

SECURITY DEPOSIT DISPOSITION

Example #1

Resident gave a full 30 day notice and paid all monies due to fulfill that notice period. (Deposit Refund)

Current monthly rent (<i>resident portion</i>)	\$500
Notice Given	09/01/01
Lease ending Date	09/30/01
Move Out Date	09/30/01
Security Deposit	\$200
Carpet Damages to Unit	\$50
Cleaning Fee	\$25

STEP 1 – Record the move-out on the day move-out occurs

1. Rent Roll instructions: *Note: If you are a conventional/market property utilizing only the Rent Roll program, you will process the move-out in the Rent Roll program*
 - Select the 2.2 screen and enter the unit number. Choose the *Proceed* option on the correct resident.
 - Press “O” for **Out: Move Out** or arrow down to highlight the **Out: Move Out** option.
 - Press Enter to accept the move out code or make changes if necessary.
 - Enter the date of move out (should be today’s date) and press Enter.
 - After entering the move out date and pressing Enter, the system will propose a prorated rental amount.
 - Press F10 to accept the amount and select YES when the Apply Proration question is asked.
2. HUD Manager instructions: *Note: If you are a subsidized property utilizing the Rent Roll program and the HUD or RHS Manager Program, you will process the move-out in the HUD or RHS Manager program.*
 - Select Move Out a Household from the Tenant menu. This takes you to a list of all households in the project.
 - Highlight the household to move out and press Enter. You will see a summary screen; this allows you to make sure you picked the right household.
 - Enter YES to the question **Do you wish to move this family out?**
 - Confirm that you want to move the household out.
 - Enter the last date that the household was in the unit (should be today’s date).

STEP 2 – (No more than 3 days after the Move-out Date). Determine All Costs and Fees to Be Charged to Resident Ledger

1. Termination Fee (TERM)

In this example, the resident did not move-out before the initial term of the lease ended. The lease ended the same day as the move-out.

Termination Fee =\$0

2. Concession Recovery Charge (P-CONC)

In this example, the resident did not receive a concession when they signed their lease. There is no concession to recover.

Concession Recovery =\$0

3. Insufficient Notice Fee (NOTI)

In this example, the resident gave a full 30-day notice between the notice date and the move-out date; therefore, there is no fee.

Insufficient Notice Fee =\$0

4. Turnover Costs

Costs are based on the *Move-out Condition Form* and determined in accordance with the *Resident Charge Policy*:

For this example.....Damage =\$50
Cleaning =\$25

STEP 3 – Post All Final Charges to the Resident Ledger

- Go to 2.2 Screen and press F2 (Deposit Disposition)
- Default through the computer date
- Subjournal should be **RESI**
- Update the forwarding address for resident if known.
- Go to Transaction Ledger
The bottom left hand corner of screen will show the current deposit amount and current balance owed.

Lower left hand corner of screen is now

Balance = \$0

Deposit = \$200

- Posting Move-Out Charges. Post the charges to the Resident Ledger (Y) until the amount of Balance is equal to or lower than the amount of the Deposit.

1. Termination Fee is not applicable in this example
2. Concession Recovery Charge is not applicable in this example
3. Insufficient Notice Fee is not applicable in this example
4. Charge Damage of \$50:

Go to Transaction Ledger – strike the insert key.

Post to Resident Ledger – Y

Transaction Type – C

Transaction Code – DAMG

Date – “Default”

Amount - \$50

Description – Carpet damages

Document # – Leave blank

Cash Batch # – “Default”

Lower left hand corner of screen is now

Balance = \$50

Deposit = \$200

5. Charge Cleaning of \$25:

Go to Transaction Ledger – strike the insert key.

Post to Resident Ledger – Y

Transaction Type – C

Transaction Code – CLNG

Date – “Default”

Amount – \$25

Description – Cleaning fees

Document # – Leave blank

Cash Batch # – “Default”

Lower left hand corner of screen is now

Balance = \$75

Deposit = \$200

STEP 4 - Print Security Deposit Disposition Form

In this example, the disposition form will show resident balance of \$75 charges minus the security deposit of \$200 for a refund due of \$125. This form will be included in the Move-Out package, and sent to the departing resident.

