

equineGenie™



**Entering, Managing
and Accounting for
Deposits**

Entering, Managing and Accounting for Deposits

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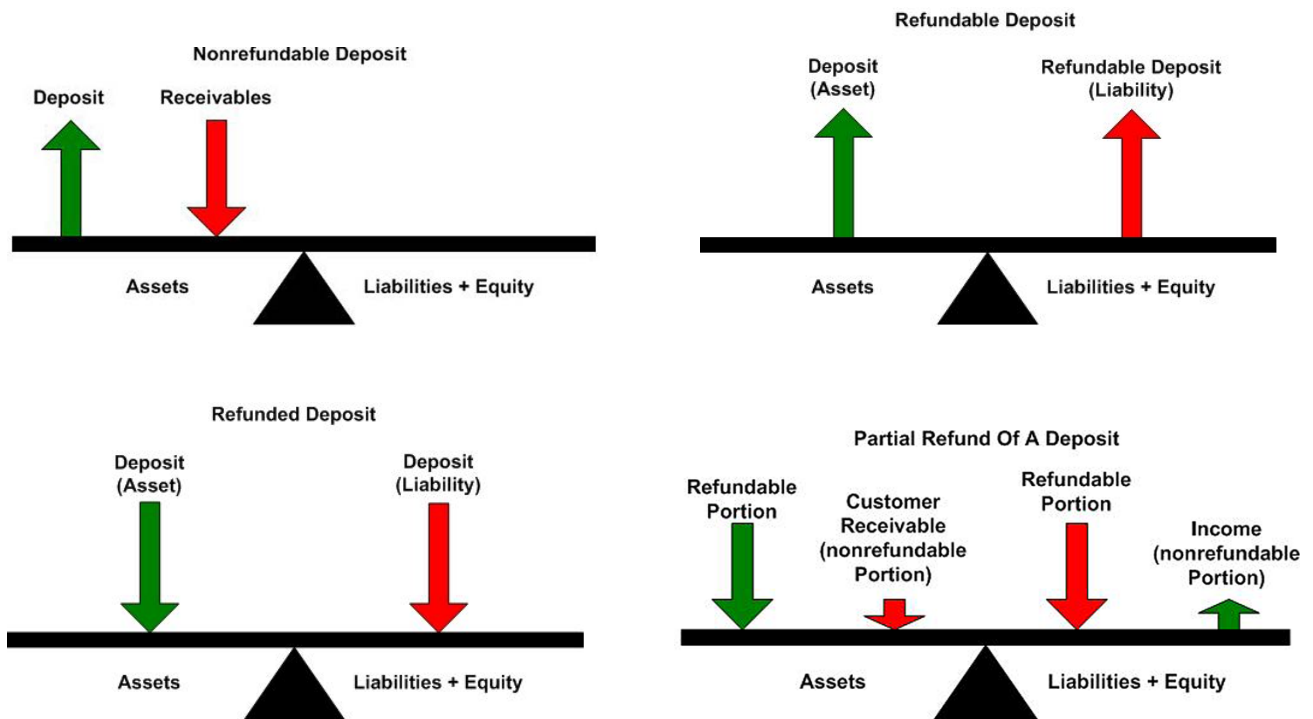
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Deposits

Deposits are common in many horse businesses. Deposits are often made on rent or leases for security and protection. They are also made to reserve a service or product that will be provided in the future. A deposit for boarding a horse is a good example. Many horse businesses that board horses require a stall deposit to protect against unauthorized early departures and excessive stall damage. Another example is a breeding deposit for a stallion breeding service that will be provided in the future. A stallion breeding deposit is covered in another tutorial – Stallion Breeding Deposit.

The accounting for a deposit depends if the deposit is refundable or is not refundable. If the deposit is not refundable then it is treated like any other customer charge and payment. If a deposit is refundable it is treated differently. It is treated as both an asset (cash received) and a liability (refundable obligation) until it is refunded. When a deposit is refunded the Asset (cash) and the obligation (liability) are both reduced by the amount of the refund. If only a portion of the deposit is refunded, the portion that was not refunded is treated as a customer charge and payment. equineGenie's easily records, accounts for, tracks, measures and reports on deposits.

The Accounting Equation Deposit Illustrations



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Deposit Account and Deposit Entry

Chart of Accounts

equineGenie's *Prepayment and Deposit account* needs to be selected and any associated subaccounts need to be identified in the *Chart of Accounts*.

