PPP Loan Tracking and Recording Expenses in QuickBooks Desktop

Recording a PPP Loan and Tracking Corresponding Expenses

There are a few options in QuickBooks for how to record the funds received from the **Paycheck Protection Program** (PPP) loan and the expenses to which the funds are used. To keep your financial reports consistent and comparable with the prior year, and since using classes may not be an available option for all QuickBooks users, we will present the following way of recording.

1) Create a sub account to the bank account in the Chart of Accounts.

- In the Chart of Accounts, select Account $\mathbf{\nabla}$, then select New
- Select Bank, click Continue
- Enter a name for the account, like "PPP Loan Funds"
- Click Sub-account of and choose the bank account from the drop down
- Click Save and Close

•	Char	t of Accounts	_	_	_ = ×	
Loog for account name or number	Search Reget					
NAME			. ≰ i type	BALANCE TOT	ATTACH	
+ 10100 Checking			🞸 Bank	46	,969.10	
+ 10300 · Savings		Add New Account: Cho	ose Account Type		- E X	
10400 Petty Cash 11000 Accounts Receivable	Choose one account type a	nd click Continue.				
12000 - Undeposited Funds 12100 - Inventory Asset	Categorize money your busine	iss earns or spends	_			
12800 Employee Advances 13100 Pre-paid Insurance 13400 Retainage Receivable	C Income Expense		Crisu	Bank Account Create one for each cash account, such as: • Pethy cash • Checking • Savings • Money market		
15000 Furniture and Equipment 15100 Vehicles 15200 - Buildings and Improvement	Or, track the value of your asse Fixed Asset (major purcha Bank	ts and liabilities (ses)				
Activities • F	© Loa <u>n</u> © Credit Car <u>d</u> © Eguity				More	
(2008-00)	O Other Account Types	<select></select>	•			
	Help me choose the right account t	ype.		Conținue	Cancel	



		Shirt of Accounts		÷	. 🗆 >
Look for account name or number	Search Repet				
NAME		5	TYPE	BALANCE TOTAL	TACH
* 10100 - Checking		\$	Bank	46,969.10	
+ 10300 · Savings	a .	Add blow becom		1	-
+ 10400 Petty Cash		Page Tama Paccoa			- 1-1 ·
+ 11000 Accounts Receivable	Account Type Ba	nk *		Number 10101	
+ 12000 Undeposited Funds	· · · · · · · · · · · · · · · · · · ·				
+ 12100 Inventory Asset					
+ 12800 · Employee Advances	Account Name	PPP Loan Funds			
+ 13100 - Pre-paid Insurance					
+ 13400 - Retainage Receivable	2020/00/00	S Zopacconut or [bound - cuecki	ng ·		
+ 15000 · Furniture and Equipment	OPTIONAL				
+ 15100 Vehicles	Description				
+ 15200 - Buildings and Improvements					
	dura contra menter				
Account Activities Re	Bank Acct. No.				
83	Routing Number				
		2200 TO 00 TO 00			
Estimat	Tag-Line Mapping	B/S-Assets: Cash *	How do I choose the	light tax line?	
		Enter Opening Balance	Should Lenter an open	ning balance?	
		Remind me to order checks when I	reach check number IckBooks Leam	more	
			Save & Close Sav	e & New Cancel	

2) Create a new loan account in the Chart of Accounts.

- In the Chart of Accounts, select Account ▼, then select New
- Select Other Account Types, then select Long Term Liability
- Click Continue
- Enter a name for the account, like "PPP Loan"
- Click Save and Close



OFFICES Willmar | Benson | Morris | Litchfield | St. Cloud-Sartell www.cdscpa.com | (888) 388-1040



	Subaccount of	*		
OPTIONAL				
Description				
Account No.		D		
Tag-Line Mapping	B/S-Liabs/Eq.: L-T Mortgage/n +	How do I choose the	right tax line?	
	Enter Opening Balance	Should I enter an ope	ning balance?	

3) Record the loan proceeds received.

