

# FINANCIAL INFORMATION SYSTEM

## Managing Refundable Deposits



# Course Map

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- What are Refundable Deposits?
- Departmental Responsibilities
- Which FIS transactions are used?
  - Refundable *Deposits* vs. Refundable *Refunds*
- Differences between:
  - Refundable Deposit vs. General Cash Deposit
  - Transaction Choices
  - Multiple Payer Deposit vs. Single Payer Deposit
  - Refundable Refunds vs. Accounts Payable Payment
- Tracking and Reconciling Refundable balances

# What is a Refundable Deposit?

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**Refundable deposits** (e.g., room security deposit or damage deposit) are collected from individuals by departments and are expected to be refunded at a future date.

This money represents:

- a future liability that the department incurs. It is **NOT** a source of revenue or expense recovery.

Money is deposited to a **departmental vendor account\*** used for refundable deposits (i.e., 86xxxx).

**\*NOTE:** To apply for this vendor number, contact [ap.fsd@utoronto.ca](mailto:ap.fsd@utoronto.ca)

# What is a Refundable Deposit? (cont'd)

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Refundable deposits are usually collected to:

- help guarantee the return of an item *or*
- ensure a room will be left in satisfactory order once vacated.

If all conditions are met, the deposit is refunded to the individual at the end of the time period\*.

Only when the deposited monies are forfeited, may the monies be recorded as revenue/recovery.

**\*For example:** A room will usually be required for a substantial period of time (e.g., academic year).

# Departmental Responsibilities

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The following **controls and processes** are applied to refundable deposits:

- **Issue a receipt** for **ALL** deposits collected, identifying the:
  - Unique number
  - Date
  - Amount
  - Payer
  - Issued by
  
- **Maintain a Log book** to record all deposits:
  - containing details of each deposit to match amount to claimant
  - reconciled/balanced to daily deposits at the bank or cashier's office

# Departmental Responsibilities (cont'd)

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- **Process Cash Receipt transaction in FIS:**
  - complete the **deposit form** and **process transaction**
- **Daily deposits at the bank or cashiers office:**
  - safekeeping requirements apply to Refundable deposits and should be **deposited as soon as possible**
  - deposits are **not to be used to supplement Petty Cash or Cash Floats**

**GTFM Policy: Departmental Responsibilities for Processing Cash Receipts**

- <http://finance.utoronto.ca/policies/gtfm/cash-other-receipts-and-banking/cashier-function/>

# Which FIS Transactions Do You Use?

## Deposit vs. Refund



|                              | DEPOSIT  | REFUND  |
|------------------------------|--|---|
| <b>Transaction</b>           | <b>Method 1:</b> Multiple Deposits<br>(FB50) G/L Account Postings<br>w/Complex Posting<br><br><b>Method 2:</b> Single Deposit<br>(FB60) Create Invoice | <b>(FB60) Create invoice<br/>w/Complex Posting</b>                                |
| <b>Document Type</b>         | <b>SF</b>  | <b>KA</b>   |
| <b>Debit</b>                 | <b>Bank Account</b><br>(i.e. 35xxxx)   | <b>Departmental Vendor #</b><br>Individual Departmental Vendor #<br>(i.e. 86xxxx) |
| <b>Credit</b>                | <b>Departmental Vendor #</b><br>Individual Departmental Vendor #<br>(i.e. 86xxxx)  | <b>The Payee's vendor #</b><br>Generic OTA Vendor # 990008                        |
| <b>Document Number Range</b> | <b>30xxxxxxxx</b>  | <b>17xxxxxxxx</b>   |

