

## Overview

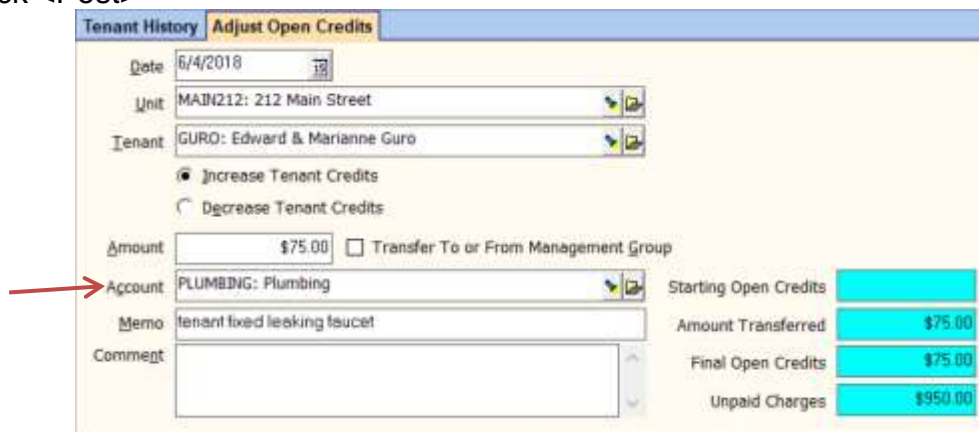
This is a procedure to handle the situation when a tenant pays less than the full rent because of work he did.

## Tenant Pays Less Than Full Rent

When a tenant pays less than the full amount of rent because he paid for something the owner is to reimburse him for, you will need to record transactions prior to posting the rent payment so that the rent credited to the owner and management fees credited to the management group are in the proper amounts. The process involves increasing the tenant's open credits (balance) by the amount of the deduction.

## Create the Credit

1. Go to <<AR, Adjust Open Credits>>
2. Select the [Tenant] or [Unit].
3. Select the [Account]. The account should be an expense code and correspond to the reason for the deduction. If it doesn't then a memo should reflect the circumstances.
4. Click <Post>



Field	Value
Date	6/4/2018
Unit	MAIN212: 212 Main Street
Tenant	GURO: Edward & Marianne Guro
Amount	\$75.00
Account	PLUMBING: Plumbing
Memo	tenant fixed leaking faucet
Comment	

Starting Open Credits	
Amount Transferred	\$75.00
Final Open Credits	\$75.00
Unpaid Charges	\$950.00

*Posting the transaction will decrease the owner balance by increasing the liabilities and will increase the tenant's open credits.*

## Post the Payment

When posting the tenant's rent payment, enter the amount actually received and use the open credits to fully pay off the rent.

1. Go to <<AR, Tenant Receipt>>
2. Select the [Tenant] or [Unit]
3. Enter the [Amount] of the payment actually received.
4. Be sure the Apply Open Credits checkbox is marked - this will use the amount in open credits to pay off the charges.
5. Use the protected boxes on the left to verify that the payment amount plus the open credits are being used to pay off charges.
6. Click <Post>

**Tenant Receipt**

Date: 6/4/2018      Receipt #: 281204LYY1       Currency

Unit: MAIN212: 212 Main Street

Tenant: GURO: Edward & Marianne Guro

Bank: CHECKING: Bank Account Checking

Payment: \$875.00     Distribute     Prorate

Apply Open Credits

Memo: \_\_\_\_\_

Comment: \_\_\_\_\_

Current Charges Owed	\$950.00
Starting Open Credits	\$75.00
Current Charges Paid	\$950.00
Discounts Given	
New Charges Paid	
Final Open Credits	

Due Date	Charge	Owed	Apply to Charge
6/1/2018	Rent	\$950.00	Amount \$950.00 <input type="checkbox"/> Skip

This will result in the owner getting the full rent amount, the tenant getting credit for paying the full rent amount, and the management group getting the entire management fee.

## Different Ledger

If the credit is coming from a unit owned by a different ledger (owner/property/unit) than the one the tenant lives in, you will then have to do a GL>Journal Transfer. This will take the money from the ledger actually paying the tenant to reimburse the unit where the tenant lives.

**Journal Transfer**

Date: 6/4/2018

Reference: Journal Transfer

Bank: CHECKING: Bank Account Checking

Memo: tenant fixed leaking faucet

Comment: \_\_\_\_\_

Cash  
 Accrual  
 Modified Cash

Credits: \$75.00  
 Debits: \$75.00  
 In Balance: \_\_\_\_\_

Account and Ledger	Debit or Credit	Amount
PLUMBING: Plumbing	Debit	\$75.00
FAIR436: 436 Fairway Drive		
PLUMBING: Plumbing	Debit	(\$75.00)
MAIN212: 212 Main Street [Unit]	Unit	

