Chapter 18

Indebtedness

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Indebtedness: Introduction

The Indebtedness module is designed to track an entity's Indebtedness. By entering the principal payments, CTAS will track the outstanding indebtedness.

Note: the Indebtedness module is not integrated with the Accounting module. When you enter information regarding indebtedness, a corresponding transaction is not recorded in the receipts or disbursements.

Accessing the Indebtedness Section

To access the Indebtedness module, click on the Indebtedness radio button at the bottom of any module's home screen. The Debt Details screen, as shown below, will appear.
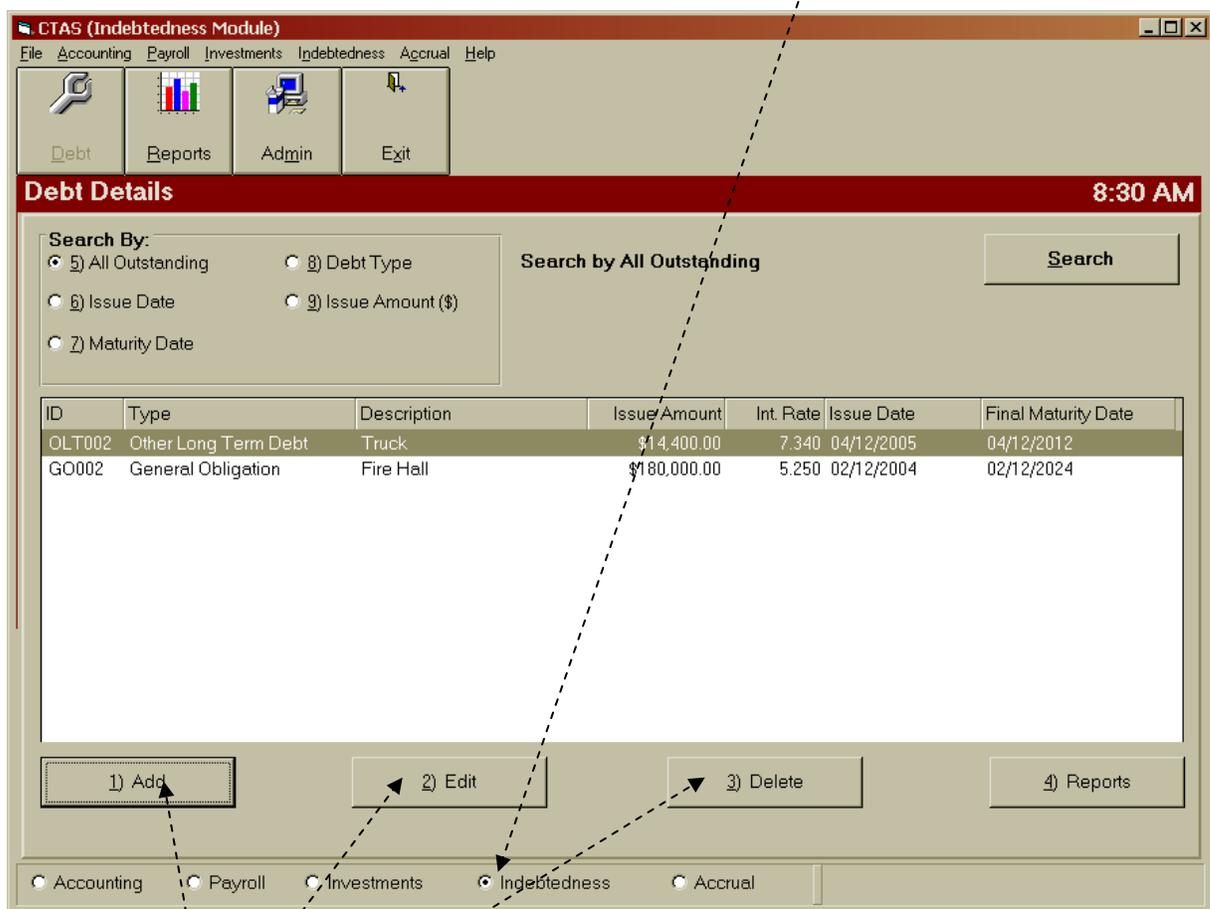
You can Add, Edit, or Delete an Indebtedness Record from the Indebtedness main menu screen. In addition, by clicking on the Reports button you can print an Indebtedness Activity Report or a Schedule 6 – Statement of Indebtedness. Chapter 19 of this manual, Indebtedness Reports, describes each report and illustrates how to create and print the two reports.

Indebtedness: Entering a Debt Issued

To begin entering Indebtedness, click on the Add button on the bottom of the Debt Details screen.
