

Form 12 - Deposit Accounting



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What this form is for

When a tenancy ends and you don't give a tenant back all of her deposits, you're supposed to tell her why. This form enables you to do that. Specifically, ORS 90.300(10) says:

In order to claim all or part of any prepaid rent or security deposit, within 31 days after the termination of the tenancy and delivery of possession the landlord shall give to the tenant a written accounting which states specifically the basis or bases of the claim. The landlord shall give a separate accounting for security deposits and for prepaid rent.

This form helps you comply with this requirement.

When this form is used

You use this form after the tenancy ends. The law says you must furnish the accounting within 31 days after "termination of the tenancy and delivery of possession." Termination of the tenancy happens when a termination notice—a thirty-day or 72-hour, for example—runs out. Delivery of possession occurs when the tenant gives you the keys, or calls and says she's out, or you know (maybe you've inspected) she's out, or the sheriff leads her to the sidewalk. So it's 31 days after the latter of these events.

While the law doesn't say the tenant has to receive the form within 31 days, it makes sense generally not to wait until the end. If nothing else, you don't want a judge reaching for a calendar and starting to count; he just might get it wrong. So, while the law says within 31 days, I encourage you to return it as soon as practicable. On the other hand, don't be in such a rush to send the form that you overlook costs. Remember, for example, if you've got abandoned goods (see *Abandoned*

OLD 12

FINAL ACCOUNTING

NAME: _____ DATE: _____
ADDRESS: _____ UNIT: _____
CITY: _____ STATE: _____ ZIP: _____

According to the law, from a "security deposit", an Owner/Agent may claim the amount of the security deposit in the performance of the rental agreement including but not limited to unpaid rent, and the amount of the security deposit (tenancy and surrender of the premises) an accounting which states specifically the basis of the claim. The following accounting is provided for you:

ITEMIZED DEPOSITS	
Subtotal Deposits:	\$ _____

ITEMIZED DEDUCTIONS	
Keys not returned:	\$ _____
Unpaid utilities/services:	\$ _____
Unpaid rent from ___/___/___ to ___/___/___:	\$ _____
Cleaning:	\$ _____
Unpaid fees/charges:	\$ _____
Damages:	\$ _____
Other:	\$ _____
Less applicable fees:	\$ _____
Subtotal Deductions:	\$ _____
Balance Due Tenant (Net of Deposits and Deductions):	\$ _____

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DEPOSIT ACCOUNTING

NAME: _____
ADDRESS: _____
CITY: _____ STATE: _____

According to the law, from a "security deposit", an Owner/Agent may claim the amount of the security deposit in the performance of the rental agreement including but not limited to unpaid rent, and the amount of the security deposit (tenancy and surrender of the premises) an accounting which states specifically the basis of the claim. The following accounting is provided for you:

ITEMIZED DEPOSITS		RENT
Subtotal Deposits:	\$ _____	Complete this section if you have a rent deposit.

ITEMIZED DEDUCTIONS		RENT
Keys not returned:	\$ _____	Deposit on last month's rent:
Unpaid utilities/services:	\$ _____	Prepaid rent:
Unpaid rent from ___/___/___ to ___/___/___:	\$ _____	Unpaid rent from ___/___/___ to ___/___/___:
Cleaning:	\$ _____	Balance of Rent:
Unpaid fees/charges:	\$ _____	\$ _____
Damages:	\$ _____	\$ _____
Other:	\$ _____	\$ _____
Less applicable fees:	\$ _____	\$ _____
Subtotal Deductions:	\$ _____	\$ _____
Balance Due Tenant (Net of Deposits and Deductions):	\$ _____	\$ _____

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Note from the author:
We changed the name of this form from "Final Accounting" to "Deposit Accounting." That's because it isn't always final, which is explained below. Since that can be confusing to tenants (and landlords), we changed the name.

Oregon Rental Housing Association

Property, Form #25), you have to let some notice time run before you can dispose of the stuff. Dump fees (even mileage to the dump and your time behind the wheel) are costs that can go on this form. Especially when there's been a lot of damage, you may not know all of your costs within the 31 days. In that case, either (1) use estimates, or (2) put down

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the costs you do know assuming they exceed the deposit. In the unlikely event there are unknown costs and still those costs don't exceed the amount of the deposit so you have to consider how much to return along with the accounting, estimate high. You can always give more money back later.

Often, uncollected rent eats up the deposit quickly. Go ahead and send this accounting then, writing preliminary or more to follow in big letters across the form. That way, you've complied with the deposit accounting rule promptly. For what the tenant owes beyond that, there's no magic thirty-one

day clock. That points out one of the weaknesses of this form: Titling it "Final" when it may not be that.

If you are returning all of the last month's rent deposit or you didn't collect any and you're returning all of the deposits, you needn't use the form. Just send the check.

You need to give an accounting to your ex-tenant *anytime* you dip into her deposit. Sometimes a landlord will deduct uncollected late charges, for example, from a deposit and then ask the tenant to replenish the deposit. The act of deducting triggers the requirement to send an accounting. This form isn't designed for that purpose (and it's not a practice I advocate). Simply write a letter, stating you've deducted the following amount from the deposit for the following purposes and that the balance of the deposit remaining is whatever it is.

You are required to give the accounting letter to your tenant. If you can hand it over, that's fine. Otherwise, you have to mail it. Send it to the best address you have: that's any forwarding address you've been given or know of, or any post office box you know she uses, or the property address for forwarding if you haven't any better address. If the tenant is getting a refund along with the accounting, simply enclose the check with the form.

If the form comes back in the mail as undeliverable, don't even open it up. Just stick it in that tenant's file; the envelope with a postmark is your proof that you complied with the law.

How the form is filled in

This form has a lot of figures on it. Be sure they add (and, where appropriate, subtract) properly. When completing a form full of numbers like this, it's wise to put a zero or draw a line in spaces rather than leaving them blank. Please refer to your forms and manuals handbook for line-by-line instructions.

Penalties

If you miss the deadline of 31 days, the most common violation of this section of law, you can be required to pay the ex-tenant twice the deposit. Or if you withhold in bad faith—which generally means making up numbers that aren't even approximately right—you can be penalized twice the amount withheld.

The Lesson

If you ever have to go through returning deposits, whether for cleaning or for prepaid rent, while simultaneously billing the tenant for other costs, for sure then you will change your practice to charging only a security deposit at the beginning of the tenancy. Or you could learn from the mistakes of others and start doing that now.

Older editions

The current edition is "Rev. 1/07." The "9/99" edition omitted lines next to the "Unpaid fees" line. The "9/97" edition is laid out differently, but still works. Editions dated prior to 1997 don't comply with current law.

** Actually, it's even more complicated. If you have unearned last month's rent deposit, you have to refund that even if you have expenses not covered by the general security deposit or other restricted deposits. Not so, I believe, with pre-paid rent. I believe you can offset against prepaid rent you owe to your tenant other amounts your tenant owes you, such as for damage or cleaning.*

** Others believe in an annual calculation for odd days rent. That means multiplying your rent by 12, then dividing the result by 365 to get an annualized daily rent figure. They'd use that figure times 15 days, regardless of the month. Another method is to use a "bankers' month:" every month is assumed to have 30 days. Any calculation method is legal as long as you use it consistently.*