Prepayment and Deposit Account Selection

equineGenie Financial Setup - General Ledger / Chart of Accounts

GL / Chart Of Account Setup

4000 - 4999 Income

Select An Account

- 4950 - Gain on Sale of Asset
- 4975 - Miscellaneous Income
- 4980 - Tax Income
- 4985 - Prepayment/Deposit
- 4990 - Customer Refund

Select A Primary Account Category

Select A Primary Account

Subaccount Number

Enter A Subaccount

Another Subaccount Same Primary Account

Another Primary Account, Same Category

Another Primary Account Category

Remove Selected Subaccount (Caution!)

Enter

Popup And Red Flag
equineGenie
Notes

View Subaccount Assignments

Deposit Subaccount Selection

equineGenie Financial Setup - General Ledger / Chart of Accounts

GL / Chart Of Account Setup

Select An Account Category

Select An Account

Another Category

General Ledger Subaccount Setup

4000 - 4999 Income

4985 - Prepayment/Deposit

4985.002

Boarding - Stall Deposit

Another Subaccount Same Primary Account

Another Primary Account, Same Category

Another Primary Account Category

Remove Selected Subaccount (Caution!)

Enter

You can identify up to 999 subaccounts for each Prepayment/Deposit Account. Subaccounts are highly recommended so you can measure and manage each Prepayment/Deposit.

Note: In this example we have identified a specific deposit because a business could have multiple types of deposits.

Notes

View Subaccount Assignments

The following illustrates how deposits are entered in equineGenie. This tutorial uses a boarding deposit as an example. Boarding deposits are common in many horse boarding businesses. The above subaccount example only illustrates one type of boarding deposit. Some boarding businesses offer more than one type of deposit. If that is the case in your business, it is suggested that each type of deposit should be assigned a subaccount. This will enable you to measure and manage each deposit. Subaccounts provide you with more than just financial information; they also provide you with marketing and pricing information. You will learn which deposits are necessary and how deposits influence potential customers.

Refundable Deposit Received

You should not invoice a refundable deposit. The refundable deposit requirement should be included in the contract that required the deposit. A refundable deposit is not an operating income transaction; it is a balance sheet transaction that will be refunded as stipulated in the contract. *The customer providing the deposit can be given a receipt for their deposit. A receipt is generated by selecting the customer, recalling the deposit date and selecting the Receipt button.*

Receive Deposit

The screenshot shows the 'Receive Deposit' screen in equineGenie. The window title is 'equineGenie Financial Management - Collect / Receive Money'. The main heading is 'Collect / Receive Money'. The screen contains several input fields and buttons:

- Customer:** A dropdown menu showing 'Test Customer'. A callout box says 'Select the Deposit Customer.'
- Account:** A dropdown menu showing '001'.
- Account Balance:** A field showing '\$0'.
- Date:** A dropdown menu showing '2/23/2019'. A callout box says 'Enter the Deposit Date.'
- Prepay/Deposit:** A button set with 'Prepay/Deposit' and 'Yes' (highlighted in green) and 'No' (highlighted in red). A callout box says 'Select Prepay/Deposit.'
- Prepaid Lesson:** A field with '#Lessons'.
- Received Cash?** A checkbox.
- Received Direct Credit / Bank Transfer?** A checkbox.
- Received Check?** A checkbox with a red dot and a field containing '9871'. A callout box says 'Enter the Payment Method. Payment Made by Check #9871.'
- Received CC/DC?** A checkbox with a field for 'Credit / Debit Card #'.
- Apply To Invoice?** A checkbox with a red dot and a field for 'Invoice #'.
- Remove Receivable:** A button with a red dot and a field containing '\$500.00'.
- Customer Receivables Ledger:** A green button.
- Customer Receive Money Ledger:** A green button.
- Customer Prepayments (Date Specified):** A green button. A callout box says 'Select the Customer Prepayments Report. Note: The report displays the prepayment deposits made within the specified dates.'
- Customer Invoice History:** A green button.
- Money Comments:** A text area containing 'Received one month's stall board as a security deposit. The deposit or a portion of the deposit is refundable based on the terms of the boarding contract.' A callout box says 'Enter Any Deposit Comments.'
- Enter:** A button. A callout box says 'Enter the Deposit Amount and Select to Green \$.'
- Receipt:** A green button. A callout box says 'Select Receipt if a receipt for a Deposit is required. The Receipt will include any Comments.'

