FIS Training –
Managing Refundable Deposits

Learning Objectives

o Understand what are refundable deposits

o Understand what your departments responsibilities are with refundable deposits.

o Process refundable deposits in FIS for single or multiple individuals.

o Process refunds in FIS

o Track and reconcile refundable deposit balances in departmental vendor accounts.

Link to Workshop Material

What is a Refundable Deposit?

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

This money represents **a future liability** (i.e. we owe the student)**.** It is **NOT** a source of revenue or expense recovery.

Link to GTFM Policy

Why do we collect refundable deposits?

Similar to a hotel or car rental, refundable deposits are 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** (i.e. room key has not been returned by a specified date), may the monies be recorded as revenue/recovery.

Note: The department determines the appropriate default period and communicates the deadline for forfeiting the deposit to the depositor.

Refundable Deposits and FIS Accounts

Since refundable deposits (and corresponding refunds) are not revenue/expense, the FIS transactions DO NOT hit typical accounts such as G/L Accounts, Funds Centers, Funds, Cost Centers, Internal Orders.

Departments will process deposits and corresponding refunds against an unique **departmental refundable deposit vendor number** that is assigned to them that begins with **86xxxx.**

To apply for this vendor number, contact **ap.fsd@utoronto.ca**.

What are your departmental responsibilities?

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

1. **Issue a receipt** for **ALL** deposits collected, identifying the:
   - Unique number
   - Date
   - Amount
   - Payer
   - Issued by

2. **Record and maintain log book of all the deposits which:**
   - Contains details of each deposit to match amount to claimant **AND ARE**
   - reconciled/balanced to daily deposits at the bank or cashier's office

3. Complete the **deposit form**

4. **Process the cash receipt transaction in FIS**
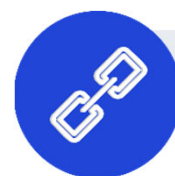
Link to GTFM Policy

What are your departmental responsibilities (cont'd)?

5. Once the individual has returned the item (i.e. room/locker), **process the refund in FIS**

6. **Reconcile and clear the deposit and refund** against the departmental refundable deposit vendor number (i.e. 86xxxx).

Common Questions Regarding Refundable Deposits?
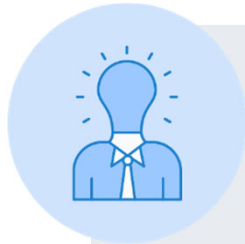
Policy: Deposit money received by the department promptly.

What does this mean?
The sooner of weekly OR when cash receipts total $500.

Where do I deposit the money?
The Cashier's Office, local CIBC branch (if you have a subordinate bank account) OR your campus central finance office (i.e. UTSC or UTM).

Can I add refundable deposit amounts to my cash float?
No. Refundable deposits are liabilities, since there is an expectation that the funds will be returned to the depositor at a later date. This should not be mixed with other funds allocated for expenses/revenues.

Learn More

Link to FSD Forms

Processing and Maintaining Refunds in FIS

How do I process the refundable deposits and payments in FIS?

In FIS, you will use two commonly used transaction screens to process the deposit and refund:

1. **Deposit.**

   o Single deposit using the **FB60 – Create Invoice screen**

   o Multiple deposits using the **FB50 – G/L Account Postings screen**

2. **Refunds** cheques can only be processed individually using the **FB60 – Create Invoice screen.**

Link to Instructions

Characteristics of Refundable Deposits and Payments in FIS

	DEPOSIT	REFUND
Transaction	**Multiple Deposits -** (FB50) G/L Account Postings w/Complex Posting	**(FB60) Create invoice w/Complex Posting**
Document Type	SF	KA
Debit	**Bank Account** (i.e. 35xxxx)	**Departmental Vendor #** Individual Departmental Vendor # (i.e. 86xxxx)
Credit	**Departmental Vendor #** Individual Departmental Vendor # (i.e. 86xxxx)	**The Payee's vendor #** Generic OTA Vendor # 990008
Document # Range	**30xxxxxxxx**	**17xxxxxxxx**

Link to Instructions

How are refundable deposits different than other common FIS transaction (Multiple Deposit)?

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

Link to Instructions

How are refundable deposits processed differently than other common FIS transaction (Single Deposit)?

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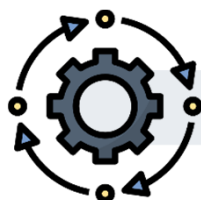
Link to Instructions

Exercise # 1 – Process a Deposit in FIS

Instructions (approx. 10 - 15 minutes)

Use the reference guide and process the refundable deposit in **SAP-QT1** as indicated on the exercise sheet/deposit form.

Ensure you use the **86xxxx** departmental vendor number assigned to you.

How is the refund payment processed different than a standard Accounts Payable Invoice?

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

Link to Instructions

Exercise # 2 –
Process a Refund in FIS

Instructions **(approx. 10 - 15 minutes)**

The student has returned the key.

Please use the reference guide and process the refund/repayment in **SAP-QT1** as indicated on the exercise sheet.

REMINDER: ensure you use the **86xxxx** departmental vendor number assigned to you.

Tracking and Reconciling Refundable Deposit Vendor Numbers

Assigned 86-series departmental **vendor accounts should be tracked and reconciled regularly** to ensure they reflect up-to-date balances of Open or Cleared deposits.

Tracking Deposits and Refunds:
- Vendor Balance Display (FK10N)
- Vendor Line Item Display (FBL1N)

Reconcile & Maintain (clear) Deposits against refunds:
- Vendor Clearing Report (F-44)

> Favorites
> SAP Menu
> > Office
> > Logistics
> > Accounting
> > > Financial Accounting
> > > > Financial Accounting Section (Central Finance)
> > > > General Ledger
> > > > Accounts Receivable
> > > > Accounts payable
> > > > > Document entry
> > > > > Document
> > > > > Account
> > > > > > FK10N - Display balances
> > > > > > FBL1N - Display/Change Line Items
> > > > > > F-44 - Clear
> > > > > Master records

Watch this simulation to **learn how to track, reconcile and maintain deposits and refunds** against departmental refundable deposit vendor accounts

What should you do if you have year-end balances against your vendor number?

From an audit perspective, departments should do the follow when managing refundable deposits:

- 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

Exercise # 3 – Reconcile and Clear Vendor Account

Instructions (approx. 5 - 10 minutes)

The student has returned the key.

Please use **STEP3 in this simulation** and process the refund/repayment in **SAP-QT1** as indicated on the exercise sheet.

REMINDER: ensure you use the **86xxxx** departmental vendor number assigned to you.

Review Learning Objectives

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Link to Workshop Material

Contact Information & Additional Resources

- o **FAST General Mailbox** – fast.help@utoronto.ca

- o Faculty FAST Team Representatives List

- o **GTFM Policy –** Deposits with the Cashier

- o **Knowledge Centre**

- o **Documentation & Support**

We are always looking for ways to improve.

Click here and take a moment to complete our course evaluation.