

LLC FUND MANAGER

Profit Split Payment

If the manager has been paying a preferred yield, periodically, you may need to disburse an extra payment to you members. There might also be a profit split with the manager. These are usually processed as a separate check run to distinguish them from the preferred yield payment.

First, look at the Accrual general ledger account (GL 130). A credit will be excess income over a preferred yield payments. This is the gross income amount due members. A debit means the interest payments are underfunded. You will have to determine if other liabilities have to be paid from this balance before proceeding (a line of credit, debt investors, large pending expenses, etc).

Start this process after printing the regular check run. The two sets of checks can be mailed together. Most managers will include a cover letter explaining the additional payment.

Make sure you have created a **Z-ACCR income source**. Set a start date, but no balance.

Using **Other Debit / Credit**, select the income source Z-ACCR. Add a payment for the full accrual amount to be paid (gross). Leave the Category as Servicing Account.

Next Post payments. Set the **management fee to the broker / manager split amount**. Print this check run. You may want to suppress details to hide the yield, etc.

Now for an odd part. Zero out the **Z-ACCR Other Debit / Credit gross amount**. The funds were already collected. This was just a process to post and pay the correct amount. You can add a comment for clarification.

And lastly, in other bank accounts, add an Increase (deposit) entry to **Account 130 Accruals** for the gross accrual paid. The Offset is **450 Accrued Income**.

Check your trial balance and member statements for verification.