

# Payout Stocks

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Found at *Pay / Payout Stocks*, this function allows paying all or part of the value of Stock Certificate per Patron in the form of a check.

There are four methods available for the calculation of the payout check. Regardless of the method selected, only Active Stock Certificates are included in the calculation. Anything entered in the *Comments* area is saved to Stock History and is accessible through the Patron file.

<Stock Class>	Percent of Total \$	Start Date	End
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- **Select Stock Certificates** – Choose **Select** to determine the Stock Certificates to be considered in the calculation of the payout checks.  
**Note:** Selection of Stock Certificates allows for filtering. Access is available to three definable *Patron* filters: *Active/Inactive*, *Starting* and *Ending Birth Date*, *Location*, six definable *Stock Filters*, and a *Stock Class* selection. The filters are set up at *Setup / Preferences* on the *Cross References* tab.
- **Check Date** – Enter the date the check is issued.
- **Sort By** – This option prints checks by either the Patron's last *Name* or Customer *ID*.
- **Checking Account** – Double-click to select one of the checking accounts established on the *G/L* tab at

*Accounting / Setup / Preferences*. The G/L account associated with the selected checking account is credited for the net amount of the check issued.

- **Starting Check #** – When the Checking Account is selected, this option defaults to the next check number in sequence based on the *Last Check Used* on the G/L tab at *Accounting / Setup / Preferences*. This check number may be overridden by typing in the desired check number.
- **Starting ACH #** – This option defaults to the next ACH number in sequence based on the *Last ACH#* on the G/L tab at *Accounting / Setup / Preferences*.
- **Minimum Check** – If a minimum dollar amount exists for a check to be written to the Patron, enter the minimum amount. Checks less than this amount do not print.
- **Posting Options**
  - **Write Check** – This option prints a check for total Dividend disbursed per Patron.
  - **Defer/Later Pymt** – This option defers the check amount to be printed on Patronage checks.  
**Note:** Selecting *Defer/Later Pymt* in the *Posting Options* changes the Checking Account to Deferral Account. The account selected should be the same account used at the time Patronage checks are printed. The *Reference #* replaces the *Starting Check #*.
- **Payout** – Choose the calculation method to use.
  - **Total Value** – 100% of the *Total \$ Value* of each Stock Certificate selected will be paid out. This option leaves a zero value on the selected Stock Certificates. The Certificates are also marked as *Inactive* and the *Date Closed* is populated with the system date. The results of the calculations on the individual Stock Certificates are added together for each Patron to calculate the total payout payment. One check is generated per Patron.
  - **Percent of Cap** – Enter a percent in the box provided. The percentage is entered with an implied two decimals. For example, two percent would be entered as 2 and not .02. The percentage is multiplied by the *Active Cap* dollar amount on all the designated Stock Certificates. The results of the calculations on the individual Stock Certificates are added together for each Patron to calculate the total payout payment. One check is generated per Patron.
  - **Percent of Total \$** – Enter a percent in the box provided. The percentage is entered with an implied two decimals. Two percent would be entered as 2 and not .02. The percentage is multiplied by the *Total \$ Value* on all the designated Stock Certificates. The results of the calculations on the individual Stock Certificates are added together for each Patron to calculate the total payout payment. One check is generated per Patron.
  - **Flat Amount** – Enter the dollar figure to be paid per selected Stock Certificate.
  - **Payout Per Class** – If this option is selected, double-click *Stock Class* to select the Stock Class for the payout and then enter the *Percent of Total \$* in the grid. The percentage is entered with an implied two decimals. Two percent would be entered as 2 and not .02. The percentage is multiplied by the *Total \$ Value* on all the designated Stock Classes. The results of the calculations on the individual Stock

Certificates are added together for each Patron to calculate the total payout payment. *Start Date* and *End Date* may optionally be entered, and if so is based on the *Date Issued* on the Stock Certificates. If a selected Class has an additional payout Class and the total value for the selected Class goes to zero for a Customer, that Customer's Certificate for the additional payout Class is also included in the payout. Entering a date range allows paying varying rates on the same Stock Certificates based on the issued date. One check is generated per Patron.

- **Deduct**
  - **Number of Shares** – This option takes the calculated payout value and subtracts it from the *Total \$ Value* on the Stock Certificate. The new *Total \$ Value* is then divided by the *\$ Value Per Share* to back into the new *# of Shares*.
  - **Per Share Value** – This option takes the calculated payout value and subtracts it from the *Total \$ Value* on the Stock Certificate. The new *Total \$ Value* is then divided by the *# of Shares* to put back into the new *\$ Value Per Share*.
- **Comments** – Optionally enter comments for the payout. The comments are saved to Stock History.
- **Pre-Scan** – Selecting this option displays a summary of the payout information to be updated.
  - **One Page Per Customer** – For the *Pre-Scan* report, using this option prints one page per Customer. This is useful if any Patron has more than 39 Stock Certificates for the payout. That Patron's check prints *See Attached Document for Detail*. The individual page from this report for that Patron should be included with the check for the payout detail.

