

Overview

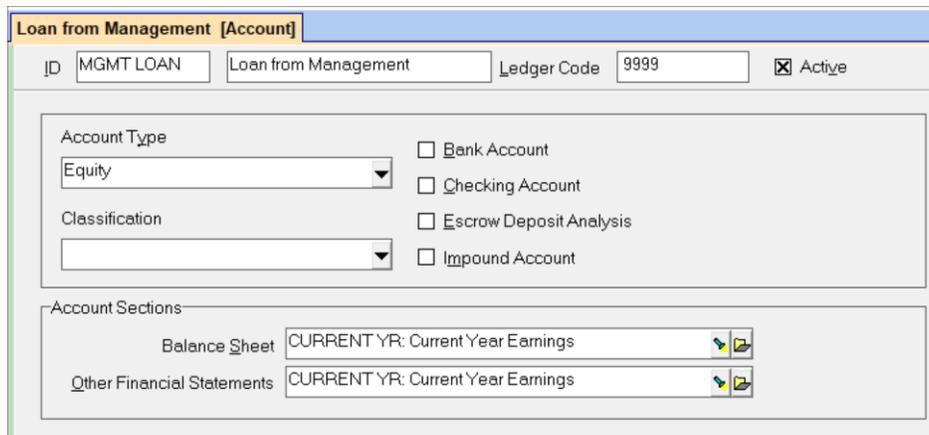
Occasionally you may want to lend money to an owner or ledger so you can pay the bills or because a tenant's rent payment came back NSF after the owner's distribution check was sent. If you choose to do this, create an account code for the loan. Then post a journal transfer to move the money from management to owner. When the owner pays you back, receive the money into the owner's ledger and post a journal transfer to repay the money to management.

For NSF checks, see alternative method on page 3.

Posting

One Time - Create Account Code

1. Go to <<Setup, Account Codes>>
2. Click the <New> button
3. Type in an ID of Mgmt Loan
4. Type in a long description of Loan from Management or Management Loan to Owner
5. Type in a [Ledger code], e.g.9999
6. Select an [Account Type] of Equity
7. Click <Save>



Loan from Management [Account]

ID: MGMT LOAN Description: Loan from Management Ledger Code: 9999 Active

Account Type: Equity Bank Account
 Checking Account
Classification: Escrow Deposit Analysis
 Impound Account

Account Sections:

Balance Sheet: CURRENT YR: Current Year Earnings

Other Financial Statements: CURRENT YR: Current Year Earnings

Each Time - Journal Transfer

1. If you do not keep enough money in your Management Group ledger to fund the loan, do a ledger receipt into the Management Group for the money you will need. Use an account code of Misc Income.
2. Go to <<GL, Journal Transfer>>
3. Choose the [Bank Account]
4. Choose Mgmt Loan for the [Account]
5. Choose the owner in the [Ledger] field
6. Enter the [Amount]
7. Click in the open area below the first line item to create the second
8. Choose Mgmt Loan for the [Account]
9. Choose the management group in the [Ledger] field
10. The [Amount] should fill in as a negative amount
11. <Post>

Account and Ledger	Debit or Credit	Amount
MGMT LOAN: Loan from Management	Credit	\$500.00
CLAYTON: Frederick Clayton		
MGMT LOAN: Loan from Management	Credit	(\$500.00)
PM LEDGER: Property Management [Management Group]	Management Group	

Method 1 - Paying Loan Back and Tracking with Work Orders

This method uses journal transfer and work order as the best method of tracking the loan - keeping the owner apprised of the loan balance and being able to run reports showing the outstanding loans or just the amount still outstanding.

Paying Loan Back - Once the owner's ledger has enough money

1. Go to <<GL, Journal Transfer>>
2. Choose the [Bank Account]
3. Choose Mgmt Loan for the [Account]
4. Choose the owner in the [Ledger] field
5. Enter the [Amount] as a negative
6. Click in the open area below the first line item to create the second
7. Choose Mgmt Loan for the [Account]
8. Choose the management group in the [Ledger] field
9. The [Amount] should fill in as a positive amount
10. <Post>

The screenshot displays the 'Journal Transfer' window. At the top, the title is 'Journal Transfer'. Below this, there are several input fields: 'Date' is set to 5/3/2019, 'Reference' is 'Journal Transfer', 'Bank' is 'CHECKING: Bank Account Checking', and 'Memo' is empty. To the right, there are three checked options: 'Cash', 'Accrual', and 'Modified Cash'. Below these options, there are three summary boxes: 'Credits' with '\$500.00', 'Debits' with '\$500.00', and 'In Balance' which is empty. The main table has three columns: 'Account and Ledger', 'Debit or Credit', and 'Amount'. The table contains four rows. The first row is 'MGMT LOAN: Loan from Management' with a 'Credit' of '\$(500.00)'. The second row is 'CLAYTON: Frederick Clayton'. The third row is 'MGMT LOAN: Loan from Management' with a 'Credit' of '\$500.00'. The fourth row is 'PM LEDGER: Property Management [Management Group]' with an empty 'Debit or Credit' and 'Amount' field.

