shelby
v.5 Financials

Expense Amortization

Use this module as a bookkeeping tool to amortize prepaid expenses over a period of time, rather than having the expenses update your general ledger as a lump sum at the time of the payment. Using this program allows you to more accurately indicate when expenses are actually incurred.

Examples of use:
- Your purchase of a two-supply of stationery can be amortized monthly to the office supply budget for this two-year period.
- Your purchase of airline tickets in February for the mission trip can be amortized to June, when the trip occurs.
- Your insurance premium can be amortized over the effective period of coverage: yearly, quarterly, etc.
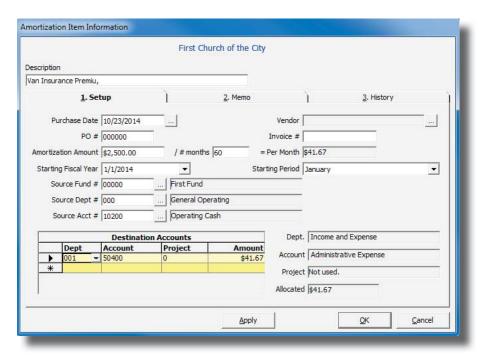
Features and Benefits

- Straight-line amortization of lump sum payments
- Automated journal entry to General Ledger to reflect the expensing
- Designated expense account(s) for each lump sum
- User-designated time frame for amortizing - partial year or multiple years
- Reporting options include: history of transactions, monthly balance sheet, detail or summary formats
- Streamlined processing path: source, destination, dates
- Integrated with the General Ledger module

- Allows user to amortize the prepaid expense sum over a longer time period
- Eliminates manually setting up recurring journal entries
- Reduces the need of exporting data to a spreadsheet for manipulations
- Gives an audit trail to verify the source and destination of each transaction
- Provides a realistic picture that reflects the circumstances of the expense
- Simplifies reconciliation at month end

Required modules:
- General Ledger
- GlobaFILE

shelbysystems

Expense Amortization allows you to designate the amount and period for prepaid expenses. Rather than a lump sum hitting your general ledger, the expenses will be amortized over the appropriate time period. You can also amortize income over the effective period. For example, a year's pledge "paid in full" could be spread to each of the twelve periods.