Step One:

Select Company Tab (at the top of your home screen)

A drop down menu will populate:

Choose: <u>Chart of Accounts</u>

Then:

Hit the <u>Account Tab</u> (at the Lower Bottom Left)
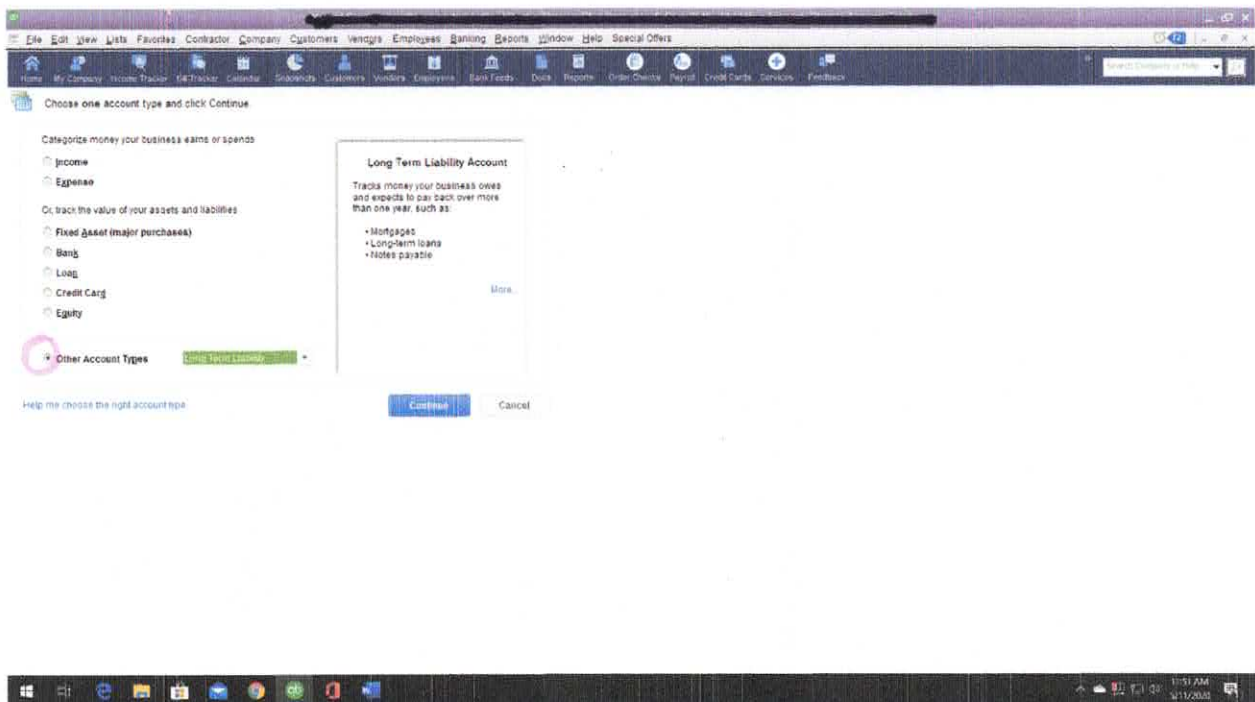
Choose: <u>"NEW"</u>

From this screen choose

- <u>Other Account Types</u> (Another menu will populate)

