

### When principal only is paid back with no interest:

#### Accounts to set up:

- *Manage Accounts>Accounts>Assets* enter *Asset Receivable* account (#1) and *Account Number* and click *Add*
- *Manage Accounts>Accounts>Funds* enter *Fund Receivable* account (#3) and *Account Number* and click *Add*

#### How to establish the loan:

- If loan already exists and beginning balances have not been Finalized, enter in the correct beginning balance for the Asset and the Fund. If beginning balances have been Finalized, a *Journal Entry* will need to be done to adjust beginning balances. *Transactions>Other>Journal Entry* to debit the *Receivable Asset* (#1) and credit the offsetting *Fund* (#3).
- If loan just being issued, go to *Transactions>Transfer* do an *Asset to Asset Transfer* from the regular Checking account asset to the *Receivable asset*. An actual check can be written. Before posting the *Transfer* when printing a *Computer Check*, go to *Manage Accounts>View* and click on the *receivable asset*. Then on the right side click on the *Detail* tab to add the name of the person you are writing the check to under *Bank Name*. Follow it with a *Fund to Fund Transfer* by going to *Transactions>Transfer* from the *General Fund* to the *Receivable Fund*.

### When payment is received Post a Transfer:

- *Transactions>Transfer* from the *Receivable account* (#1) to the *Checking account* (#1) in the amount of the payment
- *Transactions>Transfer* from the *Receivable Fund* (#3) to the *General Operating Fund* (#3)
- Deposit the money in the bank

When the *Receivable Asset* and *Receivable Fund* show a balance of zero, the loan has been repaid.

### When interest as well as principal is being paid back:

#### Accounts to set up:

- *Manage Accounts>Accounts>Assets* enter *Asset Receivable* account (#1) and *Account Number* and click *Add*
- *Manage Accounts>Accounts>Funds* enter *Fund Receivable* account (#3) and *Account Number* and click *Add*
- *Manage Accounts>Accounts>Income* enter *Receivable Interest* account (#4) *Account Number* and click *Add* (often linked to the *Operating Fund* if you are allowed to spend that interest)

#### How to establish the loan:

- If loan already exists and beginning balances have not been Finalized, enter in the correct beginning balance for the Asset and the Fund. If beginning balances have been Finalized, a *Journal Entry* will need to be done to adjust beginning balances. *Transactions>Other>Journal Entry* to debit the *Receivable Asset* (#1) and credit the offsetting *Fund* (#3).
- If loan just being issued, go to *Transactions>Transfer* do an *Asset to Asset Transfer* from the regular Checking account to the *Receivable asset*. An actual check can be written. Follow it with a *Fund to Fund Transfer* by going to *Transactions>Transfer* from the *General Fund* to the *Receivable Fund*

**When payment is received:**

- *Enter Income* to record the interest into the Receivable Interest account and the Receivable Asset account
- *Transactions>Transfer* from the Receivable asset to the Checking account to post the payment and a Fund to Fund Transfer from the Receivable Fund to the General Operating Fund
- Deposit the money in the bank

When the Receivable Asset and Receivable Fund show a balance of zero, the loan has been repaid.