

Move Current Portion of Long Term Debt

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There may be times when your accountant or lender may ask you to move the current year's principal on a long term note to a current liability account. This can easily be done in CenterPoint Accounting.

You will use adjusting current portion long term debt transactions to transfer the current year's principal portion of the long term debts to the current liability section of the Balance Sheet. The long term section of the Balance Sheet decreases, and the current section of the Balance Sheet increases. The adjustment of the current portion of the long term debt transaction uses the payment schedule to determine what the current portion of the long term debt dollar amount is.

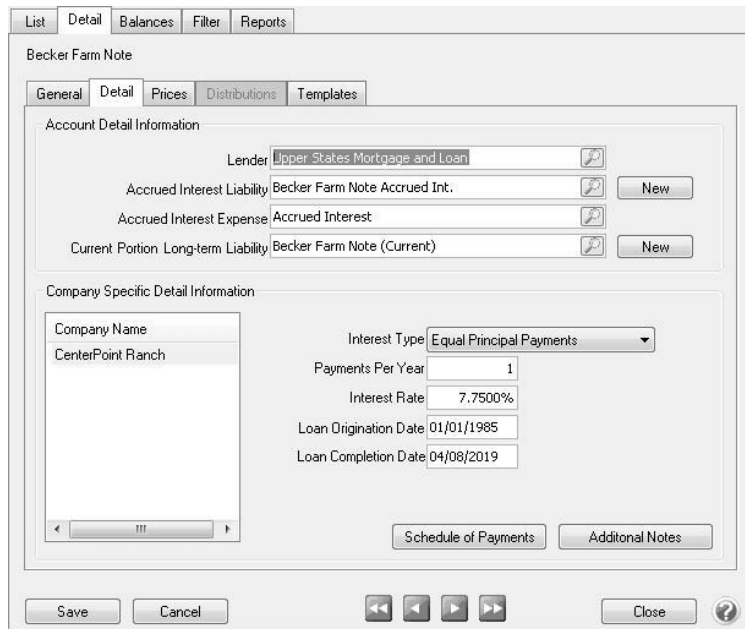
Once a year, this adjustment moves the next year's current portion of the long term liability into its current portion long term debt liability. The month of the original long term loan date defines the month that the adjustment is made to transfer the current portion of the long term debt to the Balance Sheet.

Step A - Assign Details to the Loan Account (one-time setup)

Step B - Move the Current Year Principal to a Current Liability Account

Step A - Assign Details to the Loan Account (one-time setup)

1. Select **Setup > Accounts > Accounts**.
2. Select the appropriate loan account and click **Edit**.
3. Click on the **Detail** tab.



4. Specify the appropriate **Current Portion Long-term Liability** account.
5. The Company/Fund Specific Detail Information must also be completed for this loan. Specify the appropriate **Interest Type, Payments Per Year, Interest Rate, Loan Origination and Completion Date**.

- Click on the **Schedule of Payments** button.
- The **Calculate Payment Schedule** screen will be displayed. Enter the **Original Balance**. This is the principal amount borrowed from the lender.
- Click **Calculate**. The system will calculate payment amounts (including Principal and Interest), Current Portion Balance, Long Term Balance and Total Balance.

The screenshot shows the 'Payment Schedule' window with the following input fields:

- Start Date: 05/01/2010
- Years To Repay: 3.00
- Payments Per Year: 12
- Interest Rate: 11.75 %
- Original Balance: \$42,000.00
- Loan Type: Equal Principal Payments

The table below shows the calculated payment schedule:

Payment Date	Principal	Extra Pymt	Interest	Total Payment	Current Portion Balance	Long Term Balance	Total Balance
Projected 05/31/10	\$0.00		\$0.00		\$14,000.00	\$28,000.00	\$42,000.00
06/30/10	\$1,166.67	\$0.00	\$411.25	\$1,577.92	\$14,000.00	\$26,833.33	\$40,833.33
07/31/10	\$1,166.67	\$0.00	\$399.83	\$1,566.49	\$14,000.00	\$25,666.66	\$39,666.66
08/31/10	\$1,166.67	\$0.00	\$388.40	\$1,555.07	\$14,000.00	\$24,499.99	\$38,499.99
09/30/10	\$1,166.67	\$0.00	\$376.98	\$1,543.65	\$14,000.00	\$23,333.32	\$37,333.32
10/31/10	\$1,166.67	\$0.00	\$365.56	\$1,532.22	\$14,000.00	\$22,166.65	\$36,166.65
11/30/10	\$1,166.67	\$0.00	\$354.13	\$1,520.80	\$14,000.00	\$20,999.98	\$34,999.98
12/31/10	\$1,166.67	\$0.00	\$342.71	\$1,509.37	\$14,000.00	\$19,833.31	\$33,833.31
01/31/11	\$1,166.67	\$0.00	\$331.28	\$1,497.95	\$14,000.00	\$18,666.64	\$32,666.64
02/28/11	\$1,166.67	\$0.00	\$319.86	\$1,486.53	\$14,000.00	\$17,499.97	\$31,499.97
03/31/11	\$1,166.67	\$0.00	\$308.44	\$1,475.10	\$14,000.00	\$16,333.30	\$30,333.30