**QRG:** Cash Receipt for Refundable Deposit

- <http://finance.utoronto.ca/wp-content/uploads/2015/12/refndabledep.pdf>

**QRG:** Repayment of Refundable Deposit Amount:

- <http://finance.utoronto.ca/wp-content/uploads/2016/01/refdeprefund.pdf>

# Methods for Posting a Refundable **Deposit**: G/L Account Posting (**multiple**) vs. Invoice (**single**) transaction



|  | Method 1   | Method 2   |
|--|--|--|
| Transaction                              | G/L Account Posting (FB50)                                       | Enter Vendor Invoice (FB60)  |
| Number of Payer Deposits per Transaction | Multiple   | <b>ONLY ONE</b>  |
| w/Complex Posting                        | YES  | <b>NO</b>  |
| Doc. type - Num. range                   | SF - 30xxxxxxxx  | SF - 30xxxxxxxx  |
| Debit                                    | Bank Account (i.e. 35xxxx)                                       | Bank Account (i.e. 35xxxx)   |
| Credit                                   | Vendor #<br>Departmental Refundable Deposit Vendor (i.e. 86xxxx) | Vendor #<br>Departmental Refundable Deposit Vendor (i.e. 86xxxx)<br>(via "Basic Data" tab) |
| Assignment Field                         | YES  | YES<br>(via "Details" tab)   |



# Comparison: Refundable vs. General Cash Deposit



|                           | Refundable Deposit<br>(Method 1: Multiple)                              | General Cash Deposit  |
|---------------------------|---|---|
| Transaction               | G/L Account Posting (FB50)<br><i>w/Complex Posting*</i>                 | G/L Account Posting (FB50)<br>Standard Screen                                       |
| Doc. type<br>& Num. range | SF - 30xxxxxxxx   | SF - 30xxxxxxxx   |
| Debit                     | Bank Account<br>(i.e. 35xxxx)   | Bank Account<br>(i.e. 35xxxx)   |
| Credit                    | Vendor #<br>Departmental Refundable Deposit<br>Vendor<br>(i.e., 86xxxx) | G/L Account<br>7xxxxx (revenue) or 8xxxxx (expense),<br>FC or FC/Fund, and CC or IO |

\*Required when processing a **multiple payer deposit**

# Recording Deposit via Vendor Invoice Screen

## Refundable (single) **Deposit** vs. General A/P **Invoice**



|                                       | Refundable Deposit<br>(Method 2: Single)                           | General A/P Invoice  |
|---------------------------------------|--|--|
| <b>Transaction</b>                    | Enter Vendor Invoice (FB60)<br>Screen                              | Enter Vendor Invoice (FB60)<br>Screen  |
| <b>Doc. type &amp;<br/>Num. range</b> | SF - 30xxxxxxxx  | K* - various number ranges   |
| <b>Credit</b>                         | <b>Vendor #</b><br>Individual Departmental Vendor<br>(i.e. 86xxxx) | <b>Payee's Vendor #</b><br>Depends on the Document Type<br>(i.e. Trade Payable, Expense<br>Reimbursement, OTA) |
| <b>Debit</b>                          | <b>Bank Account</b><br>(i.e. 35xxxx)                               | <b>G/L Account</b><br>7xxxxx (revenue) or 8xxxxx (expense),<br>FC or FC/Fund, and CC or IO                     |

**Documentation and Support:** Accounts Payable – Invoice Transactions

- <http://finance.utoronto.ca/fast/support-documentation/financial-accounting/accounts-payable/invoice/>

# Recording Refund via Vendor Invoice Transaction

## Refundable **Refund** vs. General A/P **Invoice**



|                                   | Refunds   | General Accounts Payable payments   |
|-----------------------------------|---|---|
| <b>Transaction</b>                | Enter Vendor Invoice (FB60)<br><b>w/Complex Posting</b>                     | Enter Vendor Invoice (FB60)<br><b>Screen</b>  |
| <b>Doc. type &amp; Num. range</b> | <b>KA - 17xxxxxxx</b>   | <b>K*</b> - various types and number ranges   |
| <b>Credit</b>                     | <b>Payee's Vendor #</b><br>Refundable Deposit OTA Vendor #<br><b>990008</b> | <b>Payee's Vendor #</b><br>Depends on the document type<br>(i.e. Trade Payable, Expense Reimbursement, OTA) |
| <b>Debit</b>                      | <b>Vendor #</b><br>Individual Departmental Vendor<br>(i.e., 86xxxx)         | <b>G/L Account</b><br>7xxxxx (revenue) or 8xxxxx (expense),<br>FC or FC/Fund, and CC or IO                  |

