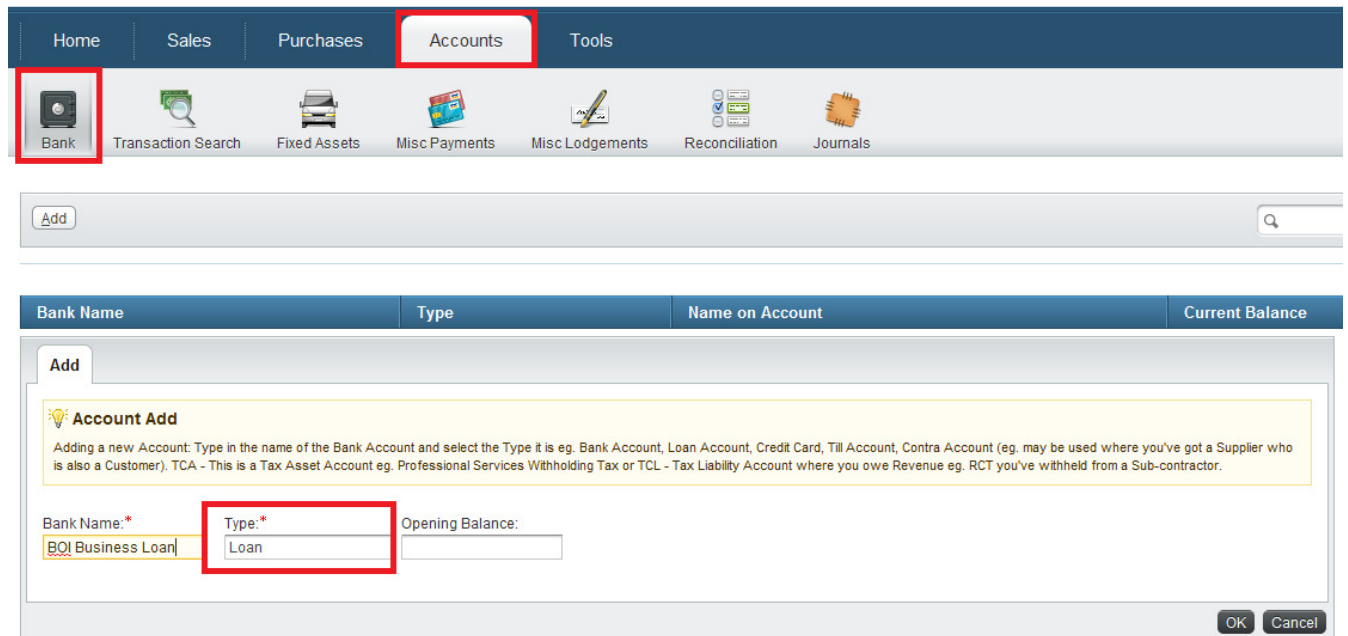# How to set up a business loan / bank loan within SortMyBooks

To record the fact that you have taken out business loan and are paying it back monthly, Click Accounts, Bank and Add the business loan account as shown below, making sure to pick the type as Loan.

How to set the opening balance on a loan account:

If this is a new loan you are taking out after the start of your accounts year, **leave the opening balance blank.** This will be taken care of in the next step, Account Transfers.

If you are setting the opening balance of an existing loan which you had when starting SortMyBooks for your accounts, just **enter the amount of the outstanding loan as a negative balance.**

Example, if you are setting up your accounts as at 1 January 2012, and you had a remaining balance of 5000 on the loan at that time, enter the opening balance as -5000.

How to record payments to the loan account:

For a new loan taken out of the start of your business accounts:

Use the Account Transfer function to show the initial loan amount transferring FROM your loan account TO your business account.

For an existing loan or subsequent repayments for the new loan, use the account transfer function to show payments made FROM your business account TO the loan account. Account Transfer how to is here:

http://sortmybooks.zendesk.com/entries/514769-account-transfers