



Overview

Occasionally it may be necessary to write off rent that won't be collected. You can simply void the rent charges in Tenant History or Reverse them. If you reverse them on a different date than the charge, there will be a record in the tenant's account. However, you may want a record of the uncollected rent in the owner's ledger. If so, follow the procedure below.

One Time

Create two Account codes called Bad Debt Writeoff and Uncollected Rent.

- Go to <<Setup, Account Code>>
- Click <New>
- Enter the [Short ID] and [Description] of Bad Debt.
- Enter a [Ledger Code].
- Choose Income as the [Account Type].
- <+> and do the same for the second account code for Uncollected Rent

Create a Charge Code for Uncollected Rent.

- Go to <<Setup, Charge Code>>.
- Click <New>
- Enter the [Short ID] and [Description].
- Point it to the Uncollected Rent account code.
- Click <Save>

Each Time

Void or Reverse Rent Charges

- First make note of the total amount owed for rent (<<Reports, Tenant Reports, Unpaid Charge Summary>>).
- In <<AR, Tenant History>>, Void or Reverse the rent charges.

Post New Charge

- Go to <<AR, Charge Tenant>>
- Post a charge for Uncollected Rent in the amount determined above.

Move money from owner to tenant

- Go to <<AR, Adjust Open Credits>>
- Choose the [Unit] and [Tenant] from the drop down list.
- Select the Radio Button for Increase Tenant Balance
- Enter the [Amount].
- Choose the [Account] Bad Debt Writeoff.

Pay off charges - return money to owner

- Go to <<AR, Tenant Receipt>>. Use the open credits to pay off the charges.

At the end of this procedure the owner will have a net balance change of \$0. On a Revenue and Expense report or Owner Statement, the Bad Debt Write off will show as negative income, the Uncollected Rent as positive income.