLex. This can be any month end date, preferably matching your billing closing date. All Bank Accounts **MUST** be reconciled in the old software as of the Transaction Closing Date prior to beginning of any migration work.
 - a. As an example for the purpose of this article, let's assume Transaction Closing Date is December 31, 2015. In this case, "Opening Date" will be January 1, 2016.
2. Reconcile all business bank accounts and credit card accounts through the Transaction Closing Date. (note: instructions for migrating Trust transactions are listed separately)
 - a. Run reconciliation reports to confirm outstanding transactions as of the Transaction Closing Date.
 - i. For each business account, export all uncleared deposits and uncleared payments transactions through the Transaction Closing Date in an individual excel file. Each transaction record row in Excel should contain:
 1. Date*
 2. Reference or Check #
 3. Payee*

4. Memo (if possible, specify client name for matter-related transactions, e.g. if exporting from QuickBooks, "Job" column can be referred as Memo)
 5. Amount*
 - a. +ve for Deposit, -ve for Payment.
 - b. Or use separate Payment/Deposit columns with +ve values only. If those columns are being used, for each transaction, only one column should have a value, other must be blank.
 6. CosmoLex COA #* (General Ledger Account as per CosmoLex Chart of Accounts)
 7. Cleared Status
 - a. For cleared only Yes or True values allowed. Blank would be considered uncleared
- ii. Transfer these values carefully to appropriate columns in the Financial Import Excel Templates **Bus Uncleared Trans** tab
 - iii. Calculate "Cleared Book Balance" for each bank account as follows:
 1. Add total of all outstanding payments to the **book** balance
 2. Subtract total of all outstanding deposits from the above balance
 3. Resulting number is "Cleared Book Balance" which will be used in "Step-3 Starting Balances" below.
 - a. As an example, your software Book Balance is \$4,400. There are four outstanding payments totaling \$620; one deposit of \$1500. Then your Cleared Book Balance is $\$4,400 + \$620(\text{payments}) - \$1500(\text{deposit}) = \3520 .
 4. NOTE: If your firm has 'Operating/General Retainer Balances' or account credits, then those amounts are to be **subtracted** from Cleared Book Balance and entered as individual 'operating retainer' transactions under their respective matters.
3. Close your books. Most accounting software provide a "hard close" meaning a date before which no changes can be made. We strongly recommend you use this option and set it as the Transaction Closing Date.

3.2.2 Run Reports

1. CosmoLex offers cash and accrual basis reporting. Be sure your reporting settings are correct in CosmoLex, so that your final reports match your prior system reports. (Setup > Firm Settings > Accounting Settings > Reporting Method)
2. Run a Balance Sheet as of the Transaction Closing Date and Profit and Loss (a.k.a. Income Statement) for the fiscal period as of the Transaction Closing Date. Keep these reports. These reports will be used to confirm the accuracy of the data entered into CosmoLex.
3. Create "Trial Balance Report" as of the Transaction Closing Date. Please note that your accountant may make adjustments to the trial balance at year-end or quarter-end. You should create the report after these adjustments have been entered. The Trial Balance provides the debit or credit balance of each account on the Chart of Accounts on the Transaction Closing Date. These are the ending

balances in the old software and the opening balances to be entered into CosmoLex. All opening balances are entered from this report.

3.2.3 Enter Starting Balances in CosmoLex

Using the Trial Balance Report, follow the instructions below to enter balances for all business and credit card accounts, Assets, Liabilities, Equity, Income, and Expense accounts for the Transaction Closing Date.

1. **Operating Bank** (Do not use these procedures for Trust Bank Accounts. Instructions for migrating Trust transactions are listed separately) Accounting > Bank > choose Bank > Details > Transaction
 - a. Click "Add"
 - b. Ensure date is Transaction Closing Date.
 - c. Enter Payee/Payor name (it could be something like: "Carryover balance at migration")
 - d. Enter transaction amount (Cleared Book Balance) and choose Deposit.
 - e. Enter Memo as "Opening Balance"
 - f. From Account drop-down, choose 3100: Opening Balance Equity
 - g. Click Save.
 - h. NOTE: If your firm has 'Operating Retainer Balances' then those amounts are to be subtracted from Cleared Book Balance and entered to individual matter as Operating Retainers.
2. **Credit Card Balance**
 - a. Only enter if there is an unpaid Credit card balance as of Transaction Closing Date.
 - b. Starting balance entry process is same as for "Operating Bank". Transaction type would be "CC Charge" which will correctly reflect a negative balance.
3. Import ALL uncleared transaction Excel Files:
 - a. Accounting => Select Business Account Bank => Details => Action => Import Transactions
 - b. Click "Choose File" to browse for the Excel/CSV file.
 - c. If the Excel file has header row, check "File has header" box. Click Upload
 - d. On the next screen, carefully map column headings. Click "Continue Import"
 - e. On the next screen, map Original Accounts to CosmoLex Account. You can do this row by row or you can do bulk account mapping using "Create/Apply Account Mapping Profile". "Create/Apply Account Mapping Profile" screen should show list of your Original Accounts and you just need to specify corresponding CosmoLex Account and Apply the profile. Upon Apply, all transactions will be assigned their newly mapped CosmoLex Account in a single click.
 - i. Pay extra attention to the Account Mapping. You can "Export" & Print the chosen Mapping and review it carefully prior to Apply. If an error is discovered in the account mapping post Import, it would corrupt account balances and significant rework would be required.
 - ii. While importing, do not post these as "matter cost" as it will create another expense card. If there matter costs, these were already included in the outstanding AR [invoiced to client] migration and you do not want to double charge the client.
 - f. Select all rows and Click "Add/Confirm Match".
4. Confirm the bank balances in CosmoLex matches the bank balance on the Trial Balance from the old software.