STEP 5 – Disposition of Security Deposit

1. Apply amount owed to Security Deposit
 - Go to Deposit Ledger – Strike the Insert Key
 - Post to Residents Ledger – Y
 - Transaction Type – O
 - Transaction Code – APLY
 - Amount – \$75
 - Description – Deposit Applied to Balance
 - Document # – Leave blank
 - Cash Batch – “Default

2. Post amount of refunded security deposit
 - Go to Deposit Ledger – Strike the insert key
 - Post to Residents Ledger – Y
 - Transaction Type – O
 - Transaction Code – REF
 - Amount – \$125
 - Description – Refund Deposit
 - Document # – Leave blank
 - Cash Batch – “Default
 - Lower left hand corner of screen is now
 - Balance = \$0
 - Deposit = \$0

3. Strike the escape key and choose – Post Transactions

STEP 6 - Reprint the Security Deposit Disposition Form; RESI ledger; and Security Deposit Ledger

Go back to F2 screen and Print Disposition (this disposition will show the actual charges that were posted to the residents ledger and the amount of deposit refunded). This form will be used for internal records and will not be sent to the former resident.

Example #2

Resident gave a 30 day notice, but moved out prior to the expiration of the 30 days.

Current monthly rent (resident portion)	\$270
Notice given	9/01/01
Lease Ending Date (month-to-month)	9/30/01
Move Out Date	9/10/01
Security Deposit	\$400
Carpet Damages	\$50

STEP 1 – Record the move-out on the day move-out occurs

1. Rent Roll instructions: *Note: If you are a conventional/market property utilizing only the Rent Roll program, you will process the move-out in the Rent Roll program*
 - Select the 2.2 screen and enter the unit number. Choose the *Proceed* option on the correct resident.
 - Press “O” for **Out: Move Out** or arrow down to highlight the **Out: Move Out** option.
 - Press Enter to accept the move out code or make changes if necessary.
 - Enter the date of move out (should be today’s date) and press Enter.
 - After entering the move out date and pressing Enter, the system will propose a prorated rental amount.
 - Press F10 to accept the amount and select YES when the Apply Proration question is asked.
2. HUD or RHS Manager instructions: *Note: If you are a subsidized property utilizing the Rent Roll program and the HUD or RHS Manager Program, you will process the move-out in the HUD or RHS Manager program.*
 - Select Move Out a Household from the Tenant menu. This takes you to a list of all households in the project.
 - Highlight the household to move out and press Enter. You will see a summary screen; this allows you to make sure you picked the right household.
 - Enter YES to the question **Do you wish to move this family out?**
 - Confirm that you want to move the household out.
 - Enter the last date that the household was in the unit. (should be today’s date)

STEP 2 – (No more than 3 days after the Move-out Date). Determine All Costs and Fees to Be Charged to Resident Ledger

1. Termination Fee (TERM)

In this example, the resident is on a month-to-month lease. Month-to-month leases are not eligible for a Termination Fee

Termination Fee = \$0

2. Concession Recovery Charge (P-CONC)

In this example, the resident is on a month-to-month lease. Month-to-month leases are not eligible for a Concession Recovery

Concession Recovery = \$0

3. Insufficient Notice Fee (NOTI)

In this example, the resident was 20 days short of giving a full 30-day notice between the notice date and the move-out date; therefore, there the fee will be: (20 days short/30 days) X \$270 (resident’s rent)

Insufficient Notice Fee = \$180

4. Turnover Costs

Costs are based on the *Move-out Condition Form* and determined in accordance with the *Resident Charge Policy*:

For this example.....Damage =\$50

STEP 3 – Post All Final Charges to the Resident Ledger

- Go to 2.2 Screen and press F2 (*Deposit Disposition*)
- Default through the computer date
- Subjournal should be **RESI**
- Update the forwarding address for resident if known.
- Go to Transaction Ledger
 - The bottom left hand corner of screen will show the current deposit amount and current balance owed. You will need to post the charges to the Resident Ledger (Y) until the amount of balance is equal to or lower than the amount of the Deposit.
 - Lower left hand corner of screen is now
 - Balance = \$90 (Rent amount for 9/1 – 9/10, Rentroll will automatically charge this at move out)
 - Deposit = \$400
- Posting Move-Out Charges: Post the charges to the Resident Ledger (Y) until the amount of Balance is equal to or lower than the amount of the Deposit.

