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

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-though 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.