### Pay Payout Stocks Posting Notes - Qualified Stock Class

Posting does not occur until the *Pre-Scan* option is deselected. Selecting **Post** prints the payout checks. A separate check prints for each Patron with Stock Certificates selected for the payout. When all checks have printed, a message appears asking *Did all checks print ok? Clicking Yes will Post the checks*. If for any reason the checks should not be posted, select **No**. No posting occurs and the main *Patronage* window displays. If **Yes** is selected, the following posting occurs:

- The payout check is saved.
- Any Stock Certificate selected for the payout is reduced in value. Any Stock Certificate reduced to a zero *Total \$ Value* is also marked as *Inactive* and the *Date Closed* is populated with the system date.
- A Stock History entry is generated for each Stock Certificate used in the calculation of the payout payment.
- A General Journal Entry is posted to the current month for each Stock Certificate used in the calculation of the payout payment.

General Ledger Entry	Debit	Credit
Amount relieved from Equity/Payable	Account on Stock Class ( <i>Setup / Stock Classes</i> )	

General Ledger Entry	Debit	Credit
Total payable to Patron		Checking Account (selected at <i>Payout</i> window)

### Pay Payout Stocks Posting Notes - Non-Qualified Stock Class

Posting does not occur until the *Pre-Scan* option is deselected. Selecting **Post** prints the payout checks. A separate check prints for each Patron that has Stock Certificates selected for the payout. When all checks have printed, a message appears asking *Did all checks print ok? Clicking Yes will Post the checks*. If for any reason the checks should not post, select **No**. No posting occurs and the main *Patronage* window displays. If **Yes** is selected, then the following posting occurs:

- The payout check is saved.
- Any Stock Certificate selected for the payout is reduced in value. Any Stock Certificate reduced to a zero *Total \$ Value* is also marked as *Inactive* and the *Date Closed* is populated with the system date.
- A Stock History entry is generated for each Stock Certificate used in the calculation of the payout payment.
- The Patron's *1099 NQ YTD\$* is increased by the amount paid out of the non-qualified stock.
- A General Journal Entry is posted to the current month for each Stock Certificate used in the calculation of the payout payment.

General Ledger Entry	Debit	Credit
Amount relieved from Equity/Payable	Account on Stock Class ( <i>Setup / Stock Classes</i> )	
Total payable to Patron		Checking Account (selected at <i>Payout</i> window)

### How to Payout Stock

1. Select the Stock Certificates. This defaults to all Certificates, but specific Stock Certificates may be selected if necessary.
2. Verify the *Checking Account*, *Starting Check #*, and *Check Date*.
3. Optionally enter a *Minimum Check* amount. Only checks greater than this dollar amount will print.
4. Select the *Payout* option for the stock being paid:
  1. **Total Value** – This pays out the entire value of the Stock Certificate.
  2. **Percent of Cap** – This pays out a percentage of the cap entered on the Stock Certificate.
  3. **Percent of Total \$** – This pays out a percentage of the total value of the Stock Certificate.
  4. **Flat Amount** – Enter a dollar amount of the Stock Certificate to be paid out.
  5. **Payout Per Class** – Select the Stock Class and enter the *Percent of Total \$* in the grid.
5. Select the *Deduct* option for relieving the stock:

- **Number of shares** – Reduce the number of shares on the Stock Certificate by the amount being paid out. This is the recommended option to use.
  - **Per Share Value** – Reduce the per share value on the Stock Certificate by the amount being paid out.
6. Select *Pre-Scan* and then choose **Post**. A report displays showing the stock payout checks to be printed.
- Note:** If more than 39 Stock Certificates are being paid out for any Patron, use the *One Page Per Customer* option to save a PDF of the report. The individual page for that Patron should be included with the check to show the detail of the payout.
7. Deselect *Pre-Scan* and then choose **Post** to print the checks. A message appears asking if all checks printed correctly. It is best to verify all checks have printed correctly before selecting **Yes**.

**Note:** When *Defer/Later Pymt* is the selected *Posting Option*, the checking account changes to *Defer Account*. The account selected should be the same account used at the time patronage checks are printed. *Reference #* replaces *Starting Check #*.