

How to Clear Open Deposits

Issue:

There are some old customer deposits on your open deposit report, and you want to remove them. Either the customer was refunded out of QuickBooks or another way, or the deposit was actually a ROA and the store did not fix their mistake that day, or the deposit was before you took over the shop, or it's just too old and needs to disappear.

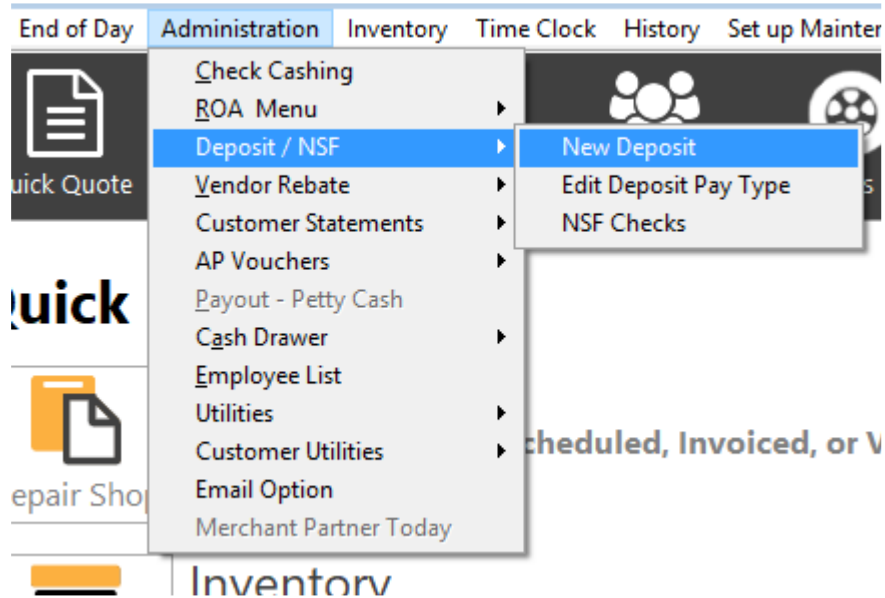
This is the Open Deposit report (available from the report menu). We want to remove the 100.00 deposit from this customer.

Open Deposits

Store No. 1234 - AUTO REPAIR SHOP
123 MAIN STREET, MEMPHIS, TN 38101

Customer No.	Customer Name	Ref No.	Date	Pay Type	Amount
7087-208935	ADAMS, JAMES	P141637	11/23/2020	CHECK	100.00
Totals:					100.00

The first step is to take a negative deposit for the same customer number. From the top menu, choose Administration, Deposit/NSF, New Deposit.



Locate your customer from the customer lookup screen by keying in last name comma first name and hit enter. Be sure to use the exact same customer number that is on the Open Deposit Report.

In my example I have 4 customers with the exact same name, but I want the customer number 7087-208935 because that is what is on my open deposit report. Click the Select Customer button to choose.

Customer Lookup Fields



By Cust. No. By Phone No.

By Cust. Name

By Email

Street Address

City State Zip

Customers Matching or Similar

Cust. No.	Customer	Active	Phone No.
7087-208935	ADAMS, JAMES	Y	(555) 523-9176
7087-220288	ADAMS, JAMES	Y	(555) 744-3953
7087-225725	ADAMS, JAMES	Y	(555) 529-9656
7087-227870	ADAMS, JAMES	Y	(555) 541-0739

In the Pay Amount field key in a negative amount that offsets what is on the Open Deposit report. Choose a payment method that you don't normally use so that at end of day it is separated from other deposits. It's perfectly fine to choose Cash or Check if you wish. Whatever you choose, notify the person that will be running end of day that they will be over in that payment method when doing the count out. This is exactly what you want to do, so it will make the proper journal entry. (Do not use integrated credit cards)

