

How do I record a return of capital?

Record a return of capital

Use the Return of Capital dialog to record cash received from return of capital. A return of capital is usually money paid to you as total or partial repayment of the money you invested.

1. Open the account you want to use.
2. Click **Enter Transactions**.
3. In the **Enter Transaction** list, select **Return of Capital**.

Notes

- Return of capital is not the same as [capital gains distribution](#).
- Return of capital generally differs from a sale in that you're not the one who initiates the return of capital. For example, a mortgage-backed security (such as a Ginnie Mae) returns capital when the underlying mortgages pay off the principal, which is passed on to you.
- Recording a return of capital lowers your [cost basis](#).
- To ensure that the market value also declines with a return of capital, you must update the price of the security. This new price equals the current price times the factor (which is supplied in your statement).