

Posting a Zero Deposit (like a lot draw!) - Recognizing Revenues Using a 'Zero' Deposit

Sometimes you will incur an Interim Draw on paper, but no cash will be received by you. This can happen on the first draw, usually referred to as a "Closing Draw" or a "Lot Draw". There are usually closing documents connected with this draw that supply you with the information needed to post this draw. This first draw is often the total of several costs. On a Lot Draw, it can include the Lot Price, Interest on the Lot, Document preparation fees, Lot property taxes, and so on. These costs need to be posted as costs to the job. Also, the first draw needs to show up as Job Revenues on the subsidiary Job Revenues reports. Use the **Add New Bank Deposit** window to capture both the Draw Revenue Received AND the related job costs.

In our example, the Lot Draw is for \$146,331.02. The Title Company handled the payment of costs that totaled to this draw amount. Therefore, no money was received by the builder. The costs that were paid with the draw were \$144,000.00 for the lot, and \$2,331.02 for interest. (Most of the time there will be other lot closing costs, but we're keeping this example simple.) Please study the screenshot below to see how the posting of this "zero" deposit was handled. Notice that the DEPOSIT TOTAL is zero. A Bank Account number must be used even though the amount is zero. In the allocation lines, the amount of the lot draw is posted as a positive number and is posted to the INTERIM DRAW deposit category. The costs are posted as negative numbers using the JOB COST category AND Job Cost Codes. (The cost codes we used in this example are 111 for Lot Price and 116 for Interest On Lot.) The total of the allocation entries should equal zero when you are finished.

By using the Deposits window to post these "zero" deposits, you can easily keep a full record of all draws and costs that are connected to a job. The program knows that a positive amount entered on a Deposit allocation line is actually a credit and the negative amounts are actually debits (for accounting records). Therefore, when they are reviewed on accounting reports, the positive and negative amounts will be opposite than the ones on the Deposits window. (see example of the deposit 'journal entry' on the next page.)

Add New Deposit

Add New Bank Deposit

Deposits Review AR Invoices List Current Period Reset **CLOSE - Do NOT Submit Deposit**

Enter records that total to the deposit. Use Plus or Copy icons to add more records.

ACCOUNTING NOTE: Program will post positive Line Amounts as CREDITS to your books and negative amounts as DEBITS.

IMPORTANT: Use Tab key to move from field to field IN FIELD ORDER! Your browser might trigger Submit or Close with Enter key.

Payor / Check#	Job / Dept	A/R Invoice (optional)	Change Order (optional)	Brief Description	Deposit Category	Line Amount	Job Cost Fields
COMPASSBA 68566	TEST3 CH	0	NONE	Compass Bank - Lot Draw <i>To apply this line to Job Costs, and NOT Revenues, select JOB COST as Category.</i>	INTERIM DRAW GL Num 2000	\$146,331.02	
COMPASSBA 68566	TEST3 CH	0	NONE	Compass Bank - Lot Price <i>To apply this line to Job Costs, and NOT Revenues, select JOB COST as Category.</i>	JOB COST GL Num 1430	(\$144,000.00)	Cost Code 111 Markup % 0.00% Cost Type OTHER
COMPASSBA 68566	TEST3 CH	0	NONE	Compass Bank - Interest <i>To apply this line to Job Costs, and NOT Revenues, select JOB COST as Category.</i>	JOB COST GL Num 1430	(\$2,331.02)	Cost Code 116 Markup % 0.00% Cost Type OTHER

Enter 4 digits for the year in deposit date!

DEPOSIT TOTAL \$0.00	Bank Account 1020	Deposit Date 12/04/2006	Deposit ID Num 10203	Submit Deposit
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Behind the scenes, the program creates a 'journal entry' when posting records for a Deposit. To view the posted deposit batch as a journal entry, click the button labeled *Deposit Totals - Cash Side..* on the **Bank Deposits Menu**. Find the deposit in the list and then click the link labeled *View JE* for that deposit record. This will open a report of the accounting records posted for the deposit batch.

The screenshot below shows the the journal entry CHS created when posting the 'zero' Deposit shown on the previous page. Notice that for accounting purposes, CHS appropriately posts positive entries from the Deposit window as credits and negative entries as debits.

The screenshot displays a software interface for 'Fantastic Builders, Inc.' with a user named 'Demo 1'. The interface is divided into three main sections:

- Bank Deposits Menu (Left):** Contains buttons for 'Deposit Categories Setup', 'Add New Deposit', 'Add New Prior Period Deposit', 'Deposit Totals - Cash Side EDIT or DELETE Deposits' (highlighted with a red circle), 'Deposits Detail and Deposit Reports', and 'Deposits Detail Moved To HISTORICAL Table'.
- Deposits List - Cash Side (Middle):** Shows a list of deposits with columns for 'View JE' and '10'. A red arrow points from the 'Deposit Totals - Cash Side' button to the 'View JE' link for a specific deposit record.
- General Ledger of Accounting Transactions - By Date and Doc (Right):** A report titled 'General Ledger of Accounting Transactions - By Date and Doc' based on filters shown on the last page, dated 9-February-2016. It includes a table with columns: GL Num, GL Date, Doc ID, Vendor, Payor, Description, Dept, Job, Cost Cd, Amount, MU, and Ent#. The report shows several entries, including a 'CASH-CONSTRUCTION CHECKING' entry (GL Num 1020, Amount 0.00) and 'CONSTRUCTION LOANS PAYABLE' entries (GL Num 2000, Amount -146,331.02). A 'REPORT TOTAL' box at the bottom right shows a value of 0.00.

