SOP
Backfill a Security Deposit

The procedure is used for an existing tenant who wasn't onboarded using AppFolio or an existing tenant in a new property acquisition.

1. **Create a charge** for the security deposit:
   a. Use the Task Menu on the tenant's page.
   b. Use account 2700.
   c. Change the default date (today's date) to the date paid. If this date is not readily available, use the date the Lease Agreement was signed.
2. **Enter a receipt** showing that the security deposit was paid:
   a. Use the Task Menu on the tenant's page.
   b. Change the default date to the date paid.
3. **Make a new bank deposit** to ensure the amount is credited to the bank account:
   a. Use the Task menu on the Bank Accounts page.
   b. Select the property's bank account and click search.
   c. Enter the date paid in the *Deposit Date* field.
   d. Enter a description (e.g., "Security Deposit for [tenant] at [address]").
4. **Perform a reversing journal entry** to ensure the security deposit is recorded correctly without affecting the beginning balance, as the money was already received before the system's cut-off date:
   a. Select *New Journal Entry* from the Task Menu on the Journal Entries page.
   b. Change the *Entry Date* to the date paid.
   c. **Leave the reversal date blank**.
   d. Add a description in the *Remarks* field.
   e. Enter the property.
   f. Credit the Operating Account the amount of the security deposit.
   g. Debit the 2700 Security Deposit account (the amount will automatically fill).
5. **Keep adjusted cash balance at zero**:
   a. Select *Reconcile* from the task menu on the Bank Accounts page.
   b. Check off the two opposing records (the credit and the payment). The dates, descriptions and equal amounts should make this easy to do.
   c. Do NOT unclick any of the other credits and payments.
   d. **Do NOT click Reconcile** (the default option at the bottom of the page)
   e. Click **Save** at the bottom of the page.

This procedure will add the security deposit and payment to the tenant's ledger and will not affect the bank account balance.