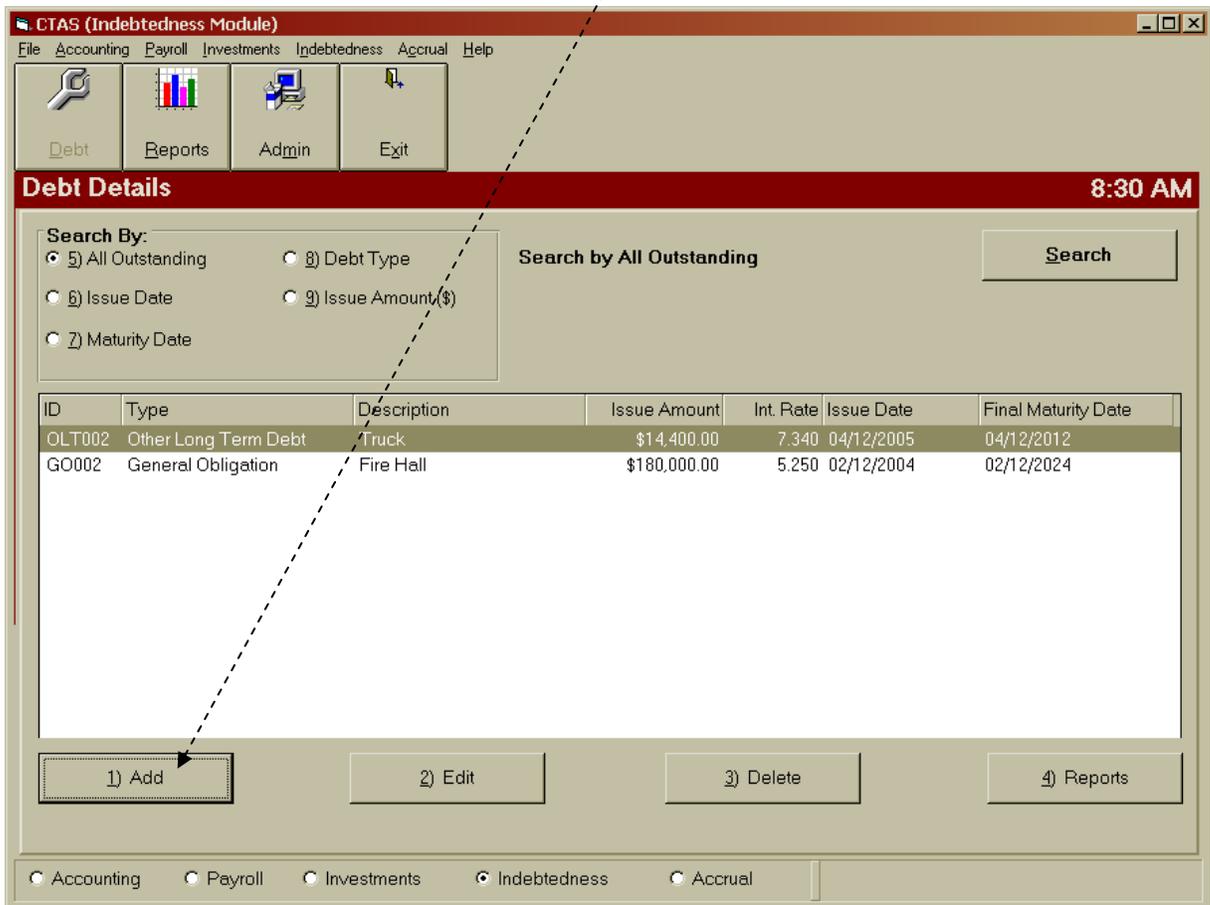
After the Add option is selected, a New Debt Instrument screen will appear, allowing you to enter the information regarding the debt. An example of the New Debt Instrument screen is shown on the next page.

Indebtedness: Entering a Debt Issued (continued)

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New Debt Instrument
┌──────────────────────────────────────────────────────────────────┐
│ Indebtedness ID:   [OLT001]          Type:   [Other Long Term Debt ▼] │
│                                                                    │
│ Description:       [Town Hall                                    ]  │
│                                                                    │
│ Issue Amount ($)   [    $120,000.00]  Current Interest Rate (%)  [    3.500] │
│                                                                    │
│ Issue Date:        [03/31/2011 ▼]    Final Maturity Date:  [03/31/2026 ▼] │
│                                                                    │
│  ┌─ Payment History ──────────────┐   ┌─ Summary ──────────────┐  │
│  │ Payment Date  │   Amount    │   │   Total Principle          │  │
│  │ 03/31/2011 ▼  │      $0.00  │   │   [                    ]   │  │
│  │               │             │   │                            │  │
│  │               │             │   │   Remaining Balance:       │  │
│  │               │             │   │   [                    ]   │  │
│  │               │             │   │                            │  │
│  └────────────────────────────┘   └────────────────────────────┘  │
│                                                                    │
│  Note: To delete a payment, enter "0.00" for the amount.           │
│                                                                    │
│     [ Save and Add ]      [ Save and Exit ]      [ Cancel ]        │
└──────────────────────────────────────────────────────────────────┘
```

When the New Debt Instrument screen appears, complete the following steps:

- Enter an Indebtedness number in the Indebtedness ID field. <u>Note</u>: There is no pre-determined numbering system for this. You will assign the Indebtedness ID.

