

# Setting up your Operating Line

The first thing you will need to do if this is a new operating line is to set up a new vendor. Make sure to change it from a “regular” vendor to a “loan” vendor. You will want to choose the liability account code for short term loans (on MI chart of accounts that is 222). Then you will need to make sure the box is checked to make them a “creditor”. This will allow you to use the credit transaction screen. The credit transaction screen allows you to increase the amount of your operating loan at the same time that you record the coordinating expense. No change is made to the checkbook balance as a result of this transaction.

Once you have created the vendor, you can start recording transactions using your operating line. You will go to the credit transaction screen by hitting the dark blue credit card button (left of eyeglasses).

On the top of the transaction screen you’ll select the creditor you want to use. If you’re using a check from your operating line, make sure you use that check number in the number box to be able to track later. Then in the large blue box you will enter the vendor for where the money is going to. In this example we are paying John Deere for parts using the operating line.

Vendor List

CCC #123456 \*C ^  
 CPS  
 fdr purch cost \*A  
 Feed Mill  
 FSA Admin  
 George Smith  
 Greenstone \*L  
 Grnstn Operating \*L  
 John Deere  
 MMPA Equity \*A

Type: Loan  
 Borrowed (Liability)  
 Loaned out (Asset)  
 Loan to employee (Asset)

Name: Grnstn Operating  
 Long Name: Greenstone Operating Line  
 Address 1:  
 Address 2:  
 Address 3:  
 Taxpayer ID#:  
 Phone: ( ) -  
 Email address:

Liability Acct Code: 222 Use as default code   
 Default Enterprise: Flag for 1099   
 Default Description: Operating Line

Term: Short Term  
 1/1/16 begin year balance: (Enter this at the start of the year)  
 Interest rate:

**Creditor  (Enabled for use in credit transactions)**  
 1/1/16 begin clear balance: \$0.00

Delete Add new Save F10 Cancel Close

Credit transaction

Creditor: Grnstn Operating Balance: \$0.00  
 Liability code: 222 Expense Income

**Credit (Expense)** Number: 1 Not cleared  
 Date: 12/31/16 Total Amount: \$5,000.00  
 Pay to the Order of: John Deere  
 Address: John Deere  
 Memo:

Paycheck  
 Batch Print  
 \*\* Adding NEW

Code	Entprise	Amount	Description	Units	Weight
* 415	GEN	\$5,000.00	Tractor Parts		

Amount Left: \$0.00

Save F10 Cancel Reuse Recurring Prior Setup item Print F9 Blank row Insert row Close

Once you've completed the transaction you can also double check the detail report to make sure it has recorded properly. In this case I just entered the "check number" to pull up the correct transaction from the detail report.

**Pc Mars Version 2.4.5.0 / Michigan (Cash)**  
**Licensed To: MSU TelFarm Center**  
**Print Date 1/6/2017 1:34 pm**

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

## DETAIL REPORT - SELECTED ITEMS

(Bank account and credit transactions)

Selection: NUMBER = 10

**LIABILITIES - DOLLARS IN**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>T</u>	<u>Bnk</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
222	GEN	10	12/31/16	C		Gmstn Operating				\$5,000.00
						SUBTOTAL Short Term Loan				\$5,000.00

**LIABILITIES - DOLLARS IN TOTAL** **\$5,000.00**

**INCREASE/DECREASE IN LIABILITIES** **\$5,000.00**

**FARM EXPENSE**

<u>Code</u>	<u>Ent</u>	<u>C/D #</u>	<u>Date</u>	<u>T</u>	<u>Bnk</u>	<u>Vendor</u>	<u>Description</u>	<u>Units</u>	<u>Weight</u>	<u>Amount</u>
415	GEN	10	12/31/16	C		John Deere	Tractor Parts			\$5,000.00
						SUBTOTAL Machine Repair				\$5,000.00

**FARM EXPENSE TOTAL** **\$5,000.00**