5. **For All other General Ledger accounts** on the Trial Balance (Do not use these procedures for Trust Liability Accounts. Instructions for migrating Trust transactions are listed separately). **Best practice:** use separate journal entries for Balance Sheet accounts and Profit and Loss statement accounts.
- Accounting > Journal Entries > Add
 - Date = Transaction Closing Date
 - Entry #* = Opening Balances (optional:name) Use this option if you choose to group the journal entries by type, e.g. Opening Balances - Balance Sheet
 - Select Account (first column dropdown) > put \$\$ amount as Debit or Credit as per the Trial Balance Report
 - Select 3100: Opening Balance Equity as the offsetting account to balance journal entry. This can be done for each line account entry or for the journal entry as a whole, e.g.

	Debit	Credit
1700 Advanced Client Costs	10,000	
3100 Opening Balance Equity		10,000
1620 Furniture and Equipment	72,830	
3100 Opening Balance Equity		72,830
2500 Line of Credit		2,999
3100 Opening Balance Equity	2,999	

OR

	Debit	Credit
1700 Advanced Client Costs	10,000	
1620 Furniture and Equipment	72,830	
2500 Line of Credit		2,999
3100 Opening Balance Equity		79,831

Hint: As you work through the journal entry the difference is shown in the top right corner. This is the amount required to balance the journal entry.

- Print Balance Sheet as of the Transaction Closing Date and the Profit and Loss Statement for the fiscal period that ends with Transaction Closing Date in CosmoLex

3.2.4 Compare Profit & Loss and Balance Sheet

Ensure the Profit & Loss and the Balance Sheet in CosmoLex match with the Transaction Closing Date Balance Sheet and Profit & Loss Statement from the old software.

*Note that the Balance Sheet in CosmoLex does not include the Trust Bank Account(s) or Trust Liability Account(s) at this juncture. These accounts offset each other, e.g. \$1000 in the trust bank account (asset) \$1000 in the trust liability account (liability). Compare all other accounts for accuracy.

This completes Part 2 : Transfer Opening Balances.

3.3 Transfer New Transactions

Depending on your transaction closing date, you may have to import transactions which have happened since. Ex: If it is currently May, and you choose to migrate as of 12/31 of the prior year, you should import transactions from Jan - present.

3.3.1 Transfer Operating Bank/Credit Card Account Transactions.

1. The transactions from the opening date for each operating bank and credit card account transactions must be exported separately from your legacy system.
2. Exported file must be in Excel or CSV format.
 - a. Excel file must be in the same format used while preparing uncleared transactions (See #2 in [Close Your Old Books](#)).
 - i. Pay special attention to "Cleared Status" field.
3. Import Excel/CSV File into CosmoLex:
 - a. Follow the same import steps as used while importing uncleared transactions (See #2 in [Enter Starting Balances](#))
4. Reconcile the bank/credit card account to the present time. You can do month-by-month reconciliation from the Opening Date or you can do a cumulative reconciliation from Opening Date through the end of current month.
 - a. Transactions from your imported data that had "Cleared Status" as true will be automatically marked as Cleared.
5. Repeat these steps for all operating bank and credit card accounts

This completes Part 3 : Importing Transactions.

- NOTE: After the Transaction Closing Date and going forward, ALL new transactions should be made in CosmoLex, and not the old system.

3.4 Section Sign Off Checklist:

- CosmoLex Balance sheet as of Transaction Closing Date matches with legacy software
- Profit & Loss report for current year matches with legacy software
- CosmoLex banks are reconciled through same duration as in legacy software