Buttons at the bottom: Display Actual And Projected, Calculate, Reset, Close, Save, Preview, Print.

- Click **Save** on the Payments Schedule screen and **Save** on the Account screen.

Step B - Move the Current Year Principal to a Current Liability Account

- Select **Processes > Periodic > Adjust Current Portion Long Term Debt**.
- Click **Create New**.

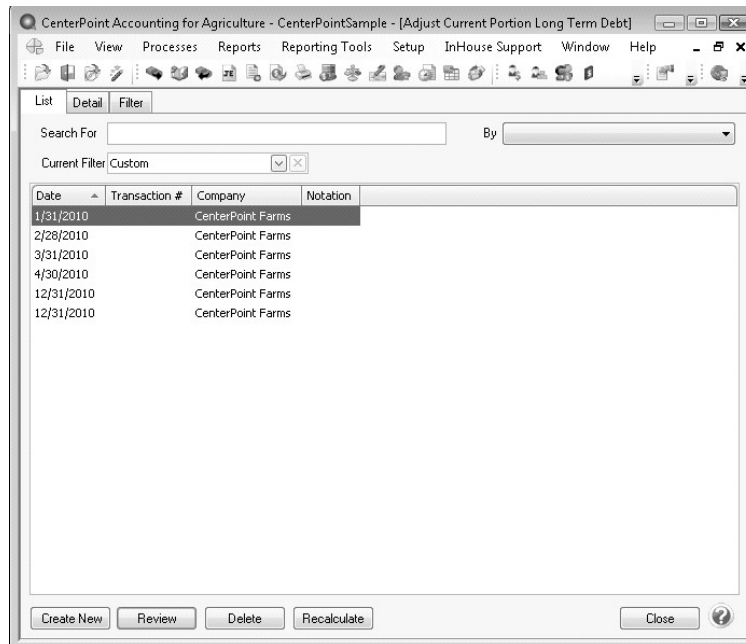
The screenshot shows the 'Create New Adjust Current Portion Long Term Debt Transaction' window with the following fields:

- Company: CenterPoint Farm
- Transaction Date: 09/10/2018
- Transaction Number: 0000001
- Memo Line 1: (empty)
- Line 2: (empty)
- Notation: (empty text area)

Buttons at the bottom: OK, Cancel.

- In the **Company/Fund** box, enter the company/fund name that the current portion long term debt transactions should be created for.
- In the **Transaction Date** box, the next "calculated" date to create current portion long term debt transactions displays. The date is calculated by taking the last date transactions were created and incrementing the date one month.
- In the **Transaction Number** box, enter the transaction number for the current portion long term debt transactions or click the sequence number icon and select the next available sequence number. See the Maintaining Sequence Numbers topic for more information.
- In the **Memo Line 1** box, enter an optional memo for the transaction. In the **Line 2** box, if the transaction is assigned a name that was setup with a default memo, it will display automatically and can be overridden.
- Enter an optional **Notation**.
- Click **OK**.

9. Click **Post**.
10. From the List tab, you can perform the following actions on a posted transaction:



- » **Review posted transactions:** Select the posted transaction and click **Review**.
- » **Reverse and recalculate a posted transaction:** Select the posted transaction, click **Recalculate**, select the **Reverse and Recalculate** option, and then click **OK** to immediately reverse and recalculate the current entry. When the recalculated entry displays, click **Post** to finalize the recalculated entry (if you click Cancel, the system has already reversed the previous entry). The current portion long-term debt transaction recalculates using the same date, company/fund, transaction number, and notation.
- » **Reverse posted transactions:** Select the posted transactions, click **Delete**, and then click **Yes**. All current portion long-term debt transaction for the company and date will be reversed.
- » **Add current long term debt transactions for loans not previously calculated:** Select the posted transactions, click **Recalculate**, select the **Add current portion LT debt transactions** option, click **OK**, and then click **Post**.

 Note: When a payment is subsequently made on this account, it should be made to the original loan account when specifying the principal amount being paid, not the current portion account.