

Enter EDIL \$\$'s & PPL Loan \$\$'s Into QuickBooks

Give to Bookkeeper

This is how to enter your EDIL emergency money and Payroll Protection Loan money into Quickbooks

This is what my CPA suggested to me this morning and I trust his judgement and he's helped me with jewelers in the past

So hand this off to whomever handles your Quickbooks stuff.

As a reminder the emergency EDIL money was originally to be \$10,000 but they changed it to \$1000 for every employee in the company with a cap max of \$10,000. (I have received mine yesterday). This is free money, don't have to pay it back, but can't be used for payroll, use it to pay other bills.

The PPL money that you apply for through your bank (many have not received this as of yet-could be another month) is a loan of 2.5 times an average monthly payroll. The government wants you to continue to employ your employees and pay them for 8 more weeks with this money and the extra money is to pay for rent and utilities

Two months later if you've paid the employees, even if they stayed home, the loan will be forgiven and all you'll owe the bank is 1% interest on it. It **will not be taxable income to your company at all!**

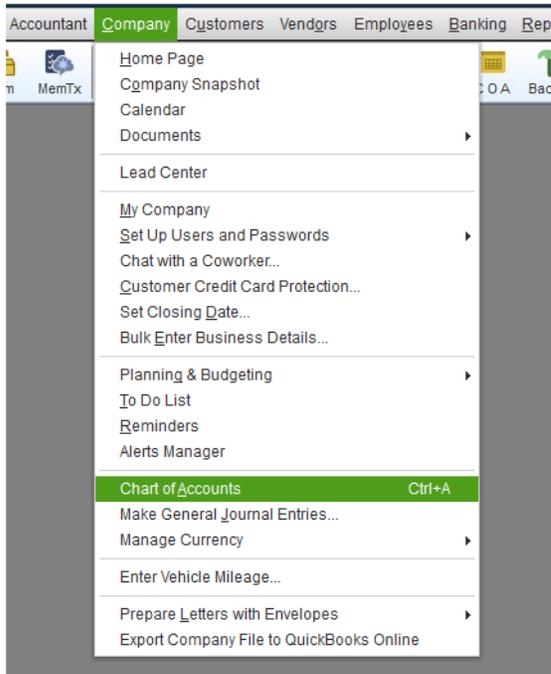
By the way, this article has nothing to do with your stimulus money, if you get it, that will come to you personally, not to your store.

This is rather long because I have made pictures for the bookkeeper and at the end is a link to a PDF file with it as well if you'd rather send or print that.

It's very simple.



Paycheck Protection Program



We need to make two new accounts in QuickBooks,

When we deposit our EDIL money into our checking account we have to choose an account telling us why we have this money (like enter a refiners check into Scrap Sale)

So we will make an "other current liability account" and an "other income" account. We will be doing this procedure twice.

Our accounts are numbers so let's take a look/see and figure out our numbering first.

Open our chart of accounts. In QuickBooks go to the top "Company" and below choose "Chart of Accounts". A short cut is anywhere in Quickbooks click "Control+A".

22000 - Sales Tax Payable	Other Current Liability	0.00
23000 - Payroll Liabilities	Other Current Liability	0.00
24000 - Loans to Officer	Other Current Liability	0.00
25000 - Bank Line of Credit-1	Other Current Liability	0.00
22100 - Bank Line of Credit-2	Other Current Liability	0.00
26000 - Long Term Loan	Long Term Liability	0.00
30100 - Balance Adjustment Needed	Equity	0.00
30200 - Capital Stock	Equity	0.00

Let's see what numbers we need to make first.

Scroll down and look on the **RIGHT** side for "other current liability" accounts. Then on left see what the highest number is. If I set you up you'll notice numbering is in units of 5's or 100's. Determine your next number for an other current liability account.

I'm going to make mine using account number "25200".

Make our other current liability account.

Many of you know your way around QuickBooks, but for others, we need to make a new account, so while you're at the chart of accounts, go to the bottom left, click **Account** and at top **New**.

A short cut here is "Control + N" for new account.

Now.....

A new large box opens, at bottom choose "other account types" and then with down arrow choose "Other current liability" and "continue".

