

PcMars Farm Accounting Software



CAPITAL PURCHASES

Version, 2.1 or greater

[Click Here to Return to PcMars Tips](#)

Capital purchases can sometimes be confusing when entering the information into the PcMars program. We have tried to show four different scenarios when purchasing a tractor for \$75,000.

Buying outright: This first example of a capital purchase would be the entire purchase is paid for directly with a check. This transaction was entered in the “Check/expense” screen.

Code	Enterprise	Amount	Description	PC	Units	Weight
* 156	GEN	\$75,000.00	Purchase JD 6450	OP		

Financing the whole purchase: This example will show the capital purchase totally financed by John Deere Credit. Before actually entering the transaction, the “Loan Vendor” will need to be set up. The Loan Vendor screen would look similar to this (below):

Code	Enterprise	Amount	Description	PC	Units	Weight
* 156	GEN	\$75,000.00	Purchase JD 6450	OP		

When entering the transaction, we suggest using the “Credit Transaction” screen. Select your Loan Vendor or Creditor (in this example—John Deere) and then finish entering the rest of the transaction information as shown in the example below.

The screenshot shows the 'Credit transaction' window with the following details:

- Creditor: John Deere
- Balance: \$0.00
- Liability code: 256
- Expense type: Expense (selected)
- Number: 5
- Pay to the Order of: Phillips Impl.
- Date: 4/22/08
- Total Amount: \$75,000.00
- Address: Phillips Impl., 1800 East Hwy 100, Story City, IA 50248
- Memo: (empty)
- Table:


Code	Entprise	Description	Amount	PC	Units	Weight
* 156	GEN	Purchase JD 6450	\$75,000.00	OP		
- Amount Left: \$0.00

Traded previously owned equipment for down payment and financed the balance: First, set up the “Loan Vendor” as shown in the previous example. Again, we are using the “Credit Transaction” and the example shows the capital purchase after the trade of a John Deere tractor with a value of \$25,000 and the balance of the purchase (\$50,000) was financed through John Deere Credit.

The screenshot shows the 'Credit transaction' window with the following details:

- Creditor: John Deere
- Balance: \$0.00
- Liability code: 256
- Expense type: Expense (selected)
- Number: 5
- Pay to the Order of: Phillips Impl.
- Date: 4/22/08
- Total Amount: \$50,000.00
- Address: Phillips Impl., 1800 East Hwy 100, Story City, IA 50248
- Memo: (empty)
- Table:

Code	Entprise	Description	Amount	PC	Units	Weight
▶ 156	GEN	Purchase JD 6450	\$50,000.00	OP		
156	GEN	Traded in JD 4640	\$0.00	OP		
156	GEN	(See Note Pad)	\$0.00	OP		
- Amount Left: \$0.00

Note: The “Note Pad” in PcMars  (located on the “icon bar”) was utilized to record the information about the trade of the JD 4640 tractor and purchase of the new JD 6450 tractor. These notes either can be printed from the “Note Pad” or will print on the “Cover Sheet” of the “Year end detail report/tax preparation”.

The Notepad window contains the following text:

```

Purchased used Combine 3/15/08 from Phillips
Implement--$25,982.00

Purchased JD 6450 tractor 4/22/08 from Phillips
Implement--$75,000 less the trade in of the JD 4640 for
$25,000. Balance financed $50,000 through John Deere
Financial
  
```

Making down payment and financing the balance: In this last example, there are actually two different transactions. Again—you would set up your “Loan Vendor” prior to entering the transaction. This example shows the down payment of \$10,000 made in the first transaction through a simple “Check/expense Transaction”.

Checks/expense

Bank Account: 100 Farmers State Bank Balance: \$43,707.17

Check Number: 1092 Not cleared

Pay to the Order of: Phillips Impl. Date: 4/22/08 Total Amount: \$10,000.00

Address: Phillips Impl.
1800 East Hwy 100
Story City, IA 50248

Memo: **** Adding** **NEW**

Code	Entprise	Amount	Description	PC	Units	Weight
* 156	GEN	\$10,000.00	Down pmt for JD 6450	OP		

Amount Left: \$0.00

The second part of this transaction would be the balance paid and financed by John Deere Credit through the “Credit Transaction”.

Credit transaction

Creditor: John Deere Balance: \$0.00

Liability code: 256 Expense Income

Credit (Expense) Number: 5

Pay to the Order of: Phillips Impl. Date: 4/22/08 Total Amount: \$65,000.00

Address: Phillips Impl.
1800 East Hwy 100
Story City, IA 50248

Memo: **** Adding** **NEW**

Code	Entprise	Description	Amount	PC	Units	Weight
156	GEN	Purchase JD 6450	\$65,000.00	OP		
* 156	GEN	(Down pmt of \$10,000)		OP		

Amount Left: \$0.00