

LOAN VENDORS

Applies to Version 2.1 or greater

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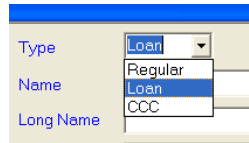


An important thing to remember with the program is that the Loan Vendor short “name” (**not the Account Code**) **tracks the loan balance**. This confuses some users who think that each loan needs to have a separate account code. The key in tracking loans is to make sure that the “Loan Vendor” from the Vendor List is used each time a payment or loan draw is made. You need to make sure that when you set your Loan Vendors up that you give them a specific “short name” for the loan so as to avoid confusion as to which vendor to use. If you designate your loans by the loan number assigned by the bank, then that is the vendor name you should use for the loan. If they are designated by the type of loan (operating, combine, tractor, land, etc), then that is how you should name them as Loan Vendors.

The last thing you should note about Loan Vendors is that the system will put an “L” next to the name on your vendor list to help you verify that it is a vendor to be used for loan transactions.

Adding Loan Vendor:

Adding a Loan Vendor is very similar to adding regular vendors. To enter a loan vendor you click on the arrow next to “type” and then highlight the word “Loan”. This will bring up the extra line items needed for loan vendors.



Type	Loan
Name	Loan
Long Name	CCC

1. The first box is the “Vendor” type. When you select “Loan” there are additional line items at the bottom of the vendor list.
2. As noted above, loan balances are tracked by the “short” name—not the account code. This “short” name can be the loan number or the type of loan—i.e. building, land, operating, etc.
3. The next few lines are for the address of your “loan vendor”. If you don’t use the program to print checks, you don’t need to enter all this information. If you do use the program to print checks, it will be this “long” name that prints on the check.
4. The next line is an optional line to enter a “Taxpayer ID number”.
5. Line five is also an optional line to enter a phone number.
6. Line six is for the liability account code. You can use the same account code for your liabilities because again—it is the “short” name that tracks your loan balances—not the account code. You will also note that the liability code you select will determine whether it is a short, intermediate or long term loan and the program will automatically enter that information. The term simply means “how long will it take to pay the loan back”. This is also the code the Loan Balance flows into on the Net Worth.
7. The box you check here will allow the program to automatically enter the default account code when you enter a transaction.
8. You can also enter a “default” enterprise that the program will automatically enter into your transaction.
9. This box can be checked if this vendor is to be tracked to receive a 1099.
10. This line is exactly what it says--enter the loan balance as of the beginning of **your** accounting year. (January 1 if your books are on a calendar year). A common mistake that is made here is to put the original loan balance in. **If** the loan was taken out during the year, then the beginning of year balance needs to be **zero**. The balance of the loan will show up when the original loan deposit is made.
11. This box you can enter the interest rate of your loan. This, however, is not a “calculated” line. It will not calculate the interest on your loan. It is for reference purposes only.

An example of this screen is shown below:

The liability code will determine the "term" and automatically fill in whether short, intermediate or long term.



TIP

A feature on most entry screens you might not be aware of is if you **right mouse click** on the screen an additional option box will pop up. This can aid in narrowing down a type of vendor if you want to edit any of your entries.