1. Termination Fee is not applicable in this example
2. Concession Recovery Charge is not applicable in this example
3. Charge Insufficient Notice Fee of \$180

Go to Transaction Ledger – strike the insert key.

Post to Resident Ledger – Y

Transaction Type – C

Transaction Code – NOTI

Date – “Default”

Amount - \$180

Description – Insufficient notice penalty

Document # – Leave blank

Cash Batch # – “Default”

Lower left hand corner of screen is now

Balance = \$270

Deposit = \$400

4. Charge Damage of \$50:

Go to Transaction Ledger – strike the insert key.

Post to Resident Ledger – Y

Transaction Type – C

Transaction Code – DAMG

Date – “Default”

Amount - \$50

Description – Carpet damages

Document # – Leave blank

Cash Batch # - “Default”

Lower left hand corner of screen is now

Balance = \$320

Deposit = \$400

STEP 4 - Print Security Deposit Disposition Form

In this example, the disposition form will show resident balance of \$320 charges minus the security deposit of \$400 for a refund due of \$80. This form will be included on the Move-Out package, and sent to the departing resident.

STEP 5 – Disposition of Security Deposit

1. Apply amount owed to Security Deposit
Go to Deposit Ledger – Strike the Insert Key
Post to Residents Ledger – Y
Transaction Type – O
Transaction Code – APLY
Amount – \$320
Description – Deposit Applied to Balance
Document # – Leave blank
Cash Batch – “Default

2. Post amount of refunded security deposit
Go to Deposit Ledger – Strike the insert key
Post to Residents Ledger – Y
Transaction Type – O
Transaction Code – REF
Amount – \$80
Description – Refund Deposit
Document # – Leave blank
Cash Batch – “Default
Lower left hand corner of screen is now
Balance = \$0
Deposit = \$0

3. Strike the escape key and choose – Post Transactions

STEP 6 - Reprint the Security Deposit Disposition Form; RESI Ledger; and, Security Deposit Ledger

Go back to F2 screen and Print Disposition (this disposition will show the actual charges that were posted to the residents ledger and the amount of deposit refunded.). This form will be used for internal records and will not be sent to the former resident.

Example #3**Resident Skips out of unit, no notice given**

Current monthly rent (resident's portion)	\$250
Resident skipped out with no notice	9/15/01
Lease expires	12/31/01
Deposit	\$250
Carpet Damages to unit	\$80

STEP 1 – Record the move-out on the day move-out occurs

- Rent Roll instructions: *Note: If you are a conventional/market property utilizing only the Rent Roll program, you will process the move-out in the Rent Roll program.*
 - Select the 2.2 screen and enter the unit number. Choose the *Proceed* option on the correct resident.
 - Press "O" for **Out: Move Out** or arrow down to highlight the **Out: Move Out** option.
 - Press Enter to accept the move out code or make changes if necessary.
 - Enter the date of move out (should be today's date) and press Enter.
 - After entering the move out date and pressing Enter, the system will propose a prorated rental amount.
 - Press F10 to accept the amount and select YES when the Apply Proration question is asked.
- HUD or RHS Manager instructions: *Note: If you are a subsidized property utilizing the Rent Roll program and the HUD or RHS Manager Program, you will process the move-out in the HUD or RHS Manager program.*
 - Select Move Out a Household from the Tenant menu. This takes you to a list of all households in the project.
 - Highlight the household to move out and press Enter. You will see a summary screen; this allows you to make sure you picked the right household.
 - Enter YES to the question **Do you wish to move this family out?**
 - Confirm that you want to move the household out.
 - Enter the last date that the household was in the unit (should be today's date).

STEP 2 – (No more than 3 days after the Move-Out Date). Determine All Costs and Fees to Be Charged to Resident Ledger

1. Termination Fee (TERM)

In this example, the original lease did not expire until 12/31/01. The resident will be charged a termination fee in accordance with the lease amount. In this example, the lease termination fee is \$600

Termination Fee = \$600

2. Concession Recovery Charge (P-CONC)

In this example, there were no concessions offered at Move-In.