Account and Ledger	Debit or Credit	Amount
MGMT LOAN: Loan from Management	Credit	(\$500.00)
CLAYTON: Frederick Clayton		
MGMT LOAN: Loan from Management	Credit	\$500.00
PM LEDGER: Property Management [Management Group]		

Tracking

The best way to track the loan is to use the work order function. The work order can be an addition to the bottom of the owner statement to keep the owner apprised of the loan amount.

1. After posting the journal transfer moving money from management to owner, go to <<Maintenance, Work Orders>> and click <New>
2. Enter the pertinent information about owner and unit.
3. Choose a status. You might want to choose one that you use only for tracking loans to owner like In Progress or Assigned.

Scheduled Payables Mgmt Loan [Work Order]

ID 290423JSWU Mgmt Loan Mark for Printing Status In Progress

Problem Report
Priority Normal
Reported 4/23/2019
Reported By Tenant
Phone Number 703-555-9624

Problem Description
management loan \$500 to owner
Insert Time and User Initials

Site MAIN212: 212 Main Street
Tenant GURO: Edward & Marianne Guro
Ledger CLAYTON: Frederick Clayton

Show Alerts

Notification
 Notification Required

4. On the Vendor Assignment tab assign the company or management group as the vendor
5. Enter the amount of the loan in the Estimate field. This will assure that money doesn't get sent to the owner before paying back the loan.

Scheduled Payables Mgmt Loan [Work Order]

ID 290423JSWU Mgmt Loan Mark for Printing Status In Progress

Maintenance
Vendor MAPLE: Maple Management
Authorized By Estimate \$500.00
Phone Cost Limit \$0.00
Serviced By Total \$0.00

Tracking
Reported 4/23/2019
Vendor Notified
Required By
Work Started
Work Completed

Performance Evaluation
Rating

Create Statement Note Time / Initials Labor Hours

6. As the owner pays you back you can reduce the [Estimate] on the work order after posting the Journal Transfer.
7. When the loan is fully paid off, reduce the [Estimate] to zero and change the [Status] to Resolved or delete the work order.
8. To get a report of outstanding loans, go to <<Maintenance, Work Order Reports>>

9. Choose the Reported Work Order Summary
10. In the [Limit to Status] field choose the status you selected in the work order above for loans
11. Click <Compile>
12. For a report just on the amount of loans you have not yet recovered you can run either a Revenue & Expenses or Income Summary for the management group. The account Mgmt Loan will zero itself out when you have been fully reimbursed.

Method 2 - Paying Loan Back with Invoice

Another way to track the loan and pay the loan back is to use invoices. The unpaid invoices can be an addition to the bottom of the owner statement to keep the owner apprised of the loan amount. The disadvantage is that you cannot easily reconcile what you have loaned with what you have been paid back because the transaction paying back the management group is not in the management group ledger.

1. Go to <<AP, Invoice>>.
2. Enter an invoice payable to the management group for the amount of loan. Use a [Bill Code] of Mgmt Loan.
3. The invoice check will not be processed unless the owner has enough money in the ledger to cover the amount. PROMAS will reserve that amount of money from the owner's distribution check.
4. To track outstanding loans, go to <<Reports, Vendor Reports>>. Choose Unpaid Payables Details. Restrict it to the Management Group.

The screenshot shows the 'Invoice' entry screen in the PROMAS software. The form is divided into two tabs: '1. Invoice' and '2. Payee Address & Comments'. The '1. Invoice' tab is active and contains the following fields:

- Invoice #: MGMT LOAN
- Payee: PM LEDGER: Property Management [Management Group]
- Invoice Date: 4/23/2019
- Due Date: [Empty]
- Discount (%): [Empty]
- Discount (\$): [Empty]
- Last Day: [Empty]
- One Time Payee: [Empty]
- Memo: [Empty]
- Priority: Normal
- Work Order: [Empty]

The '2. Payee Address & Comments' tab is highlighted in cyan and contains the following fields:

- Bill To: CLAYTON: Frederick Clayton [Owner]
- Bill Code: MGMT LOAN: Loan from Management
- Amount: \$500.00
- Memo: [Empty]

There are also several checkboxes: 'Hold', 'Separate Check', 'Copy Information', and 'Split Charge with Owner'.

Loan Tenant Money for NSF

When the loan is for an NSF check from the tenant, you may choose to loan the money to the tenant instead of the owner and charge the tenant payable to management. Should the tenant not pay you back, you can take the money from the owner at that time.

One Time

1. Follow One Time instructions on page 1.
2. Also create a [Charge Code] for Mgmt Loan.

Each Time

1. If you do not keep enough money in the management group ledger for the loan, do a ledger receipt into management for the money needed to cover the loan. Use an account code of Misc Income.
2. Go to <<AR, Adjust Open Credits>>. Choose the appropriate tenant.
3. The [Increase Balance] radio button should be marked.
4. Enter the amount of the loan. Mark the [Transfer To or From Management Group] checkbox.
5. Choose Mgmt Loan for the [Account].
6. Click <Post>

Starting Open Credits	
Amount Transferred	\$450.00
Final Open Credits	\$450.00
Unpaid Charges	\$1,200.00

7. Go to <<AR, Charge Tenant>>.
8. Choose Mgmt Loan for the [Charge Code].
9. Enter the amount. Mark the checkbox that says [Pay Management].
10. Click <Post>.

Total Charges	\$450.00
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