Choose: <u>Long Term Liability</u>
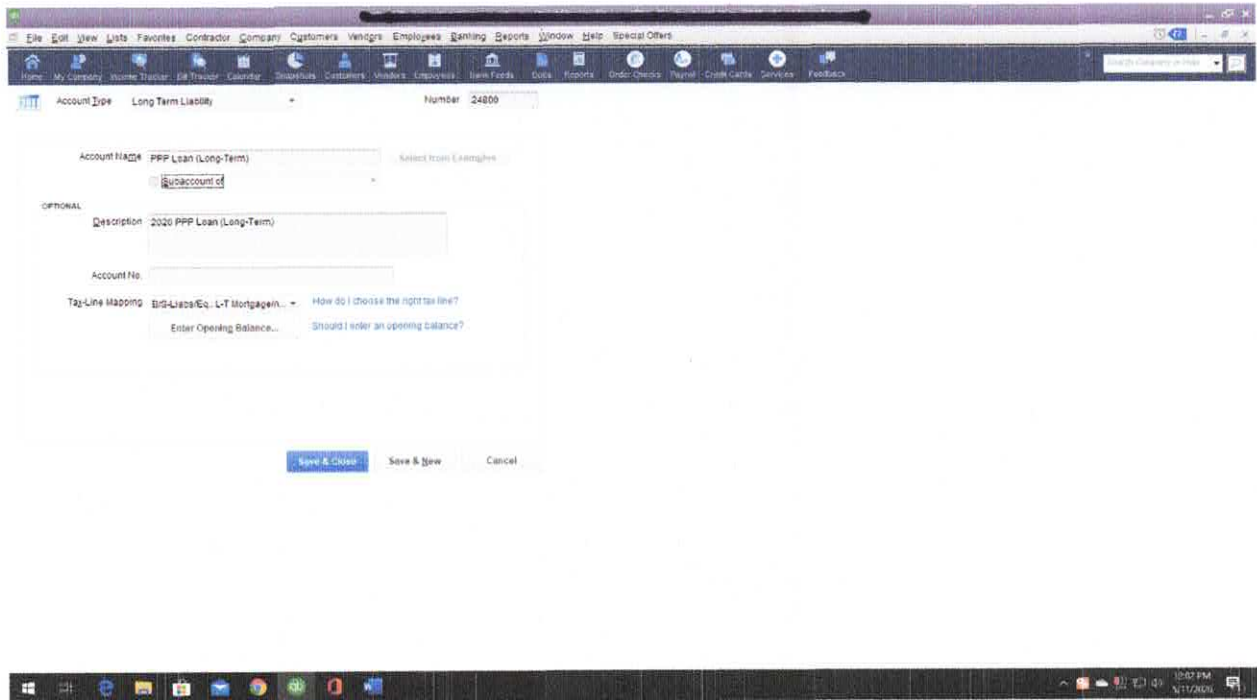
Then Hit the <u>Continue</u> Tab

Then type in the information about the loan in the following areas:
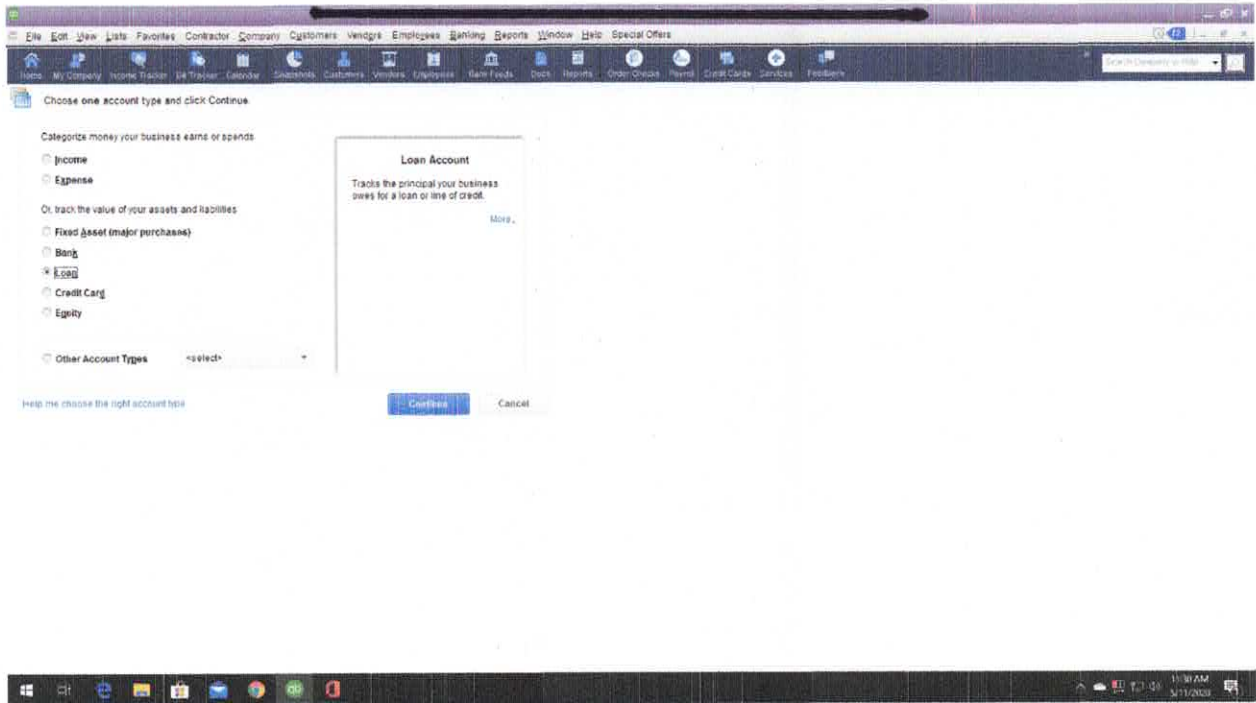
Number (CoA)