- Select the type of Indebtedness by clicking on the down arrow at the end of the Type field. The options for the type are: General Obligation, General Obligation Revenue, Other Long Term Debt, Revenue Bonds, Short Term Debt, Special Assessment Bonds and Tax Increment Bonds.

- Type a brief explanation of the Indebtedness in the Description field. A description should identify why the indebtedness was issued. For example, town hall, paving Elm Street, etc.

- Enter the amount borrowed in the Issue Amount ($) field.

- Enter the interest rate in the Interest Rate field. This is for your information: CTAS does not calculate the interest payments.

- Enter the date the money was borrowed in the Issue Date filed.

- Enter the maturity date in the Final Maturity Date field.

- Click the "Save and Add" button to continue to enter new debt instruments. When all the Indebtedness records have been entered, click the "Save and Exit" button.

Indebtedness: Changing a Debt Record

To change a debt record, highlight the record to change and click the Edit button.
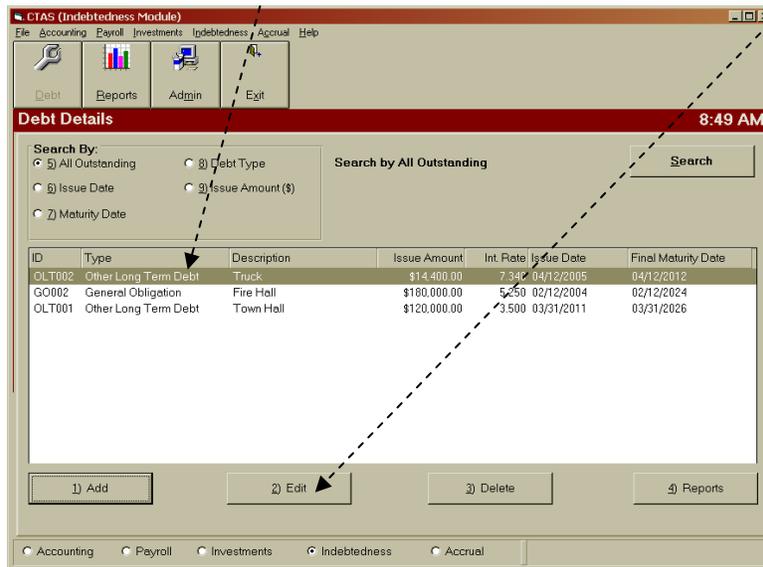
After the Edit option is selected, the Updating Debt Instrument screen will appear:
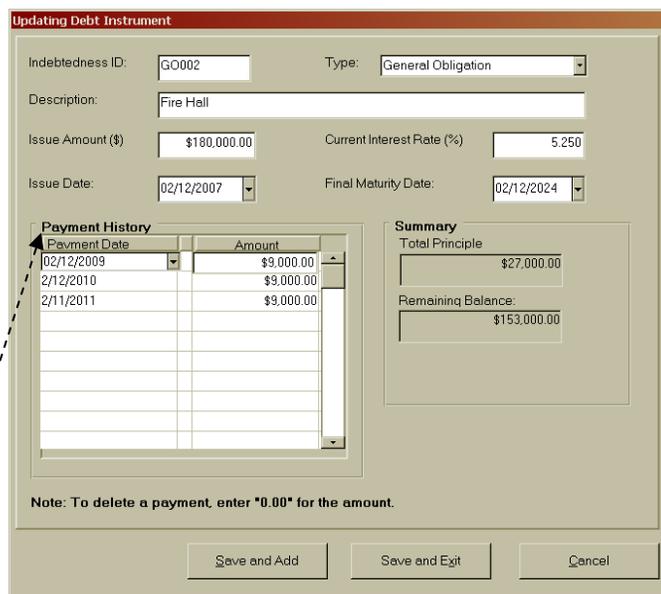
On this screen, you can change any field. In addition, you can enter principal payments in the Payment History section. To enter a principal payment, complete the following steps:

- Enter the date of the payment in the Payment Date field of the Payment History section. You can also select a date using the calendar by clicking the down arrow at the end of the date field.
- Enter the amount of the principal payment in the Amount field.