Give it a number and a name

Now that it's open, give it the number you thought of and in description call it

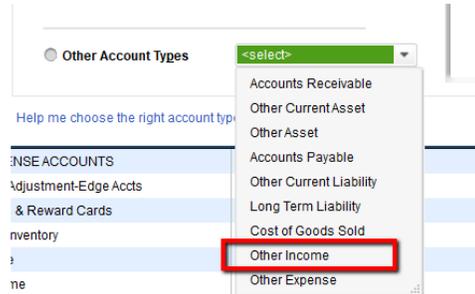
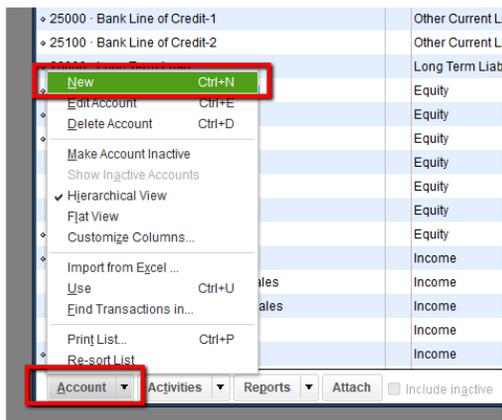
PPL Loan

Even though the PPL money will be forgiven it's not forgiven just yet! It's still a liability on the books and will be for probably 4-5 months.

This is the other side of the deposit we make when we get this PPL money

Hit save and close, one account made, one to go.

Now let's make our "Other Current Income" account. Again we will go to chart of accounts and make a new account. Follow the pictures or while in chart of accounts (if not, control+a) make a new account (control+n)



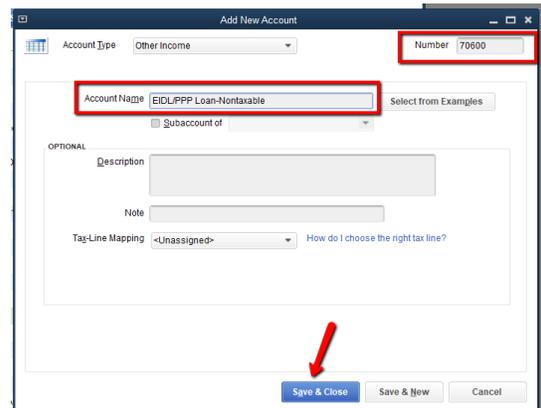
As before, click the bottom "Other Account Types" and choose from the list "Other Income". You should already looked the list to get next available number, see next picture if you didn't.

Make another new account in QuickBooks.

69720 - *Reterrals & Reward Cards	Expense
69730 - *Missing Inventory	Expense
70100 - Other Income	Other Income
70200 - Interest Income	Other Income
70300 - Vendor Discounts	Other Income
70400 - Buying Group Rebates	Other Income
70500 - Proceeds from Sale of Assets	Other Income
80000 - Ask My Accountant	Other Expense
80100 - Other Expenses	Other Expense

At the very bottom of our chart of accounts we'll see "Other Income". Other Income is usually money received that has nothing to do with selling or repairing jewelry.

Here i will choose the next number **70600**.



We will give it number 70600 and we will call it what it really is:

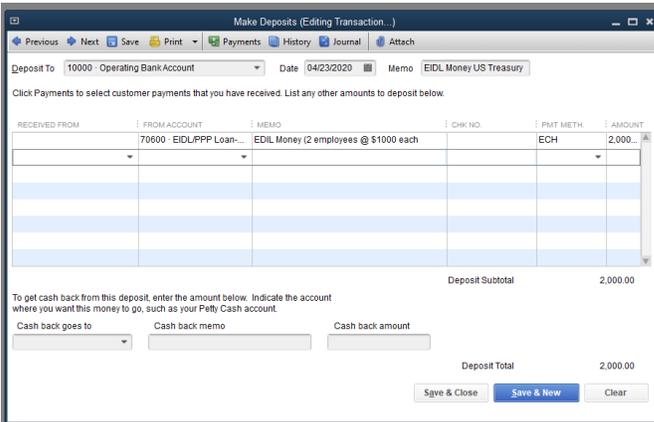
EIDL/PPL Loan Nontaxable.

This is for the attention next year of our CPA and if you have to give a P&L to a bank for some reason.