Account Name: PPP Loan -Bank Name (Long Term)

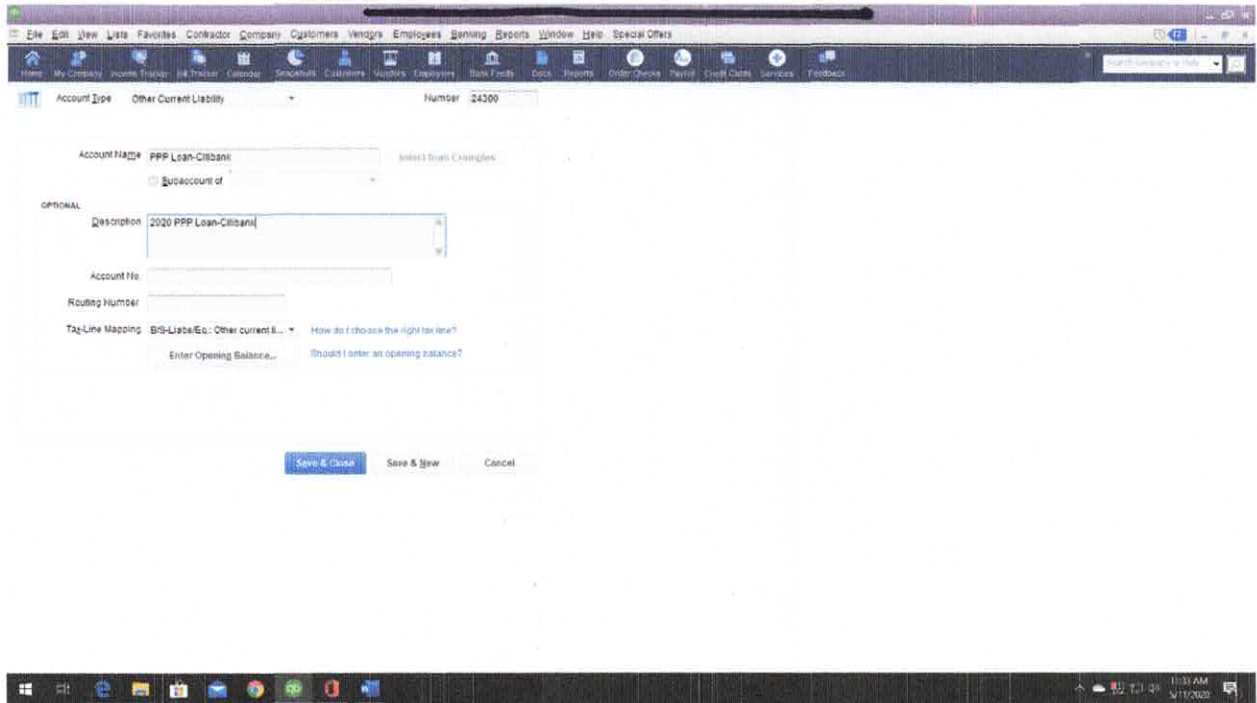Description: I normally just use the same info I typed in the account name (keep it simple).