- CTAS will then calculate a new remaining Balance.

Click the "Save and Add" button to continue changing debt records or entering principal payments. When you are finished, click the "Save and Exit" button.

Indebtedness: Deleting a Indebtedness

The need to delete a debt record could result if an error was made when the indebtedness was entered. To delete a debt record, highlight the record on the Debt Details screen and click the Delete Button.
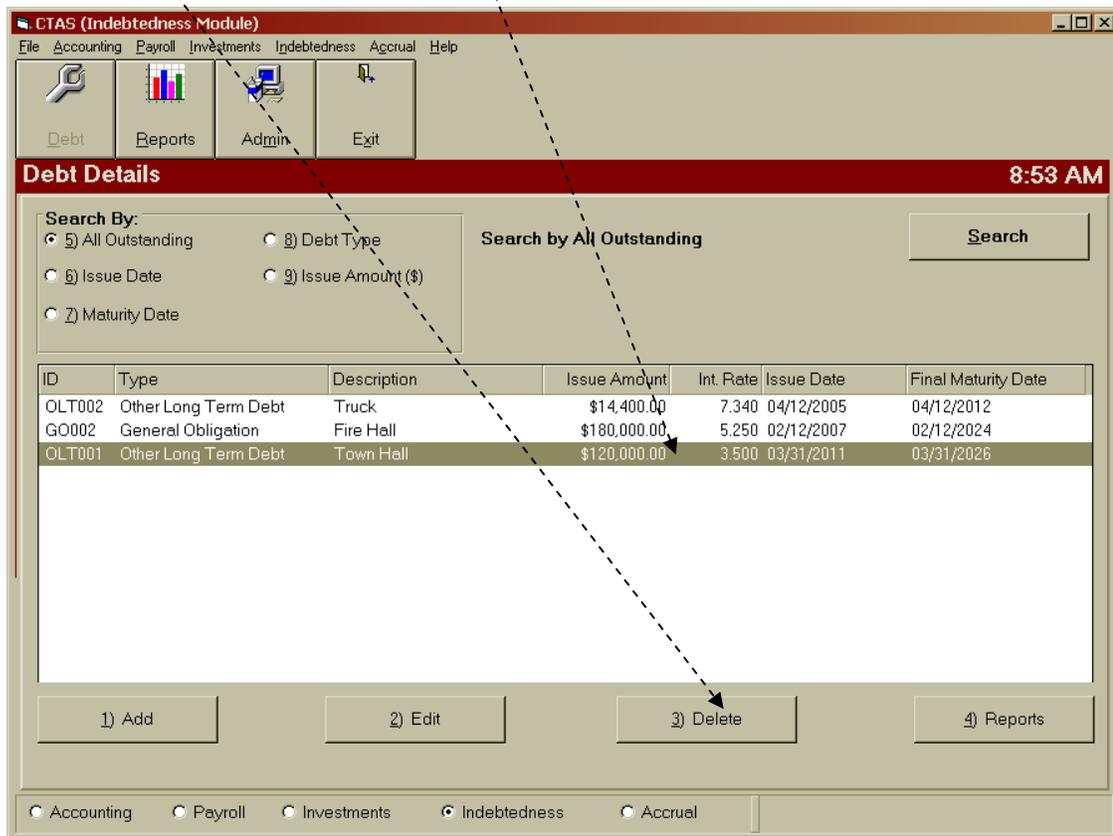
fter the delete option is selected, the Confirm Debt Delete screen will appear (below, left).

- • Click on the Yes button to delete the Indebtedness.

- • A CTAS screen will appear, indicating that the debt record was deleted (below, right). Click the OK button to complete the process.
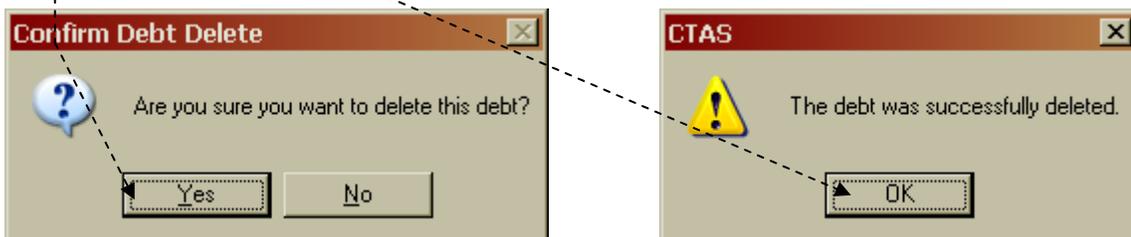
Indebtedness: Using the Search Feature

In the Indebtedness section, you can choose from a number of options to search for Indebtedness. The first and default option is to search by All Outstanding.