- Select Banking, then select Make Deposit
- Change the Deposit To account to the new bank sub-account
- In the From Account column, choose the loan account created
- Enter the amount received in the Amount column
- Click Save and Close

Look for account name or number * 23200 · Loan - Vehicles (Pickup Truck) * 23300 · PPP Loan * 28100 · Loan - Cumthurel * 28200 · Loan - Furnhurel * 28200 · Nortgage - Office * 28200 · Mortgage - Office * 28200 · Mortgage - Office * 28200 · Mortgage - Office * 28200 · Nortgage - Office * 28200 · Capital Stock * 31400 · Shareholder Dist * 40100 · Construction Inco + 40110 · Construction Inco + 40110 · Construction Inco * 40110 · Construction Inco	Next Save Next Save Next Next Next Next Next Next Next N	Print PPP Loan Function PPP Loan PPP L	Make Deposits yments Histor ts - Date ave received List a	y Journal 1 05/01/2020	i ability iability Attach Memo Dr to deposit bel PMT METH	eposit ow.	ANDUNT 45,500.00
VALUE 23200 · Loan - Vehicles (Pickup Truck) 23300 · PPP Loan 28100 · Loan - Construct 28200 · Loan - Furnitured 28200 · Rodragae - Office 28000 · Note Payable - Bis 20000 · Capital Stock 21400 · Shareholder Disk 40100 · Cashtudion Incom + 40110 · Design Incom Account · Activitier	Next Save Save 10100 Checking 1010 nts to select customer p 1000	Print PPP Loan Funct Prove that you h: Prove account Prov	Make Deposits yments Tistor ts - Date ave received List a	TryPE Long Term L Long Term L Long Term L U Solution	Attach Memo D to deposit bel Plat METH	eposit ow	TAL ATTACH .541.00 0.00
23200 Loan - Vehicles (Pickup Truck) 23300 - PPP Loan 28100 Loan - Construct 28200 Loan - Furniture 28700 Note Payable - B 28900 Mortgage - Office 30000 - Opening Bal Equi 30100 - Capital Stock 23000 Retained Earning 40100 - Construction Incom + 40100 - Design Incom	Next Save Save 10100 Checking 1010 Ints to select customer p 1000	Print • 💀 Pay 01 · PPP Loan Fund ayments that you h: PPDLACCOUNT 23300 · PPP Loan •	Make Deposits yments Tistor ts Tible Date ave received. List a	Long Term L Long Term L 9 2 Journal 1 05/01/2020 2 Journal 1 05/01/2020 2 Journal 1 05/01/2020 2 Journal 1	Attach Memo D to deposit bel PMT METH	22 eposit ow.	.641.00 0.00
23300 - PPP Loan 28100 - Loan - Constructi 28200 - Loan - Furniture(28700 - Note Payable - Bi 28900 - Mortage - Office 30000 - Opening Bal Equi 30100 - Capital Stock 31400 Shareholder Disk 40100 - Construction Incom + 40110 - Design Incoms <u>Account</u> ▼ Acţivitie	Next Save Sove 10100 Checking 1010 Ints to select customer p ROM 2	Print PPP Loan Fund ayments that you h: PPDN ACCOUNT 23300 - PPP Loan	Make Deposits yments T Histor ts T Date ave received List a	Long Term L y Journal 1 05/01/2020 III iny other amounts CHIC NO.	Attach Memo D to deposit bel PMT METH	eposit ow CLASS	0.00
28100 Loan - Constructi 28200 Loan - Furnitured 28700 Note Payable - BS 28900 Mortgage - Office 28000 Ocephing Bal Equi 30100 Capital Stock 31400 Shareholder Disk 40100 Construction Incom + 40110 - Design Incoms Account Activitie	Next Save Sove 10100 Checking 1010 nts to select customer p ROM	Print • PP Point ayments that you h: PPDMACCOUNT 23300 • PPP Loan	Make Deposita yments Thistor ts T Date ave received List a	y Journal 1 05/01/2020 III iny other amounts CHIC NO.	Attach Memo D to deposit bel PMT METH	eposit ow i class	
28200 · Loan - Furniture(Previous 28700 · Note Payable - Bg 28900 · Mortgage - Office 30100 · Capital Stock 31400 · Shareholder Disk 32000 · Retained Earning 40110 · Design Income Activitie	Next Save Save In100 Checking 1010 Ints to select customer p ROM	Print PPP Loan Fund ayments that you have compared as a compared by the second compared by the second seco	yments 📑 Histor 15 • Date ave received. List a 1 MEMO	y Journal 1 05/01/2020 III any other amounts CHICNO.	Attach Memo D to deposit bel PMT METH	eposit ow i class	45,500.00
28900 · Mortgage - Office 30000 · Opening Bal Equ 30100 · Capital Stock 31400 · Shareholder Dist 20000 · Retained Earning 40100 · Construction Incom + 40110 · Design Income <u>Account</u> • Activitie	10100 · Checking 1010 Ints to select customer p ROM	01 - PPP Loan Fund layments that you hi PRDM ACCOUNT 23300 - PPP Loan	ts Date Date	05/01/2020	Memo D to deposit bel PMT METH	eposit ow i class	45,500.00
30000 · Opening Bal Equi 30100 · Capital Stock 31400 · Shareholder Disk 32000 · Retained Earning 40100 · Construction Incom +40110 · Design Income Account V Activitie	nts to select customer p ROM	ayments that you ha FROM ACCOUNT 23300 - PPP Loan *	ave received. List a	Env other amounts	to deposit bel	ow. I class	45,500.00
32000 Retained Earning 40100 - Construction Incom +40110 - Design Income Account Activitie		23300 - PPP Loan					45,500.00
40100 - Construction Incom +40110 - Design Income Account Activities	+	•					
+40110 - Design Income							
Account Activitie							
Breenin , webune							
							3
To get cash b where you wa	back from this deposit, e ant this money to go, su	nter the amount be ch as your Petty Ca	low. Indicate the a sh account.	Deposi	it Subtotal		45,500.00
Cash back g	goes to 0	Cash back memo		Cash back	amount		
	•						
				Dep	osit Total		45,500.00
				Save & Close	Save	& New	Clear