A deposit is entered on the Receive Money screen as displayed above. The Prepay/Deposit button needs to be selected. Selection of this button lets equineGenie know that the money received is for a deposit and needs to be accounted for different from a customer payment. Selecting the Prepay/Deposit button changes it from a **Red No** to a **Green Yes**.

There is no invoice number associated with a refundable deposit since it is not invoiced. The only thing that needs to be identified is how the funds were received. In this example the deposit was received by **check # 9871**.

The deposit amount is entered and the **Green \$** is selected. Selection of the **Green \$** will display the Deposit Method Popup. Selection of the deposit method will display the Deposit To popup. Selection

of the Deposit button on the Deposit To popup will complete the financial transaction, close the popup and redisplay the Receive Money screen.

Refundable Deposit Financial Transaction

Deposit Funds Deposited

The screenshot shows two windows from the equineGenie software. The top window is titled 'Receive Money' and has several dropdown menus: 'Test Customer', '4000 - 4999 Income', '4985 - Prepayment/Deposit', and 'Boarding - Stall Deposit'. Below these are radio buttons for 'Cash', 'Savings', and 'Checking' (which is selected). The bottom window is titled 'Deposit To Checking' and shows a dropdown for '7777', a deposit amount of '\$500.00', and a date of '2/23/2019'. It also displays an 'Account Balance: \$10,500.00' and a 'Deposit' button. Callout boxes with red arrows point to these elements, providing instructions on how to use the interface.

Receive Money

- Customer Name is Transferred from the Receive Money Screen.
- 4000 – 4999 Income will be displayed.
- 4985 – Prepayment/Deposit will be selected from the Income accounts dropdown.
- 4985 – Prepayment/Deposits subaccount will be selected from the Prepayment/Deposits subaccounts dropdown.
- Deposit into Checking is selected in this example. Selection of pay into Checking will display the Deposit To checking popup.

Deposit To Checking

- The checking account is selected. **Note:** If it is the only business checking account it will be displayed and will not have to be selected.
- The Deposit amount and Deposit Date are displayed.
- The checking account balance is displayed.
- Selecting Deposit will deposit the funds and redisplay the Receive Money screen.

The important thing here is the selection of the, **4985 – Prepayment/Deposit** income account. This lets equineGenie know that the deposit is both an asset – and a liability and is not to be counted in the customer’s receivables.

When the Receive Money screen is redisplayed, selecting the Enter button will complete the deposit transaction. equineGenie will automatically record and account for the deposit.

Customer Deposit Report

The deposit date, the deposit amount and any comment about the deposit is reported on the Customer Deposits (Date Specified) report. The report can be viewed, exported or printed.

Customer Deposit Report

| Make Believe Ranch | | | |
|---------------------------|--|--------------------|--|
| Deposit Date | Deposit Comment | | |
| <i>Jan 1, 2019</i> | Test Customer Deposits | <i>May 1, 2019</i> | |
| Date | Prepayment Description | Amount | Comments |
| Feb 23, 2019 | 4985 - Prepayment/Deposit: Boarding - Stall Deposit | \$ 500.00 | Received one month's stall board as a security deposit. The deposit or a portion of the deposit is refundable based on the terms of the boarding contract. |

Deposit Amount


Customer Deposit Receipt

If the deposit customer requires a receipt, a receipt can be generated by recalling the customer, the receipt date and selecting the Receipt button in the bottom right corner of the Receive Money screen. The description on the *Receipt* is the comment that was entered on the Receive Money screen on the date the deposit was entered.

Customer Deposit Receipt

Payment Receipt

Make Believe Ranch
 1234 Make Believe Lane
 Make Believe, ST 99999
 999.999.9999



Test Customer Saturday, February 23, 2019

| Payment Method | Payment Number | Deposit Amount |
|----------------|----------------|----------------|
| Check | 9871 | \$ 500.00 |

| Description | Amount |
|--|------------------|
| Received one month's stall board as a security deposit. The deposit or a portion of the deposit is refundable based on the terms of the boarding contract. | \$ 500.00 |
| Total | \$ 500.00 |

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Refunding a Refundable Deposit

Refundable Deposit Adjustment

When a deposit is refunded, or a portion of the deposit is refunded, the original deposit is recalled by selecting the deposit customer and the original deposit date. The original deposit comment can remain the same or can be changed to reflect the refund amount. The original deposit amount is reset to the remaining deposit and the Enter button selected. No accounting needs to be done. The Customer Deposits report will reflect the refund. In this example the refund is \$250 of the original \$500 deposit.

