

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 ×

Navigation icons:   

Date: 10/08/2015 Transaction Type: 9

Income Source: Member #:

or Vendor #: V-1 

Paid To / From: SAMPLE VENDOR

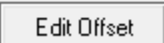

Address: 1234 TEST STREET

City, State Zip: NOWHERESVILLE, CA 00001

Check Amount: 6,000.00 Deposit Amount: 0.00

Description:

Check#: 0 Batch Print Cleared

 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.

Number Z-EXP
Name OTHER EXPENSES
Use for irregular payment that effect the posting

Date Received: 10/08/2015
Deposit Date: 10/08/2015
Hold To Date: 10/08/2015
Amount: 500.00

Category: Exp-Through GL 550
Offsetting Account: 550
-500.00 Expense through GL

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.