

EMPLOYER: ABC Bank & Trust Company  
PLAN: Bank Owned Life Insurance & Split Dollar Program  
REPORT: Suggested General Ledger Accounting Entries  
PERIOD: 12/01/2024 through 12/31/2024

LIFE INSURANCE EXPENSE	0.00
CASH SURRENDER VALUE INCREASE	17,513.68
DUE FROM INSURED (SPLIT DOLLAR) (1)	0.00
COMPENSATION EXPENSE	0.00
INTEREST EXPENSE (POLICY LOANS) (2)	0.00
CASH	0.00
OTHER INCOME (INSURANCE)	17,513.68
LIFE INSURANCE POLICY LOANS (3)	0.00

NOTE: To record the insurance activity on life insurance policies owned by the employer and the associated expense or income based on the increase in the cash surrender values or the receipt of insurance policy proceeds.

- (1) A "due from account" is an Account Receivable.
- (2) To record policy loan interest accrued or paid during the current period. IMPORTANT: IRC Section 264 provides for certain restrictions on the tax deductibility of policy loan interest.
- (3) To record the accrual of life insurance policy loans and policy loan interest during the current period. If the loan is to be repaid within twelve months, it may be classified as a current liability. The obligation may be treated as a non-current liability if the loan will be liquidated by deduction from the proceeds of the policy upon maturity or cancellation (AICPA formerly ARB Number 43).

**ACTION REQUIRED:**

- (i) POST ENTRIES TO THE GENERAL LEDGER.
- (ii) SEE INDIVIDUAL INSURANCE POLICY SCHEDULE FOR ENTRIES FOR EACH INSURED.

[Suggested entries are based on the period identified above. Entries may include dividends, interest, or investment performance which are not guaranteed and will vary. Policy values should be confirmed by the insurance carrier on or after the end of the fiscal year.]

EMPLOYER: ABC Bank & Trust Company

PLAN: Bank Owned Life Insurance & Split Dollar Program

REPORT: Suggested General Ledger Accounting Entries by Policy

PERIOD: 12/01/2024 through 12/31/2024

<u>Policy Number</u>	<u>Insured</u>	(DR) <u>Life Insurance Expense</u>	(DR) <u>Cash Surrender Value Increase</u>	(DR) <u>Due From Insured (Split \$(1))</u>	(DR) <u>Compensation Expense</u>	(DR) <u>Interest Expense (Policy Loans)(2)</u>	(CR) <u>Cash</u>	(CR) <u>Other Income (Insurance)</u>	(CR) <u>Life Insurance Policy Loans(3)</u>
<b>Guardian Life</b>									
XYZ131	Banker, Jane	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
XYZ130	Banker, Joe	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
<b>Lincoln National Life Ins Co</b>									
XYZ136	Banker, Billy B., Jr.	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
XYZ133	Executive, Jane	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
XYZ132	Executive, Joe	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
<b>MassMutual</b>									
MM123	Banker, Jane	0.00	1,583.15	0.00	0.00	0.00	0.00	1,583.15	0.00
XYZ123	Executive, Eddie	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
<b>New York Life</b>									
XYZ134	Director, Annie	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
XYZ135	Director, David	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
XYZ124	Executive, Eddie	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
<b>Northwestern Mutual</b>									
XYZ125	Executive, Eddie	0.00	1,593.05	0.00	0.00	0.00	0.00	1,593.05	0.00
<b>Total:</b>		<b>0.00</b>	<b>17,513.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,513.68</b>	<b>0.00</b>

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