Concession Recovery = \$0

3. Insufficient Notice Fee (NOTI)

In this example, the resident skipped out and did not give any notice. You will charge the entire 30 days notice at the rate of rent the residents pays, therefore, the fee will be:

(30 days of rent at resident's portion)...Insufficient Notice Fee =\$250

4. Turnover Costs

Costs are based on the *Move-out Condition Form* and determined in accordance with the *Resident Charge Policy*:

For this example.....Damage =\$80

STEP 3 – Post All Final Charges to the Resident Ledger

- Go to 2.2 Screen and press F2 (*Deposit Disposition*)
- Default through the computer date
- Subjournal should be **RESI**
- Update the forwarding address for resident if known.
- Go to Transaction Ledger
 - The bottom left hand corner of screen will show the current deposit amount and current balance owed. You will need to post the charges to the Resident Ledger (Y) until the amount of balance is equal to or lower than the amount of the Deposit.
 - Lower left hand corner of screen is now
Balance = \$125 (Rent amount for 9/1 – 9/15, Rentroll will automatically charge this at move out)
Deposit = \$250
- Posting Move-Out Charges: Post the charges to the Resident Ledger (Y) until the amount of Balance is equal to or lower than the amount of the Deposit.
 1. Charge Termination Fee of \$600; however we can only post “Y” to the Resident ledger to the extent that the total charges do not exceed the security deposit. Since The \$600 termination will exceed the security deposit, we can only post “Y” to \$125 of the \$600.
 - Go to Transaction Ledger – strike the insert key.
 - Post to Resident Ledger – Y
 - Transaction Type – C
 - Transaction Code – TERM
 - Date – “Default”
 - Amount – \$125
 - Description – Early Termination Fee
 - Document # – Leave blank
 - Cash Batch # – “Default”
 - Lower left hand corner of screen is now
Balance = \$250 (\$125 Rent balance + \$125 Term fee)
Deposit = \$250
 2. Charge Remainder of Termination Fee of \$475, but post “N” to the Resident Balance.
 - Go to Transaction Ledger – strike the insert key.
 - Post to Resident Ledger – N
 - Transaction Type – C
 - Transaction Code – TERM
 - Date – “Default”
 - Amount – \$475
 - Description – Insufficient notice penalty
 - Document # – Leave blank
 - Cash Batch # – “Default”
 - Lower left hand corner of screen is still
Balance = \$725
Deposit = \$250
 3. Charge Insufficient Notice Fee of \$250, but post “N” to Resident ledger since charges already equal the Security Deposit.
 - Go to Transaction Ledger – strike the insert key.
 - Post to Resident Ledger – N

Transaction Type – C
 Transaction Code – NOTI
 Date – “Default”
 Amount – 250
 Description – Insufficient notice penalty
 Document # – Leave blank
 Cash Batch # – “Default”
 Lower left hand corner of screen is still
 Balance = \$975
 Deposit = \$250

4. Concession Recovery Charge is not applicable in this example

5. Charge Damage of \$80:

Go to Transaction Ledger – strike the insert key.
 Post to Resident Ledger – N
 Transaction Type – C
 Transaction Code – DAMG
 Date – “Default”
 Amount – \$80
 Description – Carpet damages
 Document # – Leave blank
 Cash Batch # – “Default”
 Lower left hand corner of screen is now
 Balance = \$1055
 Deposit = \$250

STEP 4 - Print Security Deposit Disposition Form

In this example, the disposition form will show resident balance of \$1,055 charges minus the security deposit of \$250 for a balance due of \$805. This form will be sent to the departing resident.

STEP 5 – Disposition of Security Deposit

1. Apply amount owed to Security Deposit

Go to Deposit Ledger – Strike the Insert Key
 Post to Residents Ledger – Y
 Transaction Type – O
 Transaction Code – APLY
 Amount - \$250
 Description – Deposit Applied to Balance
 Document # - Leave blank
 Cash Batch – “Default”
 Lower left hand corner of screen is now
 Balance = \$805
 Deposit = \$0

2. Go to Transaction Ledger – Strike the Insert Key

Post to Residents Ledger – Y
 Transaction Type – P
 Transaction Code – W/O
 Amount - \$805
 Description – Write off balance
 Document # - Leave blank
 Cash Batch – “Default”

3. Strike the escape key and choose – Post Transactions

STEP 6 - Reprint the Security Deposit Disposition Form; RESI Ledger; and, Security Deposit Ledger

Go back to F2 screen and Print Disposition (this disposition will show the actual charges that were posted to the residents ledger and the amount of deposit applied). This form will be used for internal records and will not be sent to the former resident.