4) Pay your expenses from the bank account as you normally would.

5) Create a journal entry.

After paying an eligible expense using PPP loan funds, enter a journal entry to transfer the amount from the PPP Loan Funds sub-account to the regular bank account. Note in the memo what the transfer is for. The transfer amount used for payroll will be for the allowable expenses only (gross wages including vacation and sick time, employer retirement plan contribution, employer health insurance premiums paid). These amounts can be obtained from a Payroll Summary report. The PPP Loan Funds sub-account will show how much of the funds remain.

- Go to Company, then Make Journal Entries
- Enter info as shown
- Click Save and Close

-						- VIII - VIII	
				eneral Journal Entries			- 8 1
Main	Reports						26 ^
		reate a Copy	/ E				
Find	New Save Delete	Aemorize Rev	erse Print	Attach Hide Send			
				File List GJEs			
ATE 05/0	5/2020 10 ENTRY NO.		ADJUST	ING ENTRY			
COUNT		î DEBIT	CREDIT	MEMO	3 NAME	BILLA I CLA	\$\$
0100 Ch	ecking	375.2	5	Transfer PPP funds for utility payment			2
0100 Ch	ecking 10101 PPP Loan Fu	inds	375.25	Transfer PPP funds for utility payment			1
		Totals 375.2	5 375.25				
ist of Selei	cted General Journal Entries	This Month		× .			
DATE	ENTRY, NO ADJ	LADCOUNT I	VENIO	DEBIT/CREDIT(4//)			
		1 1	123				
		1 1					
		1 1					
		1 1					
		1 1					
		1 1					
						-	
					Save & Close	Sava & Morar	Clear



				Payroll Sum								
Customize Report Comment on Repo	ort Share	Template	Memoriz	e Prinț	▼ E-r	naji 💌 i	zcel 🔻	Hide Heg	der Refi	resh		
Dates Custom +	From 05A	05/2023 8	B To 05/0	5/2023 88	Show C	olumns	Employee		•			
Show Filters												
7:14 AM			Ro	ck Castle	Const	ruction						
12/15/23			F	Payroll S May	Summ 5, 2023	ary						
		an T. Miller		Elizab	eth N. Mas	ion	Greg	g O. Schne	ider		TOTAL	
	Hours	Rate	May 5, 23	Hours	Rate	May 5, 23	Hours	Rate	May 5, 23	Hours	Rate	May 5, 23
* Employee Wages, Taxes and Adjustm.												
* Gross Pay												
Salary			1,596.15			0.00			0.00			1,596,15
Overtime Rate			0.00		22.13	0.00		25.88	0.00			0.00
Regular Pay			0.00	80	14.75	1,160.00	80	17.25	1,380.00	160		2,560.00
Sick Hourly			0.00		14.75	0.00		17.25	0.00			0.00
Vacation Hourly			0.00	02.5	14.75	0.00		17.25	0.00			0.00
Total Gross Pay			1,596.15	80		1,180.00	08		1,380.00	160		4,156.15
Toductions from Gross Pay												
401k			-159.62			-100.00			0.00			-259.62
Total Deductions from Gross Pay			-159.62			-100.00			0.00			-259.62
Adjusted Gross Pay			1,436.53	80		1,080.00	80		1,380.00	160		3,896.53
* Taxes Withheld												
Federal Withholding			-51.00			-86.00			-168.00			-305.00
Medicare Employee			-23.15			-17.11			-20.01			-60.27
Social Security Employee			.98.96			73.15			25 52			767.00