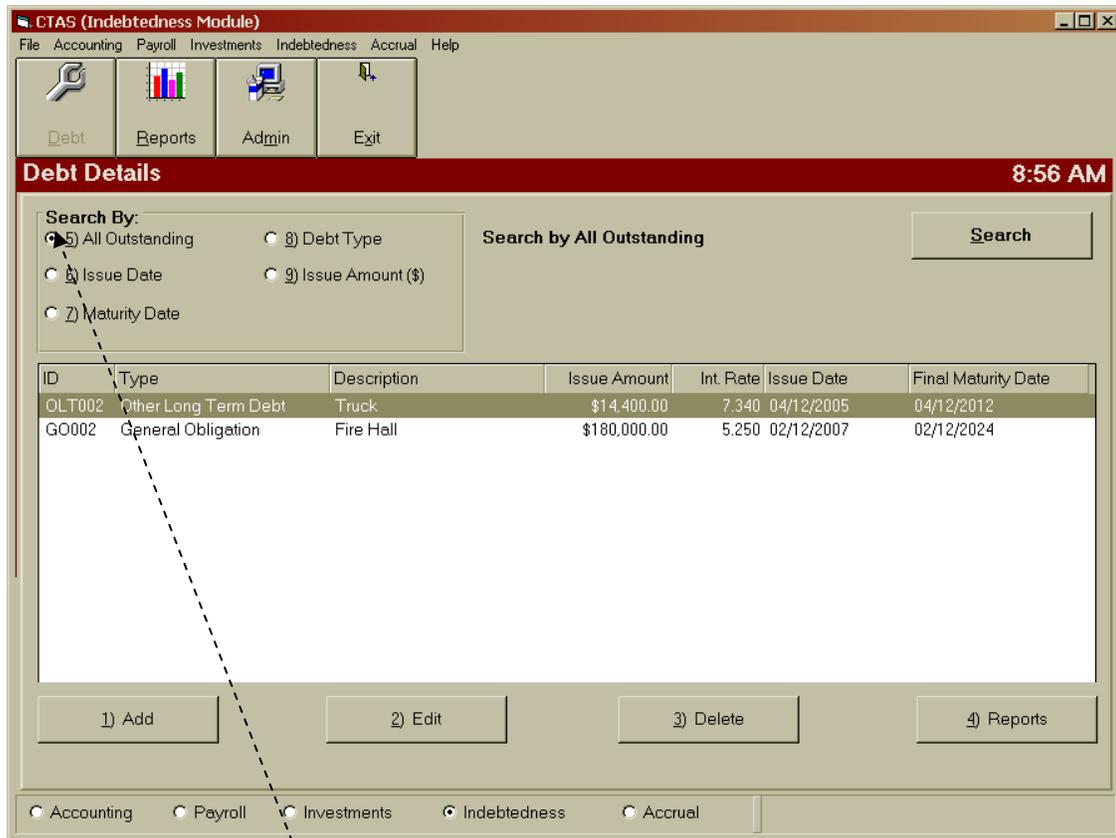
Using this option, any Indebtedness record that has a balance will be listed.

To select Indebtedness not sold:
- Click on All Outstanding radio button on the Debt Details screen.
- Click the Search button.
- The indebtedness records will be displayed.

Indebtedness: Using the Search Feature (continued)

The second option is to search by Issue Date.