**Documentation and Support:** Accounts Payable – Invoice Transactions

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# Refundable Deposits – Tracking/Reconciling Balances in FIS

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**Tracking and reconciliation of deposits and refunds is a departmental responsibility.**

**It is common to have a year-end balance and the department should be able to:**

- Track refundable deposits and payments by the name of the individual payer
- Provide supporting documentation for audit purposes, including names and any outstanding deposit amount (e.g., deposits received, but not refunded)
- Identify and process outstanding balances where the payer has forfeited the deposit. Only then may the money be recorded as a revenue/expense recovery

# Tracking/Reconciling Balances in FIS



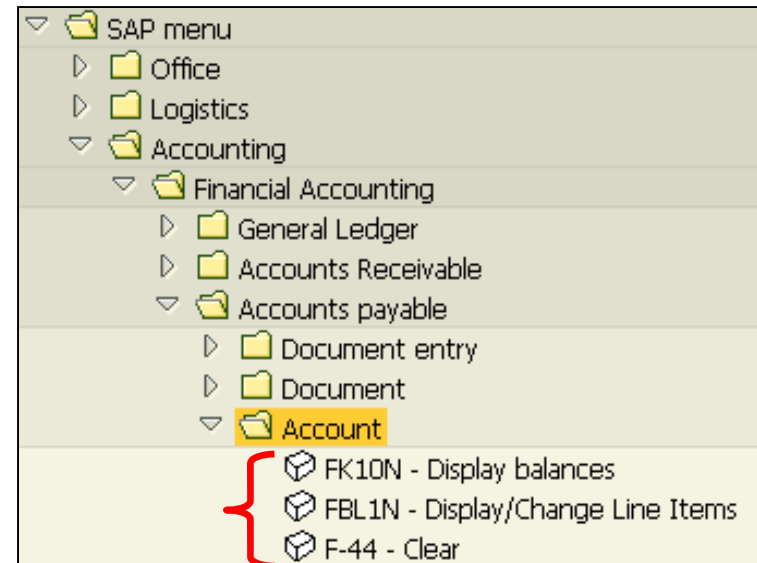
## Tracking Deposits and Refunds:

- Vendor Balance Display (FK10N)
- Vendor Line Item Display (FBL1N)

## Reconcile & Maintain (clear)

### Deposits against refunds:

- Vendor Clearing Report (F-44)



## FAST Team Faculty Representatives:

- <http://finance.utoronto.ca/fast/fast-team-contacts-and-faculty-representatives/>

# NEED HELP?

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<https://easi.its.utoronto.ca/ams-help-form/>

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select the appropriate AMS module  
(e.g., FIS: FAST Team)
- Complete all the information required on the form
- Click on the **Send it!** button

**Mail box is monitored Monday to Friday  
9:00 a.m. - 5:00 p.m.**

# FAST Team Contacts

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|                                       |   |          |
|---------------------------------------|---|----------|
| Manager                               | Chris Dimitriadis<br><a href="mailto:chris.dimitriadis@utoronto.ca">chris.dimitriadis@utoronto.ca</a> | 946-3153 |
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| Business Analyst                      | Nusrath Mohiuddin<br><a href="mailto:nusrath.mohiuddin@utoronto.ca">nusrath.mohiuddin@utoronto.ca</a> | 978-4042 |
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**FIS Standard Curriculum Evaluation:**

<http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/>

**FAST website:**

<http://finance.utoronto.ca/fast/>