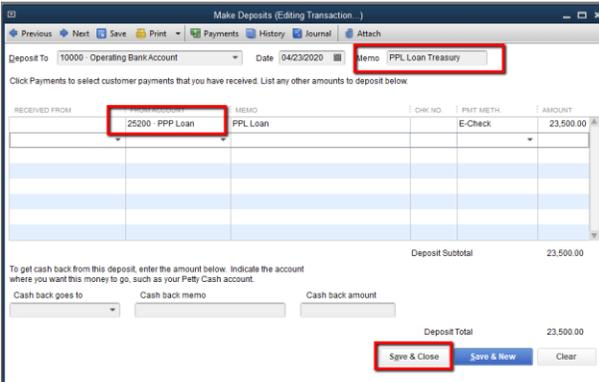
The EIDL money will be accounted for her immediately and the PPL loan will be **MOVED to this account** from the PPL Loan liability account when we are forgiven..

Here's our "Other Income Account" for the non taxable money.

70100 - Other Income	Other Income
70200 - Interest Income	Other Income
70300 - Vendor Discounts	Other Income
70400 - Buying Group Rebates	Other Income
70500 - Proceeds from Sale of Assets	Other Income
70600 - EIDL/PPP Loan-Nontaxable	Other Income
80000 - Ask My Accountant	Other Expense
80100 - Other Expenses	Other Expense



Here we received our EDIL money, it's a grant so it's income right now and we deposit it into our checking account using account 70600 EDIL/PPL Loan-Nontaxable account



Receiving & Depositing the PPL money

When the Payroll protection Loan money arrives we deposit it as well and on the account line we will use the 2520 PPL Loan "other current liability" account.

Remember it's a loan until we are forgiven.

25100 - Bank Line of Credit-2	Other Current Liability	0.00
25200 - PPP Loan	Other Current Liability	23,500.00

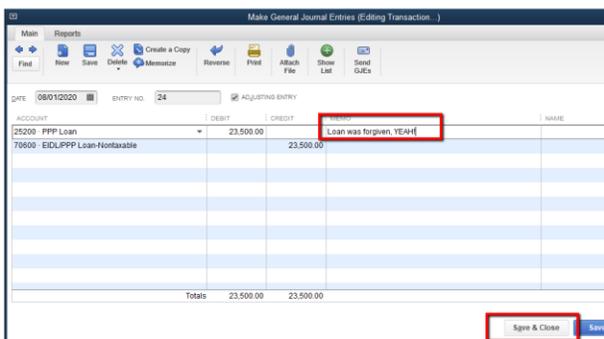
Our liability account shows the PPL money

If you open your chart of account and look at account 25200 PPL Loan you'll see the balance.

You've made two deposits into the check register

In your check register you'll see the money that came to you, usually through a wire transfer. You can also one went directly into the Other Income account and the PPL money is sitting in the PPL other current liability account

DATE	NUMBER	ACCOUNT	INVOICE	MEMO	INVERT	DEPOSIT	BALANCE
G2000							25,362.25
V2000						2,000.00	27,362.25
DEP	70600	EDIL/PPP Loan-Nontaxable		EDIL Money US Treasury			
V2000						23,500.00	50,862.25
DEP	25200	PPP Loan		PPL Loan Treasury			



And when we are finally FORGIVEN.

After we are forgiven for the PPL loan debt we will zero out the 25200 PPL Loan "other current liability" account to the 70600 EIDL/PPP loan Non taxable other income account.

Easy enough to do with a journal entry. Go to the top menu **Company** and near bottom choose "**make general Journal Entries**."

Once open copy the picture to debit the 25200 other current liability account and next line credit the "70600 EDIL/PPP Loan Nontaxable" account. we are don and the CPA can see everything.

When the time comes to prove how you spent the money!

Here are some tips on how to track this money in Quickbooks as you'll have to show copies to the bank to be forgiven. 75% of the total PPL will have to be paid to employees over 8 weeks and the rest on

- Rent
- Utilities
- Mortgage Interest (most jewelers won't have this).

Don't worry, every one tells me the remaining 25% left over after payroll won't be enough to fully cover rent so you'll easily be forgiven for all of the money you spend.

But how to find it inside of QuickBooks. i like "simple" and so for everything I deposit and spend I'm adding "PPL" in the memo field (the EDIL doesn't have to be proven).

