



Rent Received in Advance

Property Management Solutions for Over 30 Years

Overview

This document explains options for posting rent money received in advance.

When rent is received in advance there are two options available. The first — Advance Payment — causes the entire amount paid to be credited immediately to the owner's ledger. The second — Open Credits — retains the money in the tenant's account and gives it to the owner as charges are posted.

Option 1 - Advance Payment

1. Go to <<AR, Tenant Receipt>>
2. Select the [Tenant]
3. Enter the payment [Amount]
4. Click on the New Charges tab
5. Select the [Charge] (e.g. Rent) from the drop down list
6. Enter the [Amount] being applied to the charge
7. Click on the [Advance Payment] checkbox so it is marked
8. Review the entries for accuracy
9. Click <New> or <Post>

The screenshot shows the 'Tenant Receipt' form. The 'Date' is 5/31/2018, 'Receipt #' is 281128KDIJ, 'Unit' is WB203: Willow Brooke Unit 203, 'Tenant' is SCHRADER: Phyllis Schrader, and 'Bank' is CHECKING: Bank Account Checking. The 'Payment' is \$2,300.00, with 'Distribute' checked and 'Prorate' and 'Apply Open Credits' unchecked. The 'Memo' is 'June + July rent'. On the right, the summary shows 'New Charges Paid' as \$2,300.00. At the bottom, the 'Charge' is 'RENT: Rent' and the 'Advance Payment' checkbox is checked, indicated by a red arrow.

You can see the Advance Payments in Tenant History on the Advance Payments tab. As each rent charge is posted the amount of the advance payments will decrease.

Tenant History

Unit: WB203: Willow Brooke Unit 203
Tenant: SCHRADER: Phyllis Schrader

Balance: (\$2,300.00) Unpaid Charges:
Deposits: \$1,150.00 Advance Payments: \$2,300.00
Open Credits:

Current:
30 Days:
60 Days:
90 Days:
Not Yet Due:
Total:

Posted	Description	Amount	Memo	Ledger
5/31/2018	Rent	\$2,300.00	June + July rent	NUZIG Inc.

1. Unpaid Charges 2. Charges 3. Receipts 4. Advance Payments 5. Deposits 6. Open Credits 7. De

Before June rent charge.

Tenant History

Unit: WB203: Willow Brooke Unit 203
Tenant: SCHRADER: Phyllis Schrader

Balance: (\$1,150.00) Unpaid Charges:
Deposits: \$1,150.00 Advance Payments: \$1,150.00
Open Credits:

Current:
30 Days:
60 Days:
90 Days:
Not Yet Due:
Total:

Posted	Description	Amount	Memo	Ledger
5/31/2018	Rent	\$1,150.00	June + July rent	NUZIG Inc.

1. Unpaid Charges 2. Charges 3. Receipts 4. Advance Payments 5. Deposits 6. Open Credits 7. De

After June rent charge.

Option 2 - Open Credits

Open credits are available funds that have not been designated toward charges. They are given to the owner as charges are posted when the charge is less than or equal to the credit amount. Payments received (or parts thereof) that you do not want to give to the owner immediately can be held back and given to the owner as charges are posted. See [Document #217 Apply Open Credits](#).

1. Go to <<AR, Tenant Receipt>>
2. Select the [Tenant]
3. Enter the payment [Amount]
4. Allocate the payment amount as appropriate. Whatever amount is left unallocated will be applied to open credits
5. Review the entries for accuracy
6. Click <New> or <Post>
7. A message will display alerting you to the amount being applied to open credits. Click <OK>

Tenant History | **Tenant Receipt**

Date: 11/28/2018 | Receipt #: 281128KGRU | Currency:

Unit: OAK2118: 2118 Oak Street

Tenant: ROD: Jerry and Karyl Rodriguez

Bank: CHECKING: Bank Account Checking

Payment: \$1,000.00 | Distribute | Prorate
 Apply Open Credits

Memo:

Comment:

Current Charges Owed: \$85.00
Starting Open Credits:
Current Charges Paid: \$85.00
Discounts Given:
New Charges Paid:
Final Open Credits: \$915.00

Due Date	Charge	Owed	Apply to Charge
11/20/2018	Late Fee	\$30.00	Amount \$30.00 <input type="checkbox"/> Skip
11/20/2018	Late Fee	\$55.00	Amount \$55.00 <input type="checkbox"/> Skip

1 Current Charges | 2 New Charges

Information

\$915.00 is being added to open credits. Please review the help if you do not understand open credits.

OK Cancel Help

Advance Rent Held in Escrow

If your tenant pays rent in advance and you want to hold the money in the Escrow bank instead of the Checking bank, follow the procedure below.

One Time

Set up an account code and charge code

1. Go to <<Setup, Charge Codes>>
2. Click the <New> button
3. Type in an ID of AdvRentDep
4. Type in a long description of Advance Rent Deposit
5. Click on the flashlight button for [Account]
6. Type in an ID of AdvRentDep
7. Type in a long description of Advance Rent Deposit
8. Type in a [Ledger code], e.g.9999
9. Select an [Account Type] of Current Liability
10. Click <Save> to go back to the Charge Code screen.
11. Mark the checkbox [Use to Track Deposits]
12. Click <Save>

Each Time

1. Go to <<AR, Charge Tenant>>. Charge the amount of the whole payment from the tenant.
2. Go to <<AR, Tenant Receipt>>. Pay off the Advance Rent Deposit charge and receive the money into the Escrow bank.

To use the money to pay off charges you will have to follow the [Security Deposit Refund](#) procedure to release the deposit into Open Credits.