Hit Save & Close.

Step Two: Set up the PPP Loan (for the money from your lender as a short-term loan):

Hit <u>continue</u>,

Assign a COA Number (if you have a COA Numeric allocated code)

Account Name: Type PPP Loan-Your bank name

Check off: √

Sub Account of: choose your PPP Long Term Loan

Description: PPP Loan-your lender's name (you can even input "short-term loan"

Hit Save & Close.

This represents your Short-Term Liability (aka Other Current Liability). The reasoning behind the short-term loan/liability is based on what will be paid back to the lender within the first 12 months of you receiving the loan, should your loan not be forgiven, in part or in full.
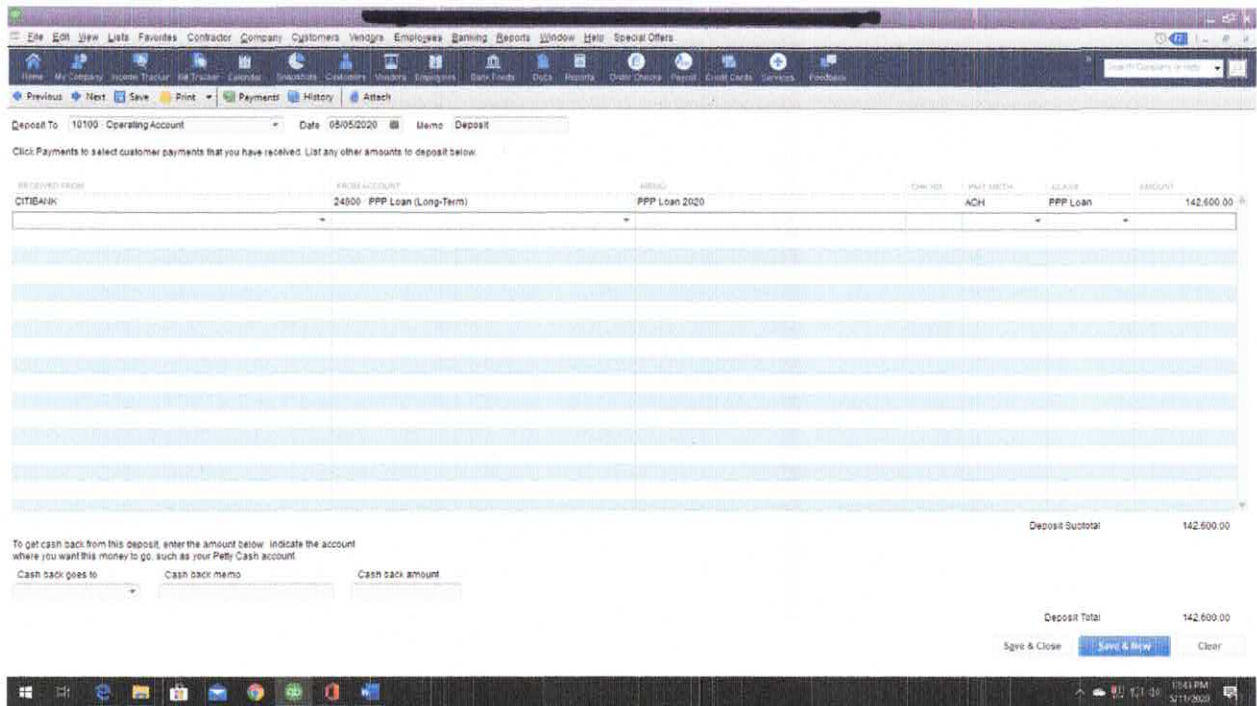