You notices I put those letters in the Make A Deposit memo line at the top. On a check you could add "PPL" on the check memo line like this picture.

BANK ACCOUNT 10000 - Operating BankAccount ENDING BALANCE 22,500.00

NO. 2 DATE 04/23/2020

PAY TO THE ORDER OF Mary Smith \$ 565.00

Five hundred sixty-five and 00/100* ***** DOLLARS

ADDRESS Mary Smith

MEMO PPL payroll Week of 4/23/20

Expenses \$565.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO
65100 - Sales Staff Wages	565.00	

BANK ACCOUNT 10000 - Operating BankAccount ENDING BALANCE 23,500.00

NO. 1 DATE 04/23/2020

PAY TO THE ORDER OF Smith Properties \$ 1,000.00

One thousand and 00/100* ***** DOLLARS

ADDRESS Smith Properties

MEMO PPL

Expenses \$1,000.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO
67100 - Rent Expense & Cam Charges	1,000.00	

Use the FIND tool in QuickBooks to search memo field for PPL and EDIL.

Now you have a printable report.

Find

Simple **Advanced**

CHOOSE FILTER

Job Status
Job Type
MEMO
Name
Name Acc.NumN...

Memo ppl

Current Choices

FILTER	SET TO
Memo	ppl
Posting Status	Either
Zero Reorder ...	Hide

Find
Reset
Close
Help
Go To
Report
Export...

DATE	TYPE	NUM	NAME	ACCOUNT	MEMO	AMOUNT
04/23/2020	DEP			Operating B...	PPL	23,500.00
04/23/2020	CHK	1	Smith Prope...	Operating B...	PPL	-1,000.00
04/23/2020	CHK	2	Mary Smith	Operating B...	PPL payroll...	-565.00

In "FIND" click the right REPORT button for a printable report to give the bank.

This is what I'll do and when time comes to report to the bank I will print the report but also double click on each

Find Report

Customize Report Comment on Report Share Template Memorize Print E-mail Excel Hide Header Refresh

Dates All From To Sort By Default

Report Basis: Accrual Cash Show Filters

2:39 PM 2020 Edge QuickBooks Jewelry Store
04/23/20 Find Report
All Transactions

Type	Date	Num	Name	Memo	Account	Clr	Split	Debit	Credit	Balance
Deposit	04/23/2020			PPL	10000 - Operating...		25200 - PPL L...	23,500.00		23,500.00
Check	04/23/2020	1	Smith Properties	PPL	10000 - Operating...		67100 - Rent...		1,000.00	22,500.00
Check	04/23/2020	2	Mary Smith	PPL payroll ...	10000 - Operating...		65100 - Sales...		565.00	21,935.00
Total								23,500.00	1,565.00	21,935.00

entry and print a copy on plain white paper to attach to the report to give the bank.

There is one other way to TRACK your PPL & EDIL money in QuickBooks. CLASSES

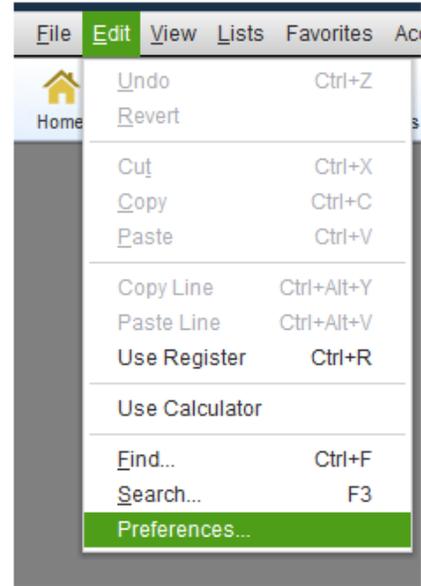
We first have to tell QuickBooks that we want to use classes.

Then we Name the class

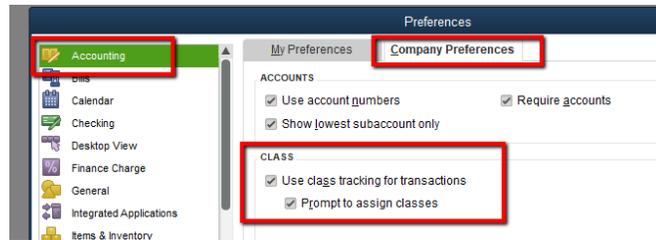
When we make a deposit or write a check there will be a new line item for class to be chosen.

