Balance Sheet

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The “Loan Settlement Statement” defined for software purposes, is a breakdown of the borrower’s loan amount, any credits from the lender, and a list of items withheld (netted) from the loan proceeds deposited to the settlement agents’ escrow account. The “netted” items do not appear as a check on the balance sheet, but will reduce the incoming net loan proceeds available to the borrower at settlement.

Each style of settlement statement has an “expander” that reveals software functions for balancing purposes. Click the expander to reveal the “payee name,” the “combined check,” and the “netted” features. The check box along the right hand margin of the software’s settlement statement will also “net” the amount. **Neither items paid before closing or paid outside closing (P.O.C) appear on the balance sheet and loan settlement statement.**
Despite the different arrangements of the various closing statements used in real estate settlements, they all have the same types of income: The loan amount, the earnest money or down-payment deposit to the settlement agent and realtor, credits to the buyer not given by the seller, and the cash due from the buyer and seller at settlement. The “netted” feature decreases the loan amount on the balance sheet, referred to as the “Net Loan Proceeds.”
**BALANCE SHEET (regular)**

The “Balance Sheet”, defined for software purposes, is a schedule of income and disbursements. At the time of closing, the balance sheet income should reflect the client’s balance in escrow and the anticipated disbursements.

The total amount of income should match the total disbursement amount. When the actual disbursement takes place in an accounting program, the client’s escrow account should equal a zero balance.

“Close It” is not an accounting program. The balance sheet is used to export transactions DisplaySoft “Check-Writer”, DisplaySoft “Trust Account” and QuickBooks™ accounting programs (choose one) which are available for use in the “Close It” program to save time from re-typing the information.

The amounts are generated by entering money on the settlement statement. Use the “combined check” and “netted” features in Close It to control the accuracy of the regular “Balance Sheet”.
Credits – applied to a payee’s check

Positive amounts typically combine as disbursements on the balance sheet when they are combined with the same payee name and the check box for “Combine with same payee” is selected. Also, use the “expander” and type the same name for the credit and the fee. Credits on page 2 that are not from the seller or lender should be applied to some payee on page 3. When not combined with a payee, the credit will appear as income on the balance sheet.
Credits – incoming deposits
Negative amounts will also combine with a “same name payee” and apply to a check on the balance sheet. A negative amount becomes income when not combined with a same name payee, regardless of the netted check box. Negative amounts, typically credits from the lender, i.e., the aggregate adjustment credit and the tolerance cure, will combine with and **increase the incoming “Net Loan Proceeds”** on the balance sheet when they are **negative and netted**.

[Image of a balance sheet with a check box labeled “Balance Sheet” and a separate box labeled “Net Loan Proceeds” showing the netted amount.]

[Image of a settlement statement page 2 showing negative and netted amounts, with arrows indicating income and net loan proceeds.]
MODIFY BALANCE SHEET

The “Mod-Balance Sheet” feature is a utility and an alternative for the “netted” and “combined” features used to form the regular “Balance Sheet.” “Mod-Balance Sheet” uses “Add,” “Delete,” and allows for editing transactions instead.

When exporting to the “DSI Checkwriter,” the DisplaySoft “Trust ™” and the “QuickBooks™” accounting programs, a prompt to use the “Modify Balance Sheet” will be presented.

Upon leaving and returning to the “Modify Balance Sheet” options to return to the regular balance sheet, along with a choice to start over based on the information from the settlement statement are presented.

Export to “Quicken ™” is supported historically for 2004 and prior versions, as their support for 3rd party software ended and currently transfers information from banking institutions only.
**Add, Delete and Edit**

Use expanders located in the incoming and disbursement headers to locate the “Add” function that will add a deposit or add a disbursement.

Use expanders beside each item transaction to delete a deposit or a check.

Expanders beside each disbursement allow itemization in a combined check.

To edit the item, simply click the mouse in a data location and type.
For demonstration purposes, a deposit was deleted. A check was deleted. The deleted items were combined into one itemized check. A payee name was changed. While the total incoming funds and disbursement total has changed, the modified balance sheet still reports a zero “Balance in Escrow.” Data locations available for edit are the payees, item descriptions and amounts but not the total/sub-totals.
Exit and Return
Upon leaving and returning to the “Mod-Balance Sheet” a prompt occurs. Continue making changes, or start over based on the settlement statement.

Export
Upon exporting a prompt occurs. Choose “Yes” to use the modified balance sheet transactions. Choose “No” to use the regular balance sheet transactions. Once exported, checks and deposits may become wires and further modifications are permitted.
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