Continue to the next pages to see how the entries from this 'zero' deposit show up both on Job Revenues reports AND on Job Costs reports.

Different builders use various methods of accounting and various GL Account numbers for posting Job Revenues (monies or draws received). CHS doesn't know which GL accounts you might post job revenues to. Therefore, the only way CHS knows which records to include on a Job Revenues subsidiary report is by searching your accounting database for records that were posted to jobs on the Add New Deposits window (with appropriate Deposit Categories). This is the reason we want you to post things like 'zero' lot draw deposits on the Deposits window, and NOT as a journal entry on the Journal Entries window. That way the draw for the Lot will show up on Job Revenues (monies or draws received) reports!

Below is an example of the a 'Job Revenues' subsidiary report. Please read the footnotes at the bottom of the report.

Job Revenues (Without Sales Tax)

9-February-2016



REVENUES FOR JOB: TEST3-2000 Main Street-Smith

DOWN PAYMENTS							
Payor ID	Payor Name	Date	Doc ID	Description	GL #	Dept	Amount
SMITHJIMBA	Jim and Barbara Smith	09/01/15	10111	Smith - Down Payment	2010	CH	\$20,000.00
DOWN PAYMENTS							\$20,000.00
INTERIM DRAW							
Payor ID	Payor Name	Date	Doc ID	Description	GL #	Dept	Amount
COMPASSBAN	Compass Bank	12/04/06	10203	Compass Bank - Lot Draw	2000	CH	\$146,331.02
INTERIM DRAW							\$146,331.02
TOTAL REVENUES FOR JOB TEST3							\$166,331.02

Filters: Job = "TEST3"

Only records that have been posted on the Deposit Window and have been assigned Deposit Categories OTHER than JOB COST, JOB COST CREDIT, DEDUCTION, SALES TAX, and ACCOUNTS RECEIVABLE will be included in the Job Revenues Received. To include Lot Draws in revenues, see Help for posting a "Zero Deposit" on the deposit screen.

Notice that the records marked with a Job Cost deposit category and a cost code show up as Actual Job Costs both the Estimated Costs At Completion Worksheet AND on Actual Job Costs reports....

Estimated Costs At Completion Worksheet For Job TEST3 HELP Current Row: Cost Code 1115 Specs/Plats/Blueprints

ECC TOTALS **REPORTS: ECC, Cost Variances, Revenues, Profit, etc.** CHECK MARKS Tools Quick DONE CHECK MARKS PRICE / PROFIT ALLOWANCES Tools Ser

Keyword SEARCH OR Fields SEARCH OR A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5 6 7 8 9 0 SHOW ALL

Records: 82 Red A is for Allowance. Report of Search Results ONLY (No Groups, Good For Excel Export)

Cost Code	Cost Code Title	Job Stage	Orig Budget	Change Orders	Total Budget	Var POs	Total POs	Use POs	Builder Revise	Actual Costs	Done	ECC	Over Budget
100 - LOT COSTS & LAND DEVELOPMENT													
111	Lot Price	0	Sum	144,000	0	144,000	0	0	+PO	144,000	✓	144,000	0
116	Interest on Lot	0	Sum	2,500	0	2,500	0	0	+PO	2,331	✓	2,331	-169
1000 - PERMITS AND FEES													
1020	LPA Assessments	0	Sum	000	0	000	0	0	+PO	000	✓	000	0

Actual Job Costs Detail and Revenues 9-February-2016



Job: TEST3-2000 Main Street-Smith

All Revenues Received Without Tax	\$166,331.02
Actual Job Costs To Date	\$151,846.39
Revenues Less Costs	\$14,484.63

Group: 100-LOT COSTS & LAND DEVELOPMENT

Cost Code: 111-Lot Price

Vendor: Z-*****

GL Date	Inv Num	Description	GL #	Dept	Status	Paid Date	Check #	Qty	Unit \$	Total
12/04/06	10203	Compass Bank - Lot Price	1430	CH	PAID	12/04/06		-1.00	(\$144,000.00)	\$144,000.00
Vendor: Z-*****										\$144,000.00
Cost Code: 111-Lot Price										94.83% \$144,000.00

Cost Code: 116-Interest on Lot

Vendor: Z-*****

GL Date	Inv Num	Description	GL #	Dept	Status	Paid Date	Check #	Qty	Unit \$	Total
12/04/06	10203	Compass Bank - interest	1430	CH	PAID	12/04/06		-1.00	(\$2,331.02)	\$2,331.02
Vendor: Z-*****										\$2,331.02
Cost Code: 116-Interest on Lot										1.54% \$2,331.02

Group: 100-LOT COSTS & LAND DEVELOPMENT 96.37% \$146,331.02

Group: 1400-UTILITY CONNECTIONS

Cost Code: 1450-Sewer Service

Vendor: COBBSFRA-Francis Cobbs

GL Date	Inv Num	Description	GL #	Dept	Status	Paid Date	Check #	Qty	Unit \$	Total
08/02/07	112245	Traction Allowance	1420	CR4	PAID	04/20/15	12016	1.00	\$4,000.00	\$4,000.00