

Posting a Closing Proceeds Deposit

Posting the final money received on a job at closing can be complicated. Usually the final check received is the net of the Sales Price less previous draws and down payments and final costs. The breakdown of these items is often found on a "Settlement Statement" or "HUD" or closing statement that is part of the closing documents. The following is a suggested way to handle the posting of the Closing Proceeds deposit.

STEP 1 - Print a 'Deposits Report-By Job' for the job. ([Type DPR in the Index field on the Navigation/Home window.](#)) This report lists all monies that have been received on the job. Check to see that the total of Earnest Monies received on the closing statement agrees to the total of DOWN PAYMENTS on the Deposits Report.

STEP 2 - Print a Trial Balance for the job. ([Type TB in the Index field on the Navigation/Home window. Then select the job. Then click on '13-Trial Balance For Job - Period'.](#)) The Trial Balance is to help figure out the amount of interest that is included in the loan payoff amount on the closing statement. This should be the difference between the Loan Payoff amount on the closing statement and the total of an account like Construction Loans Payable on the Trial Balance report. See samples for calculating interest below. After you calculate the interest, write the interest amount down. It will be posted as a Cost of the job. (continue to next page after reviewing info below.)

CLOSING PAPERS		CALCULATE LOAN INTEREST	
Sales Price	\$95,000.00	Loan Payoff	\$76,517.50
Loan Payoff	-\$76,517.50	Construction Loans Payable	-\$76,200.00
Down Payment	-\$15,000.00	(From Trial Balance)	
Title Policy	-\$ 350.00		
Recording Fees	-\$ 145.00		
		INTEREST	\$ 317.50
Due To Seller:			
Check Rec'd	\$ 2,987.50		

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STEP 3 - Post the Closing Deposit. (Type DP in the Index field on the Navigation/Home window to open the Add/Edit Deposits window.) See Help Documents on the Add/Edit Deposits window about the basics of posting a deposit. An example of a closing deposit is shown below. (Accountants: See next page about how the program reverses the allocation line amounts shown on your accounting books.)

NOTE! Posting the Closing Proceeds Deposit does NOT mean that the Job has been closed on your accounting books! See Help Documents about using the Job Closing window to prepare a job closing journal entry.

EDIT DEPOSITS										Add New Deposit		Delete Deposit		Home	
DEPOSIT	CASH (BANK) ACCOUNT			DATE	DEPOSIT #	Total Deposit		Genl Ledger Bal							
	1020 - CASH-CONSTRUCTION CHECKING			12/05/06	9125	\$2,987.50		\$0.00							
Add 1st Line to Allocate Deposit (What is it for?)					Change Cash Account or Total Deposit Amount										
Payor	ALAMOTITLE	+	AR Inv#	0	<No #	AR#'s	Category	SALES PRICE	+	Check#	35892				
Job	H3289	+	CO Num	NONE	<-No CO Num		GL #	2010-CONTRACT DEPOS	+	Amount	\$95,000.00				
Dept	CH	+	Desc	Alamo Title - Sales Price			Job Cost	0-0-NONE	Markup	0.00%	New Line				
Payor	ALAMOTITLE	+	AR Inv#	0	<No #	AR#'s	Category	DOWN PAYMENTS	+	Check#	35892				
Job	H3289	+	CO Num	NONE	<-No CO Num		GL #	2010-CONTRACT DEPOS	+	Amount	(\$15,000.00)				
Dept	CH	+	Desc	Alamo Title - Deduct Down Payment			Job Cost	0-0-NONE	Markup	0.00%	New Line				
Payor	ALAMOTITLE	+	AR Inv#	0	<No #	AR#'s	Category	INTERIM DRAW	+	Check#	35892				
Job	H3289	+	CO Num	NONE	<-No CO Num		GL #	2000-CONSTRUCTION LC	+	Amount	(\$76,200.00)				
Dept	CH	+	Desc	Alamo Title - Payoff Loan			Job Cost	0-0-NONE	Markup	0.00%	New Line				
Payor	ALAMOTITLE	+	AR Inv#	0	<No #	AR#'s	Category	JOB COST	+	Check#	35892				
Job	H3289	+	CO Num	NONE	<-No CO Num		GL #	1430-DIRECT CONSTRUC	+	Amount	(\$317.50)				
Dept	CH	+	Desc	Alamo Title - Payoff Loan Interest			Job Cost	1510-Construction f	Markup	25.00%	New Line				
Payor	ALAMOTITLE	+	AR Inv#	0	<No #	AR#'s	Category	JOB COST	+	Check#	35892				
Job	H3289	+	CO Num	NONE	<-No CO Num		GL #	1430-DIRECT CONSTRUC	+	Amount	(\$350.00)				
Dept	CH	+	Desc	Alamo Title - Title Policy			Job Cost	7710-Title Policy	Markup	25.00%	New Line				
Payor	ALAMOTITLE	+	AR Inv#	0	<No #	AR#'s	Category	JOB COST	+	Check#	35892				
Job	H3289	+	CO Num	NONE	<-No CO Num		GL #	1430-DIRECT CONSTRUC	+	Amount	(\$145.00)				
Dept	CH	+	Desc	Alamo Title - Recording Fees			Job Cost	7740-Govt/Recordir	Markup	25.00%	New Line				
not use spaces in the AR Invoice Number!										Total	\$2,987.50				