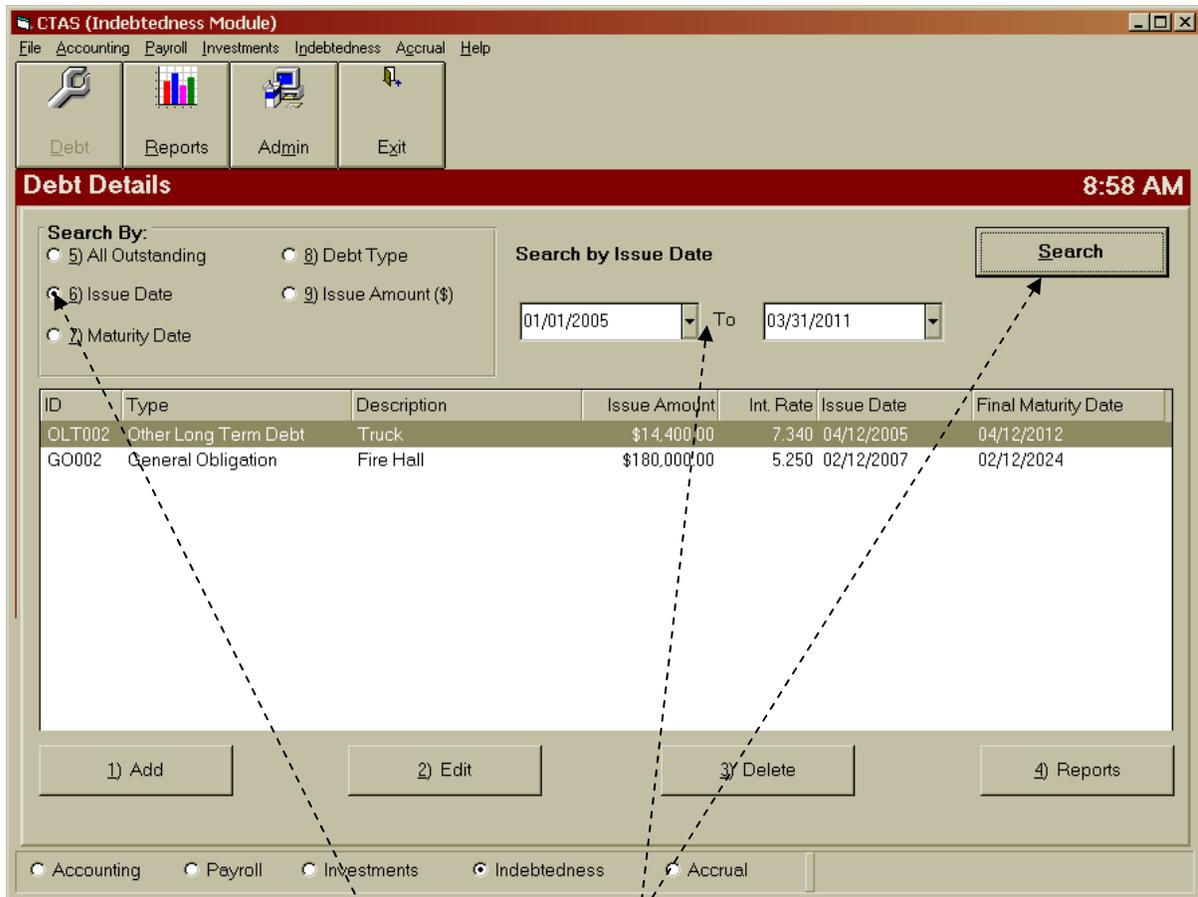
To search by issue date:

- Click on the Issue Date radio button on the Debt Details screen. The screen will then display the "Search by Issue Date" fields.
- Click on the first date field and enter a new beginning date, or use the calendar by clicking on the down arrow at the end of the field.
- Click on the second date field and enter a new ending date, or use the calendar by clicking on the down arrow at the end of the field.
- Click the Search button.
- Indebtedness matching the selected criteria will then be displayed.

Indebtedness: Using the Search Feature (continued)

Another option is to search by Maturity Date.
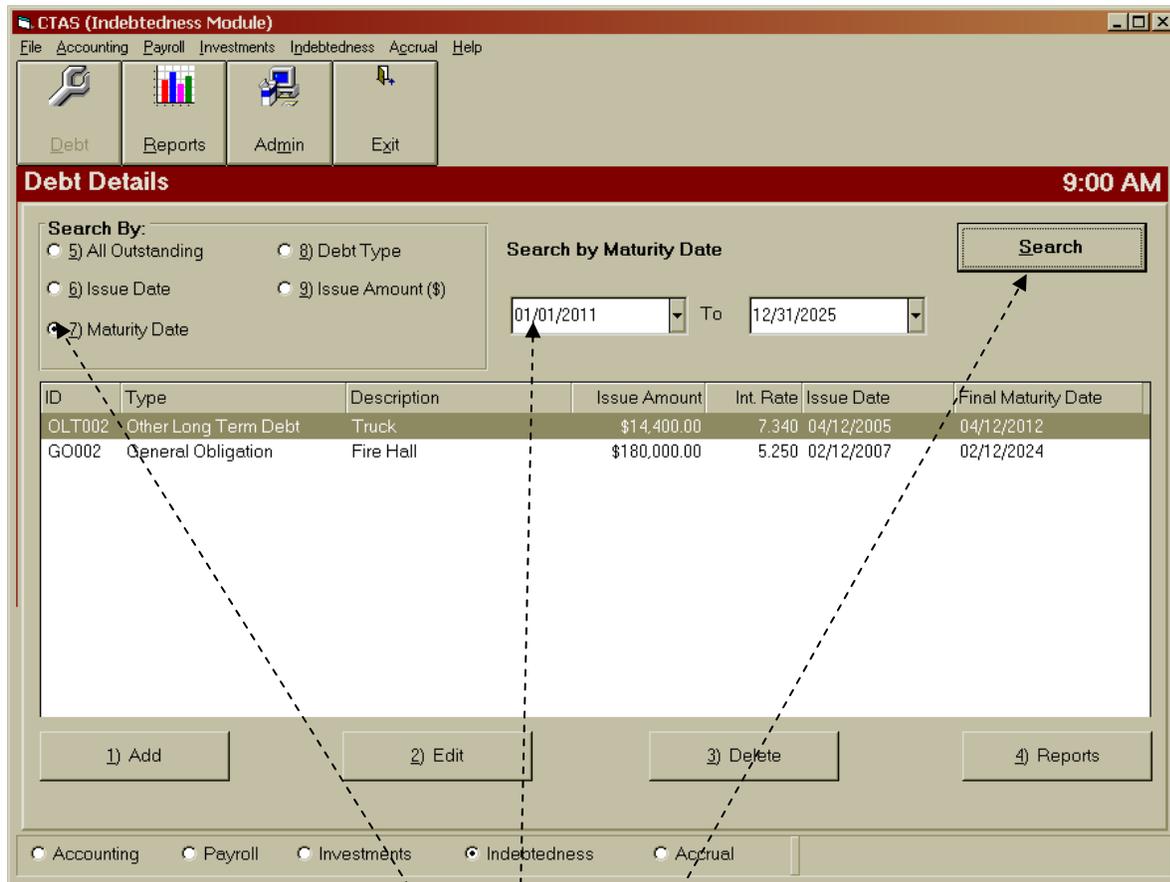
To search by maturity date:

- Click the Maturity Date radio button on the Debt Details screen. The screen will then display the "Search by Maturity Date" fields.
- Click on the first date field and enter a new beginning date, or use the calendar by clicking on the down arrow at the end of the field.
- Click on the second date field and enter a new ending date or use the calendar by clicking on the down arrow at the end of the field.
- Click the Search button.
- Indebtedness matching the selected criteria will then be displayed.

Indebtedness: Using the Search Feature (continued)

You can also search by Debt Type.
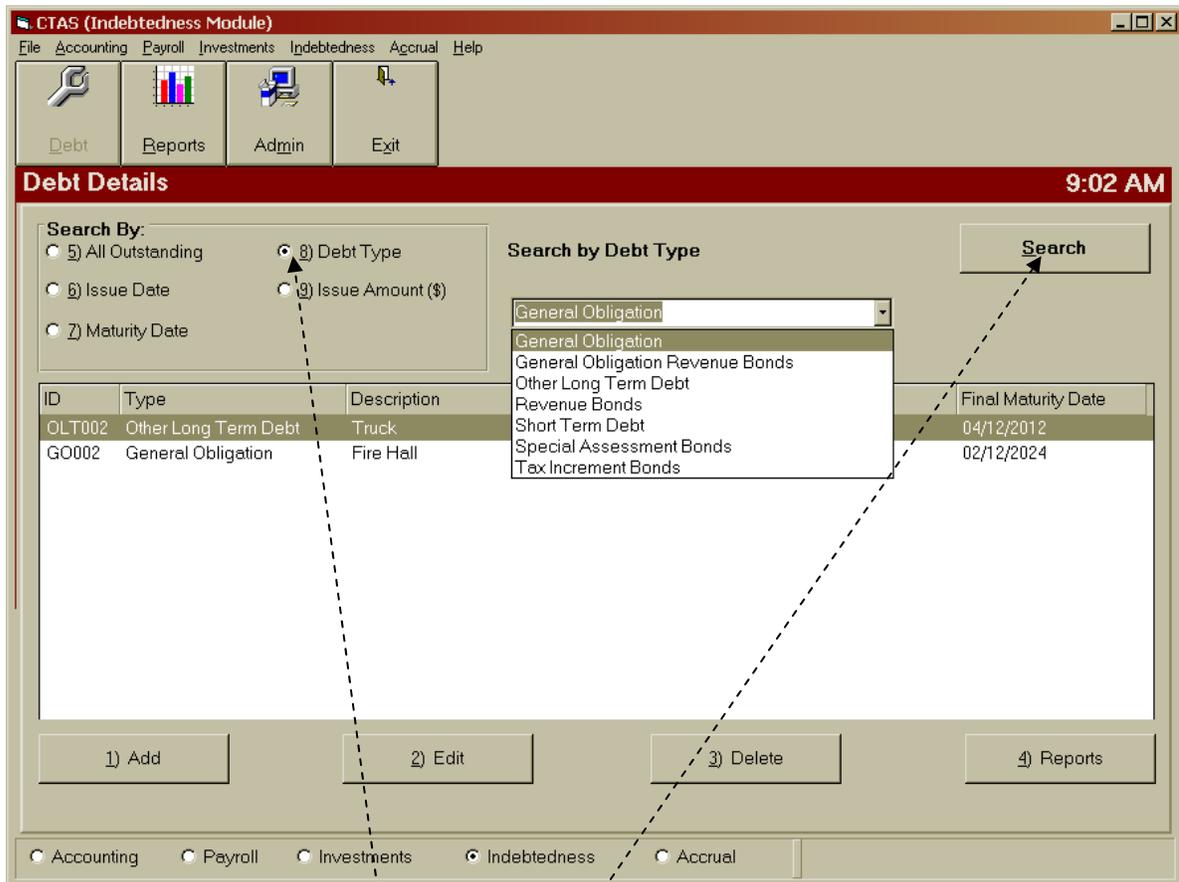
To search by debt type:

- Click the Debt Type radio button on the Debt Details screen. The screen will then display the "Search by Debt Type" fields.