Then you can run a Profit & Loss Statement by class and see money received and spent just for those items, print and give to the bank later to be forgiven.

To start, go to the TOP Of Quickbooks Edit>Preferences (at the bottom)

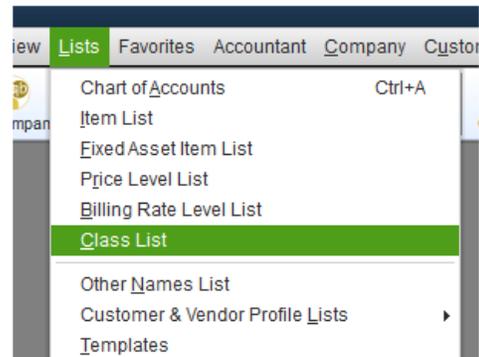


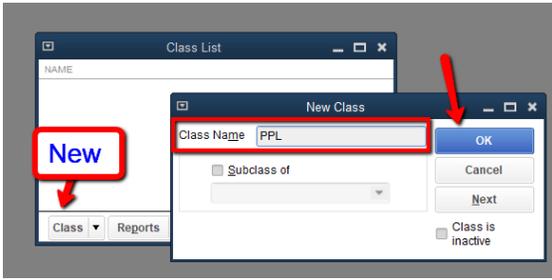
Click on left Accounting tab, on right choose Company and click on both "Class" boxes and then click "OK"



Now we actually have to create a class called PPL

Back to the top, click on LISTS and class lists.

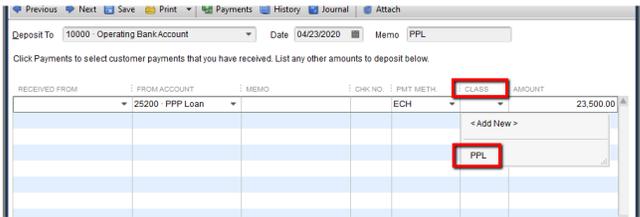




Make a class called "PPL"

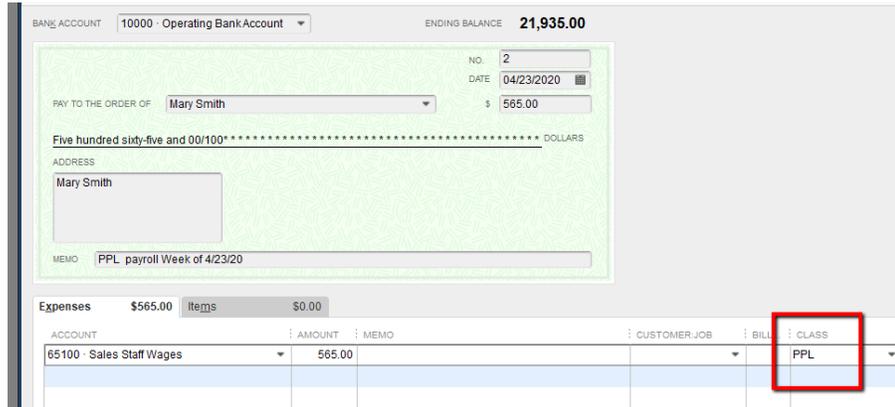
Once the Class list opens, click at bottom left "Class" and make a new class (shortcut=control+n)