The Genl Ledger Bal should be Zero when you are finished entering the deposit allocation lines.

Behind the scenes, the program creates a journal entry from the Add/Edit Deposits window. Here is an example of the journal entry created from the Deposit window shown on the previous page.

Deposit Journal Entry

NOTE: The entries are displayed for accounting review. Since the positive entries on the bottom of the Deposit screen are actually Credits on the books, they are shown here with a minus sign. The negative entries are Debits and are shown here as a positive amt. If you delete the deposit and post it again, all entries should be entered opposite than shown here EXCEPT for the *Deposit*** entry.**

DATE	DOC	CATEGORY	A/R INV #	GL ACCT	PAYOR	DESCRIPTION	JOB	DEPT	TOTAL
05-Dec-06	9125			1020		***** Deposit *****	H	OH	\$2,987.50
GL Account: 1020-CASH-CONSTRUCTION CHECKING									
0									
05-Dec-06	9125	SALES PRICE	0	2010	ALAMOTITL E	Alamo Title - Sales Price	H3289	CH	(\$95,000.00)
GL Account: 2010-CONTRACT DEPOSITS									
0									
05-Dec-06	9125	DOWN PAYMENTS	0	2010	ALAMOTITL E	Alamo Title - Deduct Down Payment	H3289	CH	\$15,000.00
GL Account: 2010-CONTRACT DEPOSITS									
0									
05-Dec-06	9125	INTERIM DRAW	0	2000	ALAMOTITL E	Alamo Title - Payoff Loan	H3289	CH	\$76,200.00
GL Account: 2000-CONSTRUCTION LOANS PAYABLE									
0									
05-Dec-06	9125	JOB COST	0	1430	ALAMOTITL E	Alamo Title - Payoff Loan Interest	H3289	CH	\$317.50
GL Account: 1430-DIRECT CONSTRUCTION COSTS									
0									
05-Dec-06	9125	JOB COST	0	1430	ALAMOTITL E	Alamo Title - Title Policy	H3289	CH	\$350.00
GL Account: 1430-DIRECT CONSTRUCTION COSTS									
0									
05-Dec-06	9125	JOB COST	0	1430	ALAMOTITL E	Alamo Title - Recording Fees	H3289	CH	\$145.00
GL Account: 1430-DIRECT CONSTRUCTION COSTS									
Journal Entry Total (should be zero if in balance)									\$0.00