



Purpose:

- This workbook is to be used to manage the financials associated with owning investment properties. If this workbook is well maintained, it will work well for years to come and when you decide to sell the property, you will be able to easily produce several years of financial statements.
- This workbook is meant to provide the user with an easy method of bookkeeping that doesn't require paying expensive and ongoing fees for software and services. Once the workbook is set up, it can be maintained by simply entering income and expenses as they are incurred.

Instructions:

Property Information Tab

This tab feeds into all of the other tabs so it is imperative to ensure information is correctly inputted into the respective cells. Enter basic property information including address, purchase date, contract (purchase) price, and intent of purchase. Think of "intent of purchase" as buy and hold, flip, wholesale, etc. The following cells will also need to be filled in, but require further explanation:

1. Date Rent Ready - This is the date the property was marketed for rent. If you purchase a multi-family property and when you receive title there are already tenants in the units, the "Rent Ready" date is the date of purchase.
2. Closing Costs - these are costs you incurred based on services you require during your due diligence. Costs associated with obtaining financing will not be included in these closing costs - instead, they will be amortized over the life of the loan. Enter loan costs on the "Loan Information" tab.
3. Improvements - The total cost of maintenance, improvements, labor, clean-up, etc. that occur after the purchase date but before the "Rent Ready" date. These costs are added to the basis of the property and depreciated over 27.5 years.

Loan Information Tab

- This tab shows you all of your loan information per property, including annual amortization of closing costs. Cells highlighted in yellow need to be filled in by you. The date entered should be the last day of the month that you make your first payment. So if you make a payment in December, the date you enter should be 12/31/YYYY.
- The first payment must also be entered in by you, simply because it is too difficult to create a formula that nails down the exact payment. Interest from the payment should be calculated correctly, but if not, please update the "Interest \$" cell for the first payment.

Depreciation Information Tab

Information on this tab is auto-populated except for the "Land Value" and the capital improvements section. The capital improvements section does not necessarily need to be updated constantly. If you keep track of the big expenses on the "Expenses" tab, we can determine which expenses should be classified as improvements vs. repairs at year end. It also helps to be in contact with me when making large expenditures as we can update the books live.

Income and Expenses Tabs

- For each income and expense item, it is important to enter the "receipt number" exactly the same as the actual receipt's document name in your files. If you have a PDF named "Invoice_001" please name your receipt/invoice "1" or "001" or "Invoice 001." I am not going to dictate the naming convention that you use, but please be consistent once you adopt a naming methodology. It will help to keep income receipts and expense receipts in separate folders. If you receive an invoice with itemized items, such as labor and expenses, please make as many receipts as needed to cover each itemized item, but number the receipts 2.1, 2.2, 2.3, 2.4, etc. so that we know they are all related to each other
- The property address that the income/expense relates to needs to be selected via the drop down list. The options come from the "Property Information" tab from the "Short Address" section.
- The information contained in the "Income" and "Expense" categories affect what you see in the respective drop down lists. Please use caution is editing any of this information as it directly relates to required tax return information. I have provided additional "Slots" where you can add categories.

Profit & Loss And Balance Sheet Tab

- This tab shows the financial performance of each property you own. Information that requires manual entry is highlighted in yellow. Specifically, when you want to look at the financial performance as of specific dates, you will change the dates highlighted in yellow to the desired date of review.
- At year end, we will update the "Losses Carried Forward" section by copying the tax loss and pasting as "values." This will enable us to clearly see prior year losses that can be utilized in future years.

Profit & Loss By Month

- This tab shows the financial performance of each property on a monthly basis. You must first select the year and then select the property in which you wish to see financial performance on a monthly basis.
- The entire sheet is automated except for where you input the year and property.

Property Information Sheet											
Property 1			Property 2			Property 3			Property 4		
Address			Address			Address			Address		
City	State	ZIP	City	State	ZIP	City	State	ZIP	City	State	ZIP
Austin	TX	21212	Washington	DC	20013	N/A	N/A	N/A	N/A	N/A	N/A
Date of Purchase			Date of Purchase			Date of Purchase			Date of Purchase		
Date Rent Ready			Date Rent Ready			Date Rent Ready			Date Rent Ready		
Contract Price			Contract Price			Contract Price			Contract Price		
Closing Costs* Improvements			Closing Costs* Improvements			Closing Costs* Improvements			Closing Costs* Improvements		
Total (Basis)			\$0 Total (Basis)			\$0 Total (Basis)			\$0 Total (Basis)		
Intent of Purchase			Intent of Purchase			Intent of Purchase			Intent of Purchase		
Buy and Hold			Buy and Hold			Buy and Hold			Buy and Hold		

*Closing costs will be those added to the property cost basis. Refer to the Property Basis & Depreciation Calculator.

Statement of Profit & Loss				
	From: 1/1/2020	To: 1/1/2020	TOTAL	
	N/A	N/A	TOTAL	
Income				
Rental Income	\$0	\$0	\$0	\$0
Misc. Income	\$0	\$0	\$0	\$0
Total Income	\$0	\$0	\$0	\$0
Expenses				
Advertising/Marketing	\$0	\$0	\$0	\$0
Auto/Travel	\$0	\$0	\$0	\$0
Cleaning/Maintenance	\$0	\$0	\$0	\$0
Commissions	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0
Legal/Accounting	\$0	\$0	\$0	\$0
Management Fees	\$0	\$0	\$0	\$0
Mortgage Interest	\$0	\$0	\$0	\$0
Other Interest	\$0	\$0	\$0	\$0
Repairs	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0
Taxes	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0
Other Expenses				
Contract Labor	\$0	\$0	\$0	\$0
Annual/Registration Fees	\$0	\$0	\$0	\$0
Bank Charges	\$0	\$0	\$0	\$0
Business Use of Equip	\$0	\$0	\$0	\$0
Dues/Subscriptions	\$0	\$0	\$0	\$0
Education	\$0	\$0	\$0	\$0
HDA Dues	\$0	\$0	\$0	\$0
License/Permits	\$0	\$0	\$0	\$0
Meals/Entertainment	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Web Design/Hosting	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0
Net Operating Income	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0	\$0
Amortization	\$61	\$148	\$0	\$209
Prior Year Loss				\$0
Taxable Income	\$61	\$148	\$0	\$209

Balance Sheet				
	As of First Day of Month (ex. enter as "1/1/1999")			
	1/1/2016	N/A	N/A	TOTAL
Assets				
Purchase Price				\$0
Closing Costs	\$10,000	\$0	\$0	\$0
Improvements	\$0	\$0	\$0	\$0
Total Assets	\$10,000	\$0	\$0	\$10,000
Liabilities & Equity				
Loan Outstanding	\$0	\$0	N/A	N/A
Equity	\$10,000	\$0	N/A	N/A
Total Liabilities & Equity	\$10,000	\$0	N/A	\$10,000

Unafforded Losses				
Requires Manual Entry Input Net Taxable Losses Carried Forward on Tax Return Form 9882				
Year			N/A	N/A
2014	-\$1,211	-\$1,712		
2015	-\$2,456	-\$2,148		
2016				
2017				
2018				
2019				
2020				