- Click on the down arrow at the end of the debt type field and select the type of debt.
- Click the Search button.
- Indebtedness matching the selected criteria will then be displayed.

Indebtedness: Using the Search Feature (continued)

The last option is to search by Issue Amount ($).
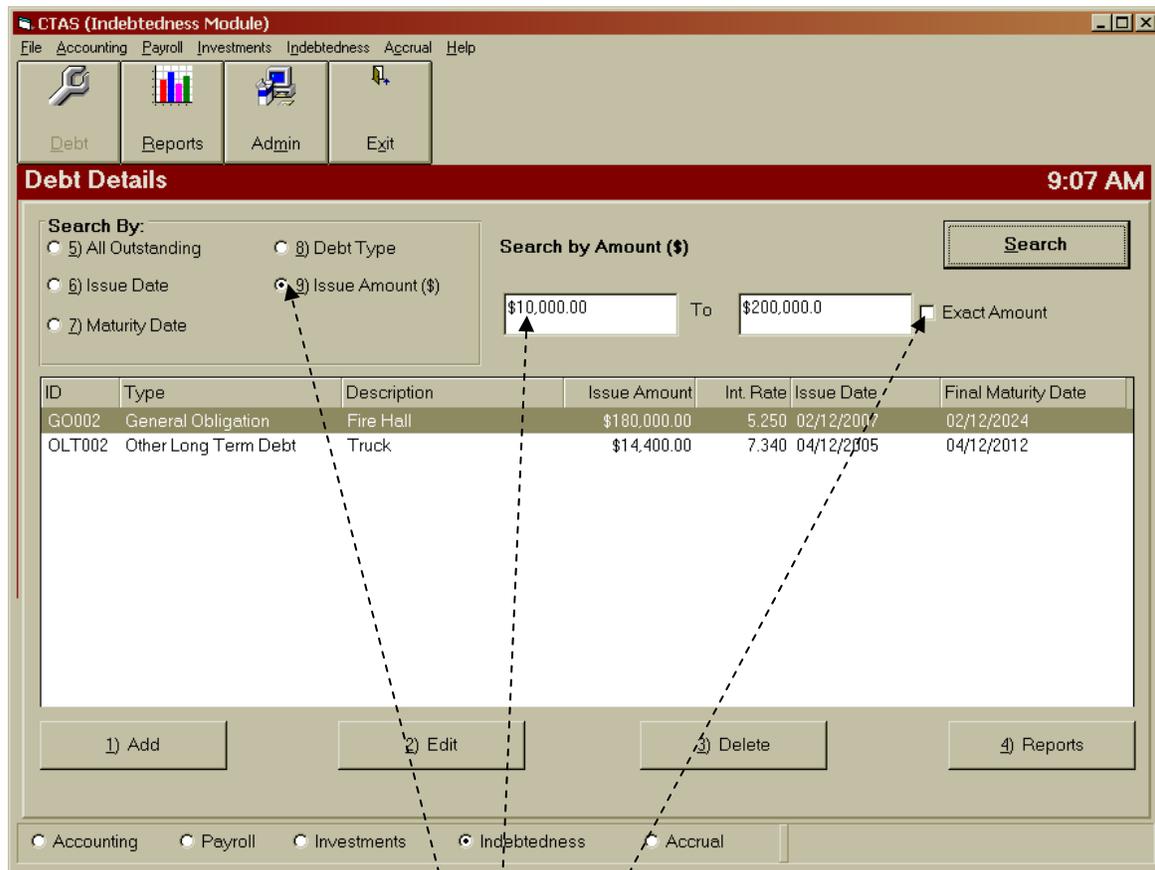
To search by issue amount:

- Click the Issue Amount ($) radio button on the Debt Details screen. The screen will then display the "Search by Amount ($)" fields.
- Click on the first amount field and enter the lowest amount.
- Uncheck the Exact Amount box to search for indebtedness within a range.
- Click on the second amount field and enter the highest amount.
- Click the Search button.
- Indebtedness matching the selected criteria will then be displayed.