

Questions pertaining to the LJ Investment Tenant Ledger

Some frequently asked questions pertaining to the tenant ledger, move out calculations and multiple lease members.

There are multiple names on my lease and we have a balance, which of us owes?

Per the State of Delaware... Each of You. LJ investment does not track a balance on an individual level just on the lease as a whole. If there is balance on the account, each tenant is just as responsible as the other per the Delaware landlord tenant Code. The ledger provided will show you each payment received and it is up to you to decide who should pay. In most cases we do not know what your arrangements were and who was supposed to pay what amount.

On my calculation sheet there is a balance listed as Miscellaneous and Rental, what are these?

Miscellaneous: In the case of miscellaneous there should be a note explaining what this charge is. If it does not, please contact us.

Rental: Typically this charge is from a balance of rent or a missed payment. By law we have to take any payment received and apply it towards the most outstanding bill on the account. Example: You receive a utility bill for \$200 on July 26th and a rent charge of \$1000 on Aug 1st. if you only pay \$1000 on August 3rd, \$200 of that will apply to the utility bill and a payment of \$800 will go towards "rental". This will show a deficiency in the "rental" category that may be directly related to a utility bill or other. See ledge breakdown below to determine

How to create an alternate view on the ledger

Quite often we get questions on how to read the tenant ledger produced by our accounting software. We agree, this ledger can be confusing especially in cases where there are multiple paying tenants. Instead of handling this on a case by case basis, we put together a quick run-down that will answer your questions below and show you an alternate way of reading these statements.

1. For starters print out a copy of your ledger.
2. Go through and cross off any postings that read "**prepayments**". Prepayments are situations where you have a negative balance (we owe you). A credit memo is a case where this balance was applied to a charge, In other words you paid us with the "credit memo". These are important entries, however for this simpler breakdown we can cross these out.
3. Create an Excel spreadsheet file similar to what you see below.

Date	Comment/Name	Debit	Credit	Balance

- Starting from the oldest date, begin inputting the posts as shown on your ledger. In most cases this will be the security deposit charge. Continue filling out the spreadsheet until you reach the most current date. (see example below)

Date	Comment/Name	Debit	Credit	Balance
6/1/00	Security deposit	1000		1000
6/3/00	John Doe pay		500	500
6/4/00	John Smith pay		500	0
6/7/00	Water bill	39.60		39.60
6/29/00	John Doe pay		500	(-460.40)
7/1/00	July Rent Due	1000		539.60

A negative balance (-xx.xx) is where we owe you. This is as a "prepayment". You will find that by adding in the 7/1 payments (as above), there will be a "CREDIT MEMO". This credit memo balance should match the excel balance you have above.

- By following this through to the end, you should see what was not paid.

In the case of multiple tenants and if you are trying to determine who paid what etc. We suggest you create the chart similar to the above but create multiple credit columns for each member of the lease.

Example:

Date	Comment/Name	Debit	J. Doe	B Smith	Balance
6/1/00	June Rent Due	1000			1000
6/3	Doe Payment		500		500

By doing this, you will be able to create a sum column at the end for both J Doe and B Smith which will illustrate what each person has paid. In the case where the bills were to be split evenly this will show the balance.

We hope this helps in answering some of your questions.

- Lj Investment Team