Customer and Payment

Lookup by

Customer Name **ADAMS, JAMES**
Telephone No. (555) 523-9176 **Credit Status**

Customer 7087-208935 **ADAMS, JAMES**
Address 1405 FLOOD RD
City ANYCITY State TN Zip Code 38100-

Pay Date	Pay Amount	Pay Type	Payment Reference
12/11/2020	-100.00	ACH	

Trans Type **DEP** Description **DEPOSIT**

ACH ACIMA CASH CCD INTEGRATED CREDIT CA CHECK SNAP SNAP FINANCE

New Customer **Apply Credit** **Exit**

Key in whatever you wish in the Payment Reference field. Click the Post button when finished.

Pay Date 12/11/2020 Pay Amount -100.00 Pay Type CASH Payment Reference **CORRECTION**

Trans Type DEP Description DEPOSIT

New Customer **Apply Credit** **Post** **Cancel** **Exit**

AR Adjustment

The open deposit report will now show the open positive and negative deposit to the customer and this needs to be removed

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7087-208935	ADAMS, JAMES	P141639	11/23/2020	CASH	-100.00
Totals:					0.00

To clear it, create a carry out ticket for that customer and invoice it with nothing on it.

1. Open a new repair order and locate your customer, then click the Carry Out button at the bottom left of the screen. You do not need a vehicle attached to this order

1 Lookup Customer & Vehicle or Add a New Customer

By Customer Name

By Telephone No.

By License Plate No.

By VIN No.

By E - Mail

Add a New Customer

3 Select a Vehicle for this Customer or Add a New Vehicle for this Customer

Show All Vehicles Search



Inactive	Estimator	History	Cust. No.	Year	Make	Model	LicState
<input type="checkbox"/>		View	7087-20893	1998	GMC	JIMMY	KY
<input type="checkbox"/>		View	7087-20893	1997	MAZ	MX-5 MIATA	KY
<input type="checkbox"/>		View	7087-20893	2007	PON	G6	KY

Add a New Vehicle for this Customer

Carry Out Ticket **Schedule Appointment for Later**

2. Don't put anything on the ticket and click the Invoice button.
3. The positive and negative deposits show up. Click both boxes on the left and click OK. That is all. This does not affect cash or sales for the day. It just clears up the report.

DST TurboShop						
A	Type	Description	Reference	Pay Date	Amount	Pay No.
<input type="checkbox"/>	CHECK	DEPOSIT	CHECK # 123456	11/23/2020	100.00	P141637
<input type="checkbox"/>	CASH	DEPOSIT	CORRECTION	11/23/2020	-100.00	P141639

 OK
 Cancel

Accounting:

If the store counted their drawer correctly at end of day, they should have been over in CASH (or whatever payment method you chose). This will debit (or decrease) the Customer Deposit Liability account (3630) and credit Cash Over/Short expense (9330).

If you post to QuickBooks, these are your choices:

1. Leave the journal entry as it is. If you took a customer deposit at some point in the past that was not valid, then customer deposit liability has been increased (credited) and your checkbook was increased, too (debited). When you did your bank reconciliation, then you would have put the debit to Cash Over/Short expense. This entry today will offset that entry. (also, if the store counted correctly that day, they would have set they were short, so the offset is still Cash Over/Short expense)
2. Change the journal entry to move the expense from Cash Over/Short expense (9330) to Other Income (9960). You would need to do this if it were originally a valid customer deposit, but the customer never returned. The original receipt debits cash and credits customer deposit liability, so you must remove that liability. It is not normal income, so it needs to be in other income at the bottom of your profit and loss report.
3. You can remove the transaction from your journal entry or make an offsetting entry if the original customer deposit was not part of your beginning balance, such as it is a holdover from a prior owner. You would do this by debiting Customer Deposit Liability (3630) and Crediting Cash Over/Short expense (9330).

If the store did not cash out their drawer correctly and entered what the computer calculated as end of day totals, then just offset the bank deposit account for Cash Over/Short or Other Income.