Step Three: The Deposit of the ACH Credit from your Bank/Lender...
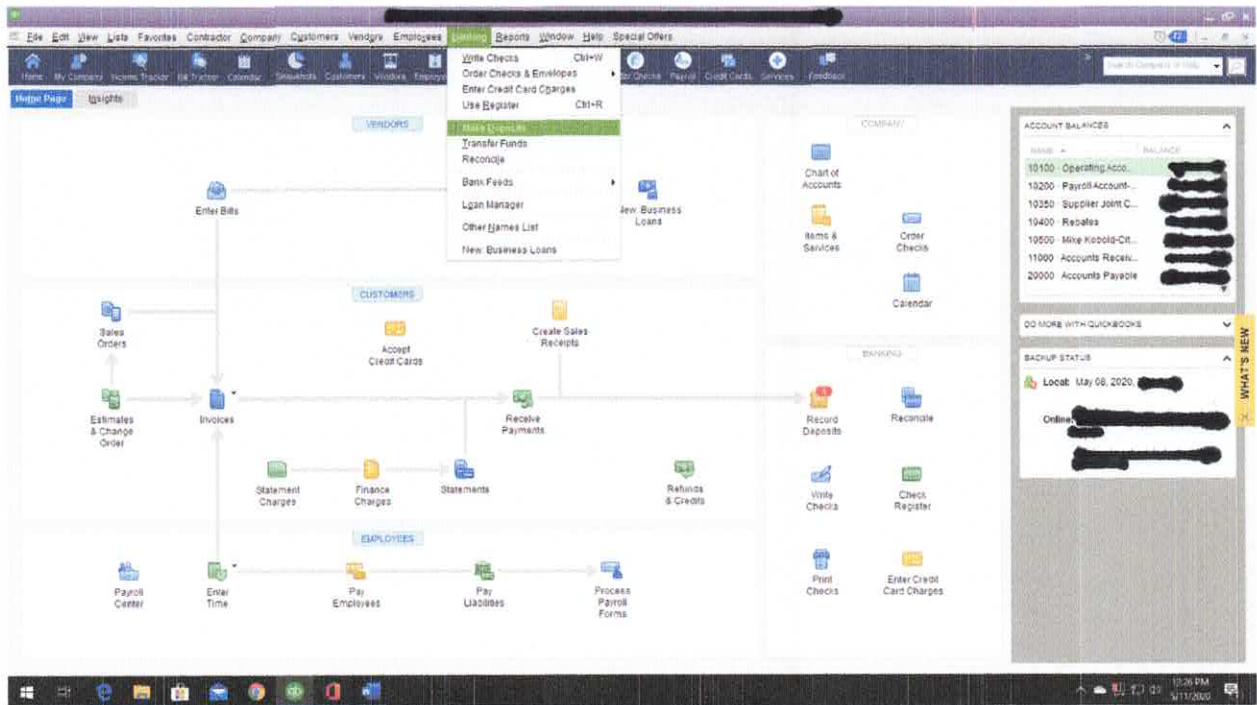
Now it is time to set up the original deposited amount you received from your lender:

Hit the Banking Tab

From the Drop Down Menu select Make Deposits.

Complete the following: running horizontally across the top (labeled #1):

> ➤ If the funds were originally deposited to your Operating Account, then choose your Operating Account
> ➤ Date: This would be the date the funds were received by your company
> ➤ Memo: Should say Deposit

Then complete the next area- running horizontally across the next level (labeled #2) :

From Left to Right:

Received From: Type in the Lender (your bank name should already BE set up in this category)

From Account: Choose PPP Loan (Long-Term)

Memo: Enter PPP Loan L/T

Check No: (N/A)

Pmt Meth: ACH

Class: PPP Loan

Amt: Full Amount of the loan

Then click on: Save & Close

That concludes the deposit to your Operating Account. Now if you need to Transfer the funds from your Operating account to your Payroll Account, make the transfer.