-15.55

0.00

-191.82

-25.00

-25.00

863.18

0.00

17.11

73.16

80

-43.66

-16.28

-12.50

-12.50

1,033.99

0.80

20.01

85.56

Save & Close Save & New

Revert

160

-333.51

-62.22

-16.28

-701.45

-62.50

-62.50

0.80

60.27

257.68

3,132.58

-3.01

0.00

-176.12

-25.00

-25,00

1,235.41

0.00

23.15

98.96

80

CA - Withholding CA - Disability Employee

Total Taxes Withheld

Net Pay

Deductions from Net Pay Health Insurance

Total Deductions from Net Pay

* Employer Taxes and Contribution Federal Unemployment

Medicare Company

Social Security Company

401k Match	υ.	00	57.75	5.25		63.00
	47.	88	35.40	0.00		83.28
Workers Compensation	266	11	121.18	13.11		400.40
CA - Employee Training Tax	0.	00	0.00	0.10		0.10
Total Employer Taxes and Contribut	436.	10	304.60	124.83		865.53
	Mak	e General Journal Entrie	5	_	_	_ =
Main Reports						20 ^
	Reverse Print	Attach Hide Se File List G	nd Es			
	DEBIT CREDIT	MENO		. NAME	i BILLA - I CLASS	
10100 Checking	4,239.43	Transfer PPP funds for p	ayroll (4,156.15 wages; 83.28 401k)	81	1	A
10100 · Checking:10101 · PPP Loan Funds	4,239.43	Transfer PPP funds for p	ayroll (4,156.15 wages; 83.28 401k)			
Total	s 4,239.43 4,239.43					
Total	s 4,239.43 4,239.43 Month	-				

After your lender determines how much of the loan is forgiven, you can transfer the forgiven amount.



OFFICES Willmar | Benson | Morris | Litchfield | St. Cloud-Sartell www.cdscpa.com | (888) 388-1040

6) Create a new account to record the use of the PPP loan funds.

- In the Chart of Accounts, select Account ▼, then select New
- Select Other Account Types, then choose Other Income
- Click Continue
- Enter a name for the account, like "PPP Loan Forgiveness"
- Click Save and Close
- If you would like the expenses detailed, repeat those five steps to create sub-accounts under PPP Loan Forgiveness (i.e. Payroll Costs, Rent, Utilities, Mortgage Interest)



Account Name	PPP Loan Forgiveness			
	Subaccount of		*	
PRONAL	č			
Rescription				
			2	
Note				
Tag-Line Mapping	<unassigned></unassigned>	 How do 	I choose the right tax line	2



7) Create a journal entry.

Create a journal entry to debit the PPP Loan account for the amount forgiven and credit the new PPP Loan Forgiveness account or sub-account for the amount of expenses to total the forgiven amount.

- Go to Company, then Make Journal Entries
- Enter info as shown
- Click Save and Close

	Mak	General Journal Entries	_ = ×
Main Reports			N A
Find New Save Deleter Memorize	ry 🐓 🔒 Reverse Print	Atlach Hide Send File List GJEs	
Дите 07/24/2020 III) ЕНТРУ НО.	R ADJUSTING	ENTRY MENO	TNAME TRULA TOLASS
23300 - PPP Loan	45,500.00	PPP Loan Forgiven	A 19
70300 · PPP Loan Forgiveness +	45,500.00	PPP Loan Forgiven	• •
Totals	45,500.00 45,500.00 onth	• i deprimentation	
5 - 10 - 10 - 10	12	, Sg	re & Close Save & How Revert

If you need assistance with this process, visit with one of our <u>QuickBooks Experts</u> at (888) 388-1040.

