

Accounting for Deposits

The accounting treatment of a deposit depends on how the funds are received and used:

1. Deposit as Storage of Own Funds

If the deposit is used to store company funds for later withdrawal:

- Record a transfer from the current account to the deposit account using **Money Transfer**
- The funds remain an asset but change form

← → ☆ Money Transfer EIMT26-00000001 from 4/27/2026

Main [Reconciliation Statuses of Bank Documents](#)

Post and close Save Post Print -

Number: EIMT26-00000001 From: 4/27/2026 4:05:44 PM Reconciliation Status: Unmatched

Entity: United Furniture Group (East location)

Basis:

Transfer From Bank Account Cash Account

Transfer To Bank Account Cash Account

Bank Account: 32478978921341, in NBD 2050200 Bank Account: Deposit account, in NBD 2050400

Cash Flow Item (Sender): Cash Transfer Cash Flow Item: Cash Transfer

Amount: 100.00 AED (Rate 1, Factor 1) Amount: 100.00 AED (Rate 1, Factor 1)

Cross-Rate (AED → AED): 1.000000 Cross-Rate (AED → AED): 1.000000

Reference No: From: // Reference No: From: //

Transfer Fee (AED): 0.00

Entry:

- Dr Deposit Account
- Cr Current Bank Account

Money Transfer EIMT26-00000001 from 4/27/2026
Document's Registers Records

Accounting Register "General Ledger"

Period	Account Dr	Extra Dimension Dr	Quantity Dr	Account Cr	Extra Dimension Cr	Quantity Cr
Entity			Currency Dr			Currency Cr
Line Number	Department Dr		Amount (Cur.) Dr	Department Cr		Amount (Cur.) Cr
4/27/2026 4:05:44 PM	Short-Term Bank Deposits	Deposit account, in NBD		Bank Accounts	32478978921341, in NBD	
United Furniture Group (East location)		Cash Transfer	AED		Cash Transfer	AED
1			100			100

The return of funds to the current bank account can also be performed via **Money Transfer**.

See more on [Money Transfers](#)

2. Deposit to Supplier without a loan agreement

If money is transferred to a supplier as a deposit, it is **not an expense**, but an **asset (prepayment/deposit)**:

Step 1. Create a Bank Payment (or Cash Payment)

Create a **Bank Payment** (or **Cash Payment**) with the **Transaction Type: To Supplier**.

Bank Payment FBBP26-00000002 from 4/27/2026 *

Main Approvals History of Approval History of Object Status Changes Reconciliation Statuses of Bank Documents Taken Decisions Balance of Employee Business Expenses

Post and close Save Post Post Dr Cr Generate Settings Print

Main Payment Details (1) Bank Charges Additional Information

Supplier: Secamare Number: FBBP26-00000002 From: 4/27/2026 4:22:17 PM

Supplier Bank Account: Transaction Type: **To Supplier**

Cash Flow Item: Payment to Suppliers (Goods, Works, Services) Entity: CIT Demo Entity

Apply WHT Basis:

Amount: 100.00 (Rate 1, Factor 1) Cheque:

Taxation: Out of Scope Bank Account: 12569654, in CityBank 2050200

Comment

On the **Payment Details** tab:

- Select the supplier
- Check the **Advance** box
- Choose **GL Account: Deposits Paid to Suppliers**

Bank Payment FBBP26-00000002 from 4/27/2026 *

Main Approvals History of Approval History of Object Status Changes Reconciliation Statuses of Bank Documents Taken Decisions Balance of Employee Business Expenses Statement of M

Post and close Save Post Post Dr Cr Generate Settings Print More

Main Payment Details (1) Bank Charges Additional Information

Add Pick Fill Search (Ctrl+F)

#	Contract	Advance	Document	Accounts Amount	Accounts Rate	A...	Payment ...	Order	Profor...	Planning Doc...	GL Accounts	Tran
1	# 345S from (AED)	<input checked="" type="checkbox"/>	Not Applicable	100.00	1.000000	1	100.00				5020100_2030200	

GL Accounts

Accounts Payable: Current Trade Payables

Advances Paid: **Deposits Paid to Suppliers**

OK Cancel

Entry:

- Dr Deposits Paid to Suppliers
- Cr Cash / Bank

Bank Payment FBBP26-00000002 from 4/27/2026
Document's Registers Records

Accounting Register "General Ledger"

Period	Account Dr	Extra Dimension Dr	Quantity Dr	Account Cr	Extra Dimension Cr	Quantity Cr
Entity	Department Dr		Currency Dr	Department Cr		Currency Cr
Line Number			Amount (Cur.) Dr			Amount (Cur.) Cr
4/27/2026 4:22:17 PM		Secamare			12569654, in CityBank	
CIT Demo Entity	Deposits Paid to Suppliers	# 345S from (AED)	AED	Bank Accounts	Payment to Suppliers (Goods, Works, Services)	AED
1			100			100

See more on [Cash/Bank Deposit \(to Supplier\)](#)

Step 2. Receive the Accrued Deposit Interest

Create a **Bank Receipt** with the **Transaction Type: Others**.

Bank Receipt FBBR26-00000004 from 5/15/2026

Main [Reconciliation Statuses of Bank Documents](#) [Balance of Employee Business Expenses](#) [Statement of Mutual Settlements](#)

Post and close Save Post Settings Print

Main **Payment Details (1)** Bank Charges Additional Information

Cash Flow Item: Other Payments for Current Transactions Number: FBBR26-00000004 From: 5/15/2026 11:50:07 AM

Apply WHT Transaction Type: **Others**

Amount: 50.00 (Rate 1, Factor 1) Entity: CIT Demo Entity

Basis: Cheque: Bank Account: 12569654, in CityBank 2050200

Comment

On the **Payment Details** tab, enter the following:

- GL Account
- Department
- Income Item
- Business Activity
- Amount
- Company
- Contract

Bank Receipt FBBR26-00000004 from 5/15/2026

Main [Reconciliation Statuses of Bank Documents](#) [Balance of Employee Business Expenses](#) [Statement of Mutual Settlements](#)

Post and close Save Post Settings Print

Main **Payment Details (1)** Bank Charges Additional Information

Add Search (Ctrl+F)

#	Cr GL Account	Department	Account Cr Dimensions	Amount	Company	Contract	Pr
1	Finance Income	Main Department	Other Operating Income, ...	50.00	Secamare	# 345S from (AED)	

Press **Post** or **Post and Close**

Document's Registers Records

Horizontal Details Vertical Details

Bank Receipt FBBR26-00000004 from 5/15/2026
Document's Registers Records

Accounting Register "General Ledger"

Period	Account Dr	Extra Dimension Dr	Quantity Dr