

# How do you enter your Patronage Dividends/Refunds into Pc Mars?

Before you try to enter the information from the dividend/refund into Pc Mars, you need to make sure you have a vendor set up for the co-op as an asset account. This will allow you to track the balance of the asset (equity) for the co-op in question. If you don't have an asset vendor already set up for the business, see the example below.

The screenshot shows the 'Vendor List' window in Pc Mars. The vendor 'MMPA Equity' is selected in the list on the left. The main form displays the following details:

- Type:** A dropdown menu is set to 'Loan'. To its right are three radio buttons: 'Borrowed (Liability)', 'Loaned out (Asset)' (which is selected), and 'Loan to employee (Asset)'. A red box highlights the 'Loan' dropdown and the 'Loaned out (Asset)' radio button. A red arrow points from this box to the text: "Start by switching from 'regular' vendor to loan vendor and then click to make asset vendor".
- Name:** MMPA Equity
- Long Name:** MMPA Equity
- Address 1, 2, 3:** Empty text boxes.
- Taxpayer ID#:** Empty text box.
- Phone:** ( ) -
- Email address:** Empty text box with a small icon to the right.
- Asset Acct Code:** A dropdown menu is set to '167'. A red box highlights this dropdown. A red arrow points from this box to the text: "Select 167 as the default (coop stock)". To the right of the dropdown is a checked checkbox labeled 'Use as default code'.
- Default Enterprise:** A dropdown menu.
- Flag for 1099:** An unchecked checkbox.
- Default Description:** A dropdown menu.
- Term:** A dropdown menu set to 'Asset'.
- 1/1/16 begin year balance:** A text box containing '\$5,000.00'. A red box highlights this text box. A red arrow points from this box to the text: "You can enter your existing equity balance here for the beginning of the year". A blue arrow points from the text "Enter this at the start of the year" to the text box.
- Interest rate:** An empty text box.

At the bottom of the window, there is a note: "Asset Acct Code must be entered so that money loaned out can be imported into asset inventory." and an unchecked checkbox labeled "Override Beginning Balance(s)".

The bottom toolbar contains the following buttons: Delete, Add new (with a plus sign icon), Save F10 (with a green checkmark icon), Cancel (with a red X icon), Close (with a red square icon), and a printer icon.

This dividend is for “new” patronage dividends, this is NOT a “retirement” of existing equity. In this example, the total amount of the dividend is \$10,000. Of that, \$3,000 is cash, \$7,000 is non-cash (you are essentially “loaning” the non-cash back to the co-op so it acts like a loan in Pc Mars). You will use the Deposits/Income screen for this transaction.

**Deposit** Number 1 Not cleared

Date 4/12/16 Total Amount \$3,000.00

Memo \*\* Editing

Vendor	Code	Entprise	D	Amount	Description	Units	Weight
MMPA Equity	327	GEN		\$10,000.00	Patronage Refund	0	0
MMPA Equity	167	GEN	D	\$7,000.00	Equity (non-cash) Portion	0	0
<b>Amount Left</b>				<b>\$0.00</b>			

Due to tax implications, you will need to show the entire dividend as income to the 327 (Patronage Refunds) code

This amount is the cash portion only

This is the total amount of the dividend

This is the non-cash total which goes to an equity account (this is entered as a negative amount, and this account code should show up as red in the deposit screen)

Once you have completed the transaction, you can check the Bank & Loan Balance Report to see the changes you made.

(go to reports → Bank and Loan Balance Report → make sure box is checked for “Split asset/liab. Inflows & outflows” and unchecked for “Include Accounts Payable transactions”)

Pc Mars Version 2.4.2.0 / Michigan (Cash)  
 Licensed To: Stephanie Lelo  
 Print Date 4/12/2016 9:58 am

Bus. I.D. = Example  
 Acct Month = April  
 Fiscal Year = 2016

## BANK AND LOAN BALANCE REPORT

Farm Banking Accounts	Req. Yr. Bal.	Inflows	Outflows	End Mon. Bal.
100 Business Account	\$0.00	\$3,000.00	\$0.00	\$3,000.00
<b>Total Farm Bank &amp; Assets</b>	<b>\$0.00</b>	<b>\$3,000.00</b>	<b>\$0.00</b>	<b>\$3,000.00</b>
<b>Loaned out / Asset</b>	<b>Req. Yr. Bal.</b>	<b>Inflows</b>	<b>Outflows</b>	<b>End Mon. Bal.</b>
MMPA Equity	\$5,000.00	\$0.00	\$7,000.00	\$12,000.00

→ Increase in cash

↓ Prior balance

↓ Increase in equity

↓ New equity balance

You can also review the changes on the detail report

(go to reports → “detail report—selected items” → make sure box is checked for “Split asset/liab. Inflows & outflows”)

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 Print Date 4/12/2016 9:59 am

Bus. I.D. = Example  
 Fiscal Year = 2016

## DETAIL REPORT - SELECTED ITEMS

(Bank account and credit transactions)

Selection: ALL

**ASSET SUMMARY - CASH/CHECKING**

<u>Code</u>	<u>Beg Date</u>	<u>End Date</u>	<u>Account Name</u>	<u>Description</u>	<u>Amount</u>
100			Business Account	Amount Increase	\$3,000.00

**INCREASE/DECREASE IN CASH/CHECKING** **\$3,000.00**

**NON-CASH ASSETS - PURCHASES**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>I Bnk</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
167	GEN	1	4/12/16	D 100	MMPA Equity	Equity (non-cash) Portion			\$7,000.00
SUBTOTAL Coop Stock									<b><u>\$7,000.00</u></b>

