

QuickBooks Accounting Integration with LOAN SERVICING SOFT

This document will guide you through the processing of setting up communication of loan servicing transaction activity from LOAN SERVICING SOFT into QuickBooks. Communication to other GL systems is also supported although a custom export file will need to be created in that other systems file format and setup in the system in order for this to work correctly.

For additional information and/or questions please feel free to contact our support group at support@loanservicingsoft.com or 1-800-993-1839 x2.

LOAN SERVICING SOFT will create journal entries that can be exported into Intuit QuickBooks Pro. To access this function, go to Control Panel, Configuration Options, Accounting Setup. (This is an add-on feature and may or may not be enabled in your system. If your system does not allow entry, contact our sales department).

These (below & on next page) are the LOAN SERVICING SOFT GL Accounts that will be exported. You must enter the exact GL account number (or Trans Code) from your QuickBooks Chart of Accounts under QB Account # column. Account names can be used, but using QuickBooks GL account numbers simplifies this process. Do not delete accounts. You can journal multiple LOAN SERVICING SOFT 'buckets' into a single QuickBooks GL account.

We recommend you run this report monthly. If a mistake is found, you can delete the journal entry in QuickBooks and re-import or correct manually.

Here are the 'T-accounts' for these entries. The reference numbers show where this data is extracted.

EVENT	DEBIT	CREDIT
Monthly Payments received	100 Assets - Servicing Bank Account (1)	
		160 Assets - Trust Deeds (1) (Principal Pay down) 380 Equity - Suspense (3) 410 Revenue - Net Trust Deed Interest(1) 420 Revenue - Late Fees (1) 430 Revenue - Broker other (1) 440 Revenue - Investor other (1) 450 Revenue - Vendor other (1) 470 Income Servicing Fees (2)

Print Investor Checks		100 Assets - Servicing Bank Account (2)
	105 Assets - Broker's Management Account(4) 250 Liabilities - Notes Payable (2) (Principal Pay down) 380 Equity - Suspense (3) 510 COGS - Investor Distributions (2) (net, not including principal)	
Fund New Loan (if box checked)	160 Assets -Trust Deeds	
		250 Liabilities - Notes Payable
Actual funding check is not entered in Loan Servicing Soft. Enter this manually. It is an in and out transaction if investor funded		Funding or Servicing Bank Account

Where this data comes from:

- 1 – Borrower payment entry
- 2 – Check adjustments
- 3 – Suspense is an error trap for out-of-balance transactions. The amount should be zero

Reports to verify journal entry data:

- 1 – Daily Cash Report
- 2 – Daily Cash Log
- 3 – Check Register Extended
- 4 – Deposit Slip Extended
- 5 – Month End Report
- 6 – Unapplied Funds Report
- 7 – Pre-Check Report

QuickBooks configuration:

Turn chart of account numbers on in Edit > Preferences > Accounting, Company Preferences Tab. Check Use account numbers. To import the LOAN SERVICING SOFT IIF file, menu to File > Import > IIF files. Select the _QB_LSS.IIF file you saved. If required accounts are not found they will be created as Bank accounts. These new accounts may need to be modified.

Servicing Fees:

This utility uses accrual accounting. Servicing fees are booked when the payment is received, but paid when checks are cut.

You can either re-deposit the fee check into another business bank account, put it back in servicing, or take it as a draw. Adjust the LOAN SERVICING SOFT QuickBooks account to match your business model.

Additional GL accounts you may need:

Trust Account - Bank account for closings and escrow payments

Various expense accounts (depending on your business model)

In house loans (not owned by outside investors)

If you are funding in house, do not check "Include Investor Fundings" or "Include Investor Checks". Instead book cash paid to the borrower to Assets GL account 160- Outstanding Loans.