Just give it a name "PPL" and click OK



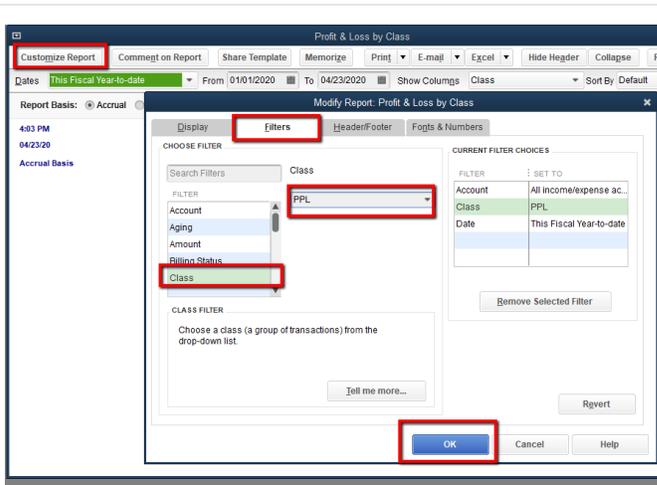
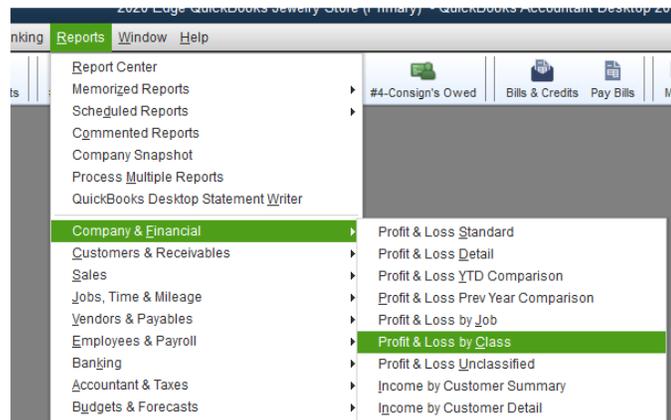
On the deposit screen on right is a new column called "Class". Down arrow and choose PPL.

Do the same on checks



Now pull up a profit & Loss statement by Class.

There is a little tweaking to do here, that's below this as I just wanted to show it quickly



"Tweaking" P&L by Class

Classes in QuickBooks are used by jewelers who have multiple stores. A one store operation never uses classes but multi store would have Class "Downtown" Class "The Other Town"

If a one store uses it on the P&L you'll have **two** columns

1. PP&L
2. "Uncategorized" Which means all of the transactions you did with no class for years.

the tweaking is simple. Once you have the P&L by Class pulled up, go to the upper left and click on the box "Customize Report"

A new window opens up, choose the 2nd tab "Filters", on the left column choose "Class" and in the middle choose "PPL" and click OK at bottom.

P&L is now only showing transactions for PPL

From 01/01/2020 To 04/23/2020 Show Columns Class

Cash Show Filters

Acme jewelers PPL report Money Received & Spent
Profit & Loss by Class
 January 1 through April 23, 2020

	PPL	TOTAL
Ordinary Income/Expense		
Expense		
65000 - *PAYROLL EXPENSES		
65100 - Sales Staff Wages	565.00	565.00
Total 65000 - *PAYROLL EXPENSES	565.00	565.00
67000 - *BUILDING OVERHEAD		
67100 - Rent Expense & Cam Char...	1,000.00	1,000.00
Total 67000 - *BUILDING OVERHEAD	1,000.00	1,000.00
Total Expense	1,565.00	1,565.00
Net Ordinary Income	-1,565.00	-1,565.00
Other Income/Expense		
Other Income		
70600 - EIDL/PPP Loan-Nontaxable	2,000.00	2,000.00
Total Other Income	2,000.00	2,000.00
Net Other Income	2,000.00	2,000.00
Net Income	435.00	435.00

All PPL money

Now you won't have categorized which are all transactions your bank doesn't need to see. This will just be your PPL deposits and checks. Remember EDIL doesn't have to be reported to the bank, this is all you need.

STIMULUS 2020 Q&A

4 Steps to Get Your PPP Loan Forgiven

Use your loan only for what it's intended--but that's only the start.

It has only taken me 5 hours to put this together for you. This last "thing" is a link for you to click on on how to get your PPL loan forgiven..

"Inc" magazine has done an excellent article on the 4 steps you'll need to take to get your PPL loan forgiven. So instead of copying it here, click on the picture above or this link below to go to their website. It's not that long, an easy read.

[Click this line to go to Inc Magazine site to read the 4 steps.](#)

Here's the short version, details are on their site.

- 1. Review what loan uses will be forgiven.**
- 2. Understand how your loan forgiveness can be reduced.**
- 3. Document all of your loan expenses.**
- 4. Follow your specific lender's guidelines.**

Every instruction I've given to you here for QuickBooks will solve all of your problems with this. i just can't **Get you the money.**

David Geller

QuickBooks Pro Adviser

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**THIS TOO SHALL
PASS. IT MIGHT
PASS LIKE A
KIDNEY STONE. BUT
IT WILL PASS**