

LLC FUND MANAGER

Booking Accruals

At times you may want to pay a large bill and expense the cost to the Pool over a period of time.

For example your CPA charges \$6000 for an annual audit and you want to amortize that over 12 months at \$500 per month. You can pay the bill and book it to accruals and then expense a portion of the bill against income month by month.

Here are the steps:

1) Pay the bill.

- In **GL Accounts**, choose the SERVACCT checking account and add an entry.
- Select the Vendor (your CPA in this case)
- Write a check for the bill amount (\$6000 in our example)
- Set the offset to an Accrual account: Either **130-Accruals** or one of your other AR accounts
- Print the check

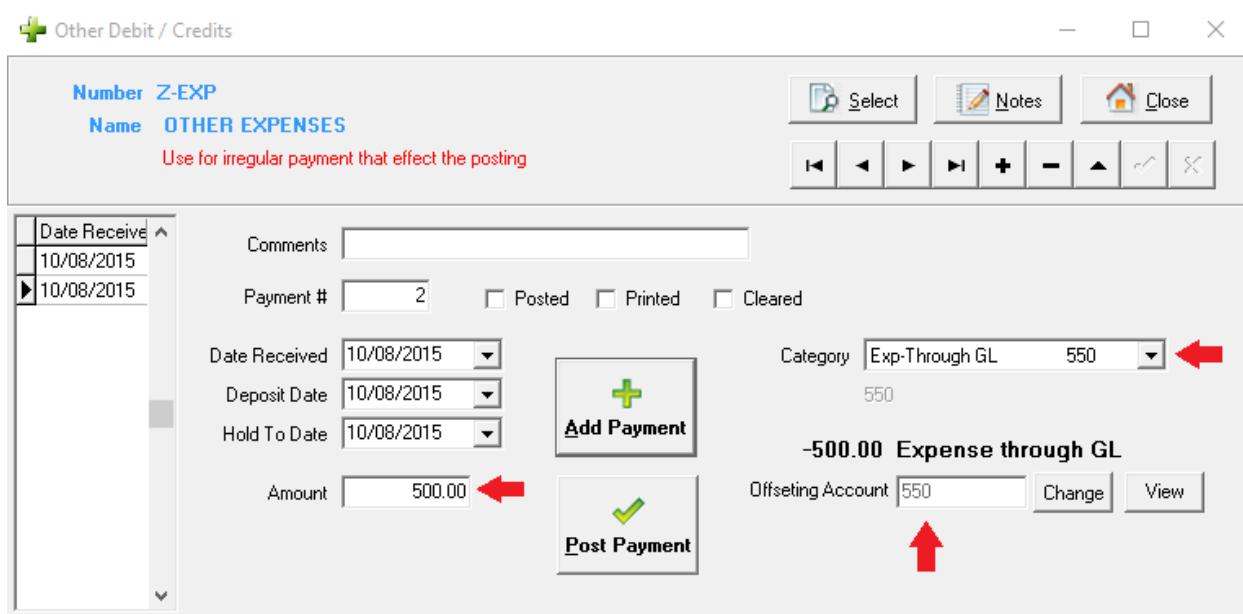
Add or Edit Trust Account Entries SERVACCT - Servicing Account X

◀ ▶ ▲ ▼ ↻ X Print Checks Close

| | | | |
|--|-------------------------|--------------------|--------------------------|
| Date | 10/08/2015 | Transaction Type | 9 |
| Income Source | | Member # | |
| or Vendor # | V-1 | | |
| Paid To / From | SAMPLE VENDOR | | |
| Address | 1234 TEST STREET | | |
| City, State Zip | NOWHERESVILLE, CA 00001 | | |
| Check Amount | 6,000.00 | Deposit Amount | 0.00 |
| Description | | | |
| Check# | 0 | Batch Print | <input type="checkbox"/> |
| <input type="button" value="Edit Offset"/> | | Offsetting Account | 130 |

2) Every month, book the expense:

- In **Other Debit / Credits**, select a Z Expense account. Z-EXP is a built in account for this purpose. "Z" accounts can be excluded from regular income accounts.
- Add a payment. Enter the monthly expense amount. (\$500 in our example).
- Make sure the Hold To Date is within the desired posting month.
- Set the Category to Exp-through GL 550
- Set the Offset Account to 550 or any **expense account**.
- This entry holds back \$500 from income that is paid to investors and books it to an expense.



3) Reduce Accrual account for the monthly expense

- In **Other Bank Accounts**, choose the SERVACCT checking account. Add an entry.
- Enter a **Deposit** Amount to reduce the accrual account (\$500 in our example).
- Set the offset to an Accrual account. Either **130-Accruals** or one of your other AR accounts. Use the same account as in step 1.
- Income source, Member # or Vendor # is not required. You are simply adjusting Cash to Accrual for step 2.