

Work Order Deposits

The following are basic instructions for handling work order deposits.

Option #1:

1. Your day end will show the amount of the deposit taken in on a work order for that day. You can hold that amount of cash in a separate drawer or safe until the work order is paid in full.
2. Then you would take the deposit amount and put it with the remaining cash due on the invoice and put it in your cash register that day. Unfortunately, this is not a very good way to handle this if you are dealing with large sums of money.

Option #2:

1. This is more practical for large sums of money. Your day end will show the amount of money taken in for work order deposits. You will manually add this to your bank deposit total on your day end. (This step is similar to the way you handle cash refunds when there is not enough cash in the drawer.)
2. So, now your actual bank deposit for the day should be what the Day End shows PLUS the work order deposits.
3. During Backup for this day the computer goes out and credits account #10305 with the total deposits from the day before, and debits account #20050, then the computer credits account #10305 with the total deposits from the day before, and debit account #20050. This is why when you look at the general ledger transactions for account #10305 it has debits and credits. The debits are the current day and credits are the day before. Therefore your current balance should be the amount of money you have taken in for that current period. The difference between the credit and debit should be the amount of the changes for that day. In order for you to balance your bank account every month, you should be able to take the balance in your account #10300 and ADD the balance in account #10305 and this should be the actual amount of money you have.
4. Now the customer comes in and pays the rest of the work order. When the work order is invoiced, the computer is going to debit your bank for the entire amount of the invoice, and will credit the amount of the deposit against account #10305.

If you need additional information, email support@southpoint.net or call our office.