**NON-CASH ASSETS - PURCHASES TOTAL** **\$7,000.00**

**INCR/DECR IN NON-CASH ASSETS** **\$7,000.00**

**FARM INCOME**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>I Bnk</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
327	GEN	1	4/12/16	D 100	MMPA Equity	Patronage Refund			\$10,000.00
SUBTOTAL Patronage Refunds									<b><u>\$10,000.00</u></b>

**FARM INCOME TOTAL** **\$10,000.00**

**NET INCOME** **\$10,000.00**

\*\*\*\*\* AUDIT SUMMARY \*\*\*\*\*

\$\$ IN TOTALS	(+)	\$10,000.00
\$\$ OUT TOTALS	(-)	\$7,000.00
\$\$ NET (CHANGE)	(=)	\$3,000.00
INCR/DECR IN CASH/CHECKING		\$3,000.00
INACCURACY IN RECORDS		\$0.00

This dividend is “retiring” existing equity (they are essentially paying back the “loan” you made to them from a previous dividend). You have already paid taxes on this even though you didn’t receive it in cash at the time, so you do not want to show it as income, you only want to decrease the asset account and increase the cash.

**Deposits/income**

Bank Account: 100 Business Account: Balance \$6,000.00

**Deposit** Number: 2 Not cleared

Date: 4/12/16 Total Amount: \$3,000.00

Memo: \*\* Editing

Vendor	Code	Enterprise	D	Amount	Description	Units	Weight
MMPA Equity	167	GEN		\$3,000.00	Retirement of equity	0	0

Amount Left: \$0.00

Annotations:  
 - Total Amount: Amount of cash  
 - Code 167: This is the coop stock equity code  
 - Amount \$3,000.00: This time the entry for amount is positive

You can again review the Bank and Loan Balance Report to see the changes that were made to the equity amount and cash.

Pc Mars Version 2.4.2.0 / Michigan (Cash)  
 Licensed To: Stephanie Lelo  
 Print Date 4/12/2016 10:01 am

Bus. I.D. = Example  
 Acct Month = April  
 Fiscal Year = 2016

### BANK AND LOAN BALANCE REPORT

<u>Farm Banking Accounts</u>	<u>Req. Yr. Bal.</u>	<u>Inflows</u>	<u>Outflows</u>	<u>End Mon. Bal.</u>	
100 Business Account	\$0.00	\$6,000.00	\$0.00	\$6,000.00	This reflects the prior transaction increase in cash and this transaction increase in cash
<b>Total Farm Bank &amp; Assets</b>	<b>\$0.00</b>	<b>\$6,000.00</b>	<b>\$0.00</b>	<b>\$6,000.00</b>	
<u>Loaned out / Asset</u>	<u>Req. Yr. Bal.</u>	<u>Inflows</u>	<u>Outflows</u>	<u>End Mon. Bal.</u>	
MMPA Equity	\$5,000.00	\$3,000.00	\$7,000.00	\$9,000.00	
		Amount being repaid to you	Amount previously “loaned” to them on last transaction	New ending balance of what you “loaned” them	

This is the detail report and also shows all the increases and decreases in the accounts.

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Bus. I.D. = Example  
 Fiscal Year = 2016

## DETAIL REPORT - SELECTED ITEMS

(Bank account and credit transactions)

Selection: ALL

**ASSET SUMMARY - CASH/CHECKING**

<u>Code</u>	<u>Beg Date</u>	<u>End Date</u>	<u>Account Name</u>	<u>Description</u>	<u>Amount</u>
100			Business Account	Amount Increase	\$6,000.00

**INCREASE/DECREASE IN CASH/CHECKING** **\$6,000.00**

**NON-CASH ASSETS - PURCHASES**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>T</u>	<u>Bank</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
167	GEN	1	4/12/16	D	100	MMPA Equity	Equity (non-cash) Portion			\$7,000.00
						SUBTOTAL	Coop Stock			<b>\$7,000.00</b>

**NON-CASH ASSETS - PURCHASES TOTAL** **\$7,000.00**

**NON-CASH ASSETS - SALES**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>T</u>	<u>Bank</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
167	GEN	2	4/12/16	D	100	MMPA Equity	Retirement of equity			\$3,000.00
						SUBTOTAL	Coop Stock			<b>\$3,000.00</b>

**NON-CASH ASSETS - SALES TOTAL** **\$3,000.00**

**INCR/DECR IN NON-CASH ASSETS** **\$4,000.00**

**FARM INCOME**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>T</u>	<u>Bank</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
327	GEN	1	4/12/16	D	100	MMPA Equity	Patronage Refund			\$10,000.00
						SUBTOTAL	Patronage Refunds			<b>\$10,000.00</b>

**FARM INCOME TOTAL** **\$10,000.00**

**NET INCOME** **\$10,000.00**

\*\*\*\*\* AUDIT SUMMARY \*\*\*\*\*

<b>\$\$ IN TOTALS</b>	(+)	<b>\$13,000.00</b>
<b>\$\$ OUT TOTALS</b>	(-)	<b>\$7,000.00</b>
<b>\$\$ NET (CHANGE)</b>	(=)	<b>\$6,000.00</b>
<b>INCR/DECR IN CASH/CHECKING</b>		<b>\$6,000.00</b>
<b>INACCURACY IN RECORDS</b>		<b>\$0.00</b>