***Note:** It is suggested that the Deposit comment is changed to reflect the deposit refund. The changed comment will replace the original comment and be displayed on the Customer Deposit Refund report.

Deposit Refund Adjustment

Collect / Receive Money

Test Customer

Account Balance: 02/23/19

Prepay/Deposit Yes

Prepaid Lessons? No # of Lessons

Received Cash?

Received Direct Credit / Bank Transfer?

Received Check? 9871

Received CC/DC? Credit / Debit Card #

Apply To Invoice? No Invoice #

Remove Receivable \$250.00

Customer Receivables Ledger

Customer Receive Money Ledger

Customer Deposits (Date Specified)

Customer Invoice History

Money Comments

The stall boarding deposit of \$500, was paid on February 23, 2019 and \$250, was refunded on May 1st. Refund check # 1257 was paid to the deposit customer. \$250 was withheld for stall damages.

Enter

You can keep the original comment or change it to reflect the Refund Adjustment - your choice.

Enter the Deposit Amount and Select Enter.

*Note: No accounting needs to be done.

The Customer Deposits report will reflect the Refund Adjustment.

Customer Prepaid Lessons (DS)

Receivables Ledger (Date Specified)

Prepay/Deposit Report

Received Money Ledger

Receipt

Customer Deposit Refund Report

Make Believe Ranch

May 23, 2019

Test Customer Deposits

| Date | Prepayment Description | Amount | Comments |
|--------------|---|-----------|--|
| Feb 23, 2019 | 4985 - Prepayment/Deposit: Boarding - Stall Deposit | \$ 250.00 | The stall boarding deposit of \$500, was paid on February 23, 2019 and \$250, was refunded on May 1st. Refund check # 1257 was paid to the deposit customer. \$250 was withheld for stall damages. |

Original Deposit Date

New Comment reflects the Deposit Refund.

\$250 indicates the Remaining Deposit.

Customer Deposit Refund Payment

If the entire deposit, or a portion of the deposit is refunded, the customer is paid the refund on the Customer Refund screen. In this example the customer is refunded \$250 of the original \$500 stall deposit and then, charged \$250 of the remaining deposit for stall repair.

Customer Deposit Refund

Refunds To Customers

Select the Deposit Refund Customer.

Test Customer

001

Enter or Select the Deposit Refund Date.

05/01/19

2-23-2019-1

Enter a Reference for tracking.

\$250.00

Customer Refund Comments

Customer refund of \$250, for a \$500, Board - Stall Deposit paid on February 23, 2019. \$250 of the deposit is withheld for stall repair and charged to the customer.

Customer Refund Comment to document the Refund.

Enter

Enter the Refund Amount and Select the Red \$.

*Note: Selection of the Red \$ will display the Payment Method Popup.

And Red Flag

equineGenie

Notes

Remove Customer Refund

View Customer/Client Refunds

Customer Deposit Refund Transaction

Refunds To Customers

Test Customer

4000 - 4999 Income

4985 - Prepayment/Deposit

Boarding - Stall Deposit

Pay By ...

Charge Account

Cash

Credit Card

Check

Debit Card

Customer Name is Transferred from the Customer Refund Screen.

4000 - 4999 Income is displayed.

4985 - Prepayment/Deposit is selected from the Income accounts dropdown.

4985 - Boarding - Stall Deposit subaccount will be selected from the Prepayment/Deposits subaccounts dropdown.

Pay By ... Checking is selected in this example. Selection of Checking will display the Pay By checking popup.

The checking account is selected.

*Note: If it is the only business checking account it will be displayed and will not have to be selected.

The Refund Amount and Refund Date are displayed.

Payment By Check

7777

\$250.00

05/01/19

Account Balance: \$10,550.00

Amount Available: \$10,550.00

1257

Enter the Refund Check #.

The checking account balance is displayed.

Red Flag

Selecting Pay will complete the Refund and redisplay the Receive Money screen.

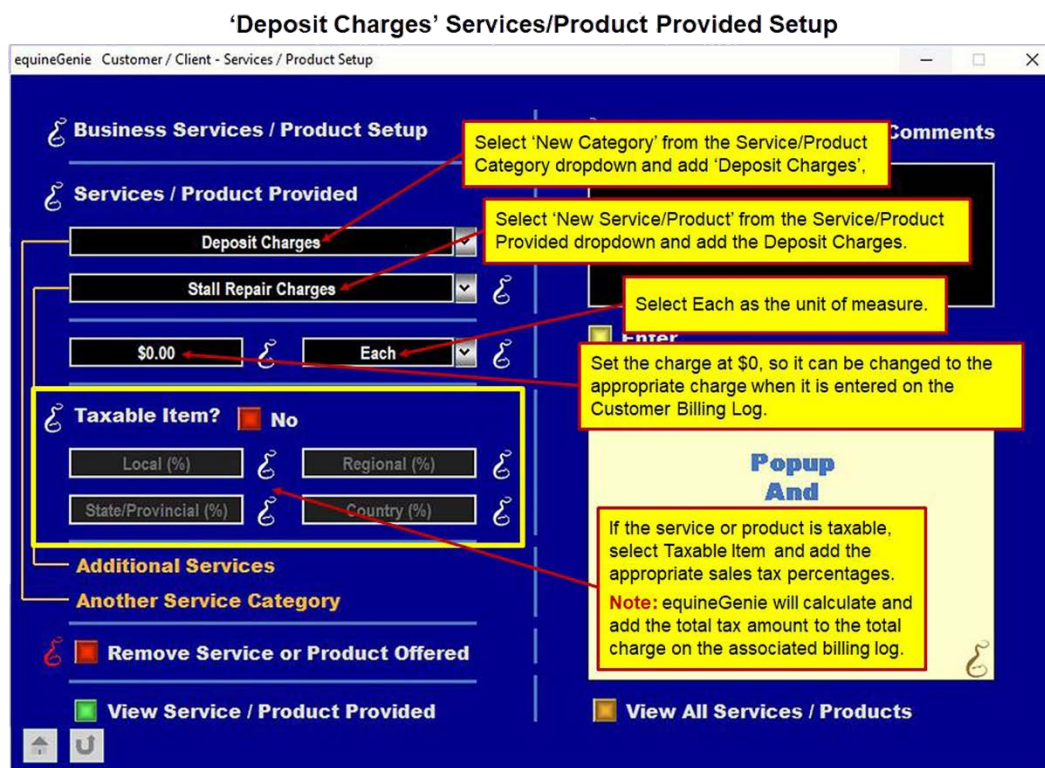
Add Check To Check Print File

Pay

On the Customer Refund screen the refund customer is entered or selected from the Enter/Select Customer/Client dropdown. The customer's account number will be displayed. Enter or select the refund date. Although the refund reference is optional, it is suggested that it is entered. This will provide a tracking reference if the specifics of the refund are ever needed in the future. Enter the refund amount and select the **Red \$**. Selecting the **Red\$** will display the Payment Method popup. Selection of the payment method (Pay By...) will display the selected Payment Method (Pay By...) popup. Selection of the Pay button on the Payment Method (Pay By...) popup will complete the financial transaction, close the popup and redisplay the Customer Refund screen. *If the total deposit is not refunded, as is the case in this example, the customer needs to be charged for the portion of the deposit that was not refunded.*

Customer Charge for a Partial Refund

If a portion of the deposit is refunded the customer is paid the partial refund as explained previously using the Customer Refund screen. However, to clear the entire deposit from the balance sheet, the customer needs to be charged, invoiced and a payment received for the remaining deposit amount that was not refunded. If deposits are used in your business you need to setup deposit charges on the Services/Products Setup screen so they can be easily selected when you charge a customer for a nonrefundable deposit or a portion of a refundable deposit that is not being refunded for some contractual reason.



Once you have identified your Deposit Charges category, you can add as many deposit charges as necessary to satisfy the kinds of deposit charges that could be encountered in your horse business. It is suggest that the charge amount entered is \$0, so that the actual charge can be entered on the customer billing log when the charge is known. If a deposit charge is taxed the tax percentages should be identified on the Services/Products Provided Setup. They cannot be entered on the customer billing log.

Entering a deposit charge on the customer billing log is the same as entering any customer charge. It creates a line item for the customer's invoice. Just remember to add a comment to help identify the charge if it is ever needs to be recalled. Also remember to select the right income account.

Customer Billing Log Deposit Charge Entry

Customer Billing Log Deposit Charge

The screenshot shows the 'Customer Billing Log' window with the following fields and callouts:

- Customer Billing Log**:
 - Customer: Test Customer (Callout: Select the customer being charged for the deposit charge.)
 - Customer Horse: (Callout: Identify the horse that caused the deposit charge.)
 - Date: 05/01/19 (Callout: Enter the deposit charge date.)
 - Category: Deposit Charges (Callout: Select the deposit charge category.)
 - Subcategory: Stall Repair Charges (Callout: Select the deposit charge.)
 - Detail: Portion of deposit not refunded for stall repair. (Callout: Enter an identifying comment so the charge can be found if changes are required.)
 - Income Account: 4000 - 4999 Income (Callout: Identify the income account and any associated subaccount.)
 - Subaccount: 4000 - Boarding Income (Callout: Identify the income account and any associated subaccount.)
 - Service: Stall Repair (Callout: Identify the income account and any associated subaccount.)
 - Amount: \$250.00 (Callout: Enter the deposit charge amount. 'Click' in the Total Charge box and equineGenie will total the charge.)
 - Frequency: Each (Callout: Enter the deposit charge amount. 'Click' in the Total Charge box and equineGenie will total the charge.)
 - Quantity: 1 (Callout: Enter the deposit charge amount. 'Click' in the Total Charge box and equineGenie will total the charge.)
 - Total: \$250.00 (Callout: Enter the deposit charge amount. 'Click' in the Total Charge box and equineGenie will total the charge.)
- Customer Billing Log Comments**: (Empty text area)
- Buttons**:
 - Customer Billing Logs Current Year (checked)
 - Customer Billing Logs Previous Year
 - Remove Selected Customer Billing

Deposit Charge Invoice Entries


Invoice with Customer Charges, Including the Deposit Charge

The screenshot shows the 'Invoice' window with the following fields and callouts:

- Customer/Client Invoicing**:
 - Customer: Test Customer
 - Invoice Number: 001
 - Invoice Date: 05/01/19
 - Product Line Item: 1256
 - Invoice Date: 05/11/19
 - Invoice Period: 04/02/19 to 05/01/19
 - Select Service / Product Line Item: (Callout: Line Items available for the Invoice are in the Service / Product dropdown. They can be accepted all at once or accepted individually. Note: Once a Line Item is used in an Invoice it is unavailable to be used again.)
 - Accept Line Item: No
 - Adjust Line Item:
 - Another Line Item: (Callout: Selecting "Accept All Line Items" total the Invoice Line Items. Note: The Line Item total does not include any Customer Credits or Past Due amounts. They are shown on the Invoice.)
 - Accept All Line Items: Invoice Total: \$1,050.00
- Invoice Comments**: (Empty text area)
- Buttons**:
 - Generate PDF? Yes With Balance? Yes
 - Remove Selected Invoice (Read Genie Note)
 - Invoice w/Balance wo/Balance
 - Invoice Number Used Email

Selecting the Invoice w/Balance or the Invoice wo/Balance will display the invoice with the stall repair deposit charge. This example displays the Invoice with the customer's balance and lists all the line item charges between the selected invoice period dates.

Invoice



Remit Payment to:

Make Believe Ranch
 1234 Make Believe Lane
 Make Believe, ST 99999
 Phone: 999.999.9999

Test Customer
 9876 Some Street
 Someplace, ST 11111
 Phone: 777.777.7777 Mobile: Emergency: Fax:


Services / Products provided April 2, 2019 to May 1, 2019

| Account Balance | Past Due | Invoice # | Invoice Date | Terms | Due Date | Late Charge |
|-----------------|----------|-----------|--------------|-------|----------|-----------------|
| \$750.00 | \$0.00 | 1256 | May 1, 2019 | 10 | 05/11/19 | 0.00% / \$ 0.00 |

| Date | Horse | Qty | Units | Description | Tax | Unit Cost | Line Total |
|--------------|----------------|------|-------|----------------------|------|-----------|------------|
| Apr 4, 2019 | Lesson Horse | 1.00 | Each | Lesson - Prepaid | \$ - | \$ 75.00 | \$ 75.00 |
| Apr 11, 2019 | Lesson Horse | 1.00 | Each | Lesson - Prepaid | \$ - | \$ 75.00 | \$ 75.00 |
| Apr 18, 2019 | Lesson Horse | 1.00 | Each | Lesson - Prepaid | \$ - | \$ 75.00 | \$ 75.00 |
| Apr 25, 2019 | Lesson Horse | 1.00 | Each | Lesson - Prepaid | \$ - | \$ 75.00 | \$ 75.00 |
| May 1, 2019 | Customer Horse | 1.00 | Each | Stall Repair Charges | \$ - | \$ 250.00 | \$ 250.00 |
| May 1, 2019 | Customer Horse | 1.00 | Month | Board - full care | \$ - | \$ 500.00 | \$ 500.00 |

| | |
|----------|--|
| Comments | |
| | Credit Forward \$(300.00) |
| | Sales Tax \$ - |
| | Invoice Line Item Total \$ 1,050.00 |
| | Late Charge \$ - |
| | Total Due \$ 750.00 |

Thank you for your business.

Printed on May 20, 2019  Invoice Number: 1256 Test Customer Page 1 of 1

When the customer pays for the invoiced deposit charge there is still one more deposit task that needs to be completed to remove the deposit completely from the balance sheet. The original deposit transaction needs to be recalled and the deposit amount set to \$0.

Deposit Charge Invoice Payment

Receive Invoice Payment

Collect / Receive Money

Test Customer

Account Balance: \$0

05/03/19 Prepay/Deposit No

Prepaid Lessons? No # of Lessons

Received Cash?

Received Direct Credit / Bank Transfer?

Received Check? 9872

Received CC/DC? Credit / Debit Card #

Apply To Invoice? Yes 1256

Remove Receivable \$750.00

Customer Receivables Ledger

Customer Receive Money Ledger

Customer Deposits (Date Specified)

Customer Invoice History

Money Comments

Invoice 1256 which included the deposit charge was paid.

Enter

Enter Any Deposit Comments.

Enter the Payment Method.
Payment Made by Check #9872.

Identify the Invoice being paid - #1256.

Enter the Payment Amount and Select to Green \$ to complete the transaction.

Customer Prepaid Lessons (DS)

Receivables Ledger (Date Specified)

Prepay/Deposit Report

Received Money Ledger Receipt

Deposit Final Adjustment

Final Deposit Adjustment

Collect / Receive Money

Test Customer

Account Balance: \$0

02/23/19 Prepay/Deposit Yes

Prepaid Lessons? No # of Lessons

Received Cash?

Received Direct Credit / Bank Transfer?

Received Check? 9871

Received CC/DC? Credit / Debit Card #

Apply To Invoice? No Invoice #

Remove Receivable \$0.00

Customer Receivables Ledger

Customer Receive Money Ledger

Customer Deposits (Date Specified)

Customer Invoice History

Money Comments

The stall boarding deposit of \$500, was paid on February 23, 2019. \$250, was refunded on May 1st. \$250 was withheld for stall damages and that was paid on May 3, 2019.

Enter

Change the comment to reflect the final Deposit Adjustment.

Enter the Deposit Amount and Select Enter.

*Note: No accounting needs to be done.

The Customer Deposits report will reflect the final Deposit Adjustment.

Customer Prepaid Lessons (DS)

Receivables Ledger (Date Specified)

Prepay/Deposit Report

Received Money Ledger Receipt

Deposit Final Adjustment Report


Customer Deposit Refund Report

| Make Believe Ranch | | | |
|------------------------|---|--------------|--|
| Jan 1, 2019 | | May 23, 2019 | |
| Test Customer Deposits | | | |
| Date | Prepayment Description | Amount | Comments |
| Feb 23, 2019 | 4985 - Prepayment/Deposit: Boarding - Stall Deposit | \$ - | The stall boarding deposit of \$500, was paid on February 23, 2019. \$250, was refunded on May 1st. \$250 was withheld for stall damages and that was paid on May 3, 2019. |

Original Deposit Date (points to Jan 1, 2019)

Comment reflects the final Deposit adjustment. (points to Comments column)

\$0 indicates the Deposit is clear. (points to Amount column)



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