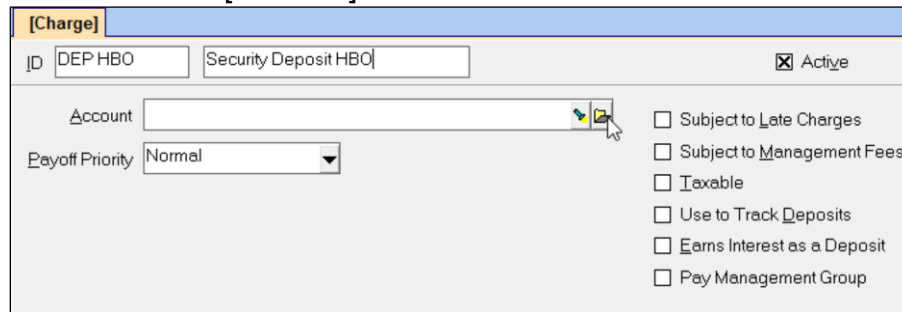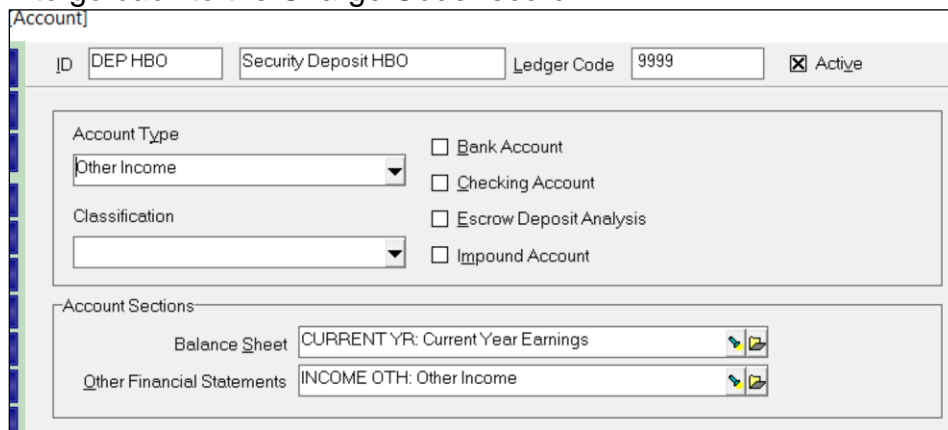# Security Deposit Held by Owner

Overview

If the security deposit is being held by the owner, an account code and charge code should be created, e.g. account code - Dep HBO with an account type of other income or taxable income; charge code - Dep HBO pointing to the account code Dep HBO.

One Time - Setting up the Account Code and Charge Code
1. Go to <<Setup, Charge Codes>>
2. Click the <New> button
3. Type in an ID of Dep HBO
4. Type in a long description of Security Deposit HBO or Deposit Held by Owner
5. Click on the folder button for [Account]

6. Type in an ID of Dep HBO
7. Type in a long description of Security Deposit HBO or Deposit Held by Owner
8. Type in a [Ledger code], e.g.9999
9. Select an [Account Type] of Other Income or Taxable Income
10. Click <Save> to go back to the Charge Code record

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11. Mark the checkbox [Use to Track Deposits]
    With this box marked, the amount of the security deposit will show in Tenant History in the Deposits box and will appear on the Security Deposit report. This is a convenient method to determine what deposits are being held in total. To break out those deposits that are being held by the owner, set up a category of Deposit HBO, assign it to each tenant and run the Security Deposit report limited to or excluding that category.

12. Click <Save>

Each Time - Recording the Security Deposit Receipt

1. Go to <<AR, Security Deposit Receipt>>
2. Select the [Tenant]
3. Select the [Bank] that rent payments are deposited into
4. Enter the payment [Amount]
5. Type in a memo - optional
6. Click the New Charges tab
7. Select the Dep HBO from the drop down list for the charge
8. Enter the [Amount]
9. Click <Post>
10. Deposit this payment into the bank account through the <<GL, Deposit Receipts>> function

Give Money to Owner

To give the money to the owner you can use the <<AP, Scheduled Payables, Distribution Check>> function or the <<AP, Single Check>> function to write the owner his check.

Refund the Deposit - when the tenant moves out and you are ready to return or disburse the security deposit.

Security Deposit Refund - Deposit Held by Owner
Situation H.

- Security deposit money is held by the owner
- Some of the security deposit is being returned to the tenant, some is going to the owner

1. Go to <<AR, Tenant Move Out>>
2. Select the [Tenant]
    a. The security deposit will come up and show as released
    b. Verify the charges and other information on the screen
3. The tenant must be charged for any money going to the owner or management group. If those charges have been posted they will display on the screen. If they have not been posted previously, use the button at the left of the screen to activate the <<AR, Charge Tenant>> function and post the charges. After posting you will be returned to the Tenant Move Out function.
4. Verify the charges and other information on the screen.
5. <Post> the transaction.
6. The security deposit will be taken from the owner's ledger and will increase the tenant's open credits. It will then be used to pay off charges and you will be transferred to the <<AP, Refund Check>> function to post the refund check.
7. <Post> the refund check.
8. Print the check.

Note: Because the money is taken from the owner's ledger, be sure the owner has enough money to cover the security deposit in his ledger or that he has sent you money to cover the refund.