

LLC FUND MANAGER

Using CMO with GL

To have the General Ledger accurately reflect CMO entries, you will need to add and remove investor funds manually. Here are the transactions required to do this.

EVENT	DEBIT	CREDIT
New Debt Investment	SERVACCT-Servicing Account or 111 Assets - Subscription Account (4)	
		290 Liability Account. Rename built-in or add an account (4)
New Borrower Loan	160 Assets-Outstanding Trust Deeds (1)	
		SERVACCT or 111 Assets- Servicing or Subscription Account (reverses New Investment)
Monthly Payments received	SERVACCT - Cash Account (2)	
		410 Revenue - Trust Deed Interest (2) 420 Revenue-Late Fees (2) 440 Revenue-Investor other (2)
Monthly CMO post and print checks:	370 Equity – Disbursements (3)	
		SERVACCT - Cash Account (3)
(if reinvest, need to record an increase to 290 Liability) (4)		
Pay off CD	290 Liability Account (4)	
Mark CD as closed. Pay out.		SERVACCT-Servicing Account (4)

How these accounts are accessed manually:

- 1 – Pool Input – Income Source
- 2 – Log borrower payments. Automatic.
- 3 – CMO check adjustments. Automatic.
- 4 – Other bank accounts. Manual.

If the liability entries are not added, rollovers will show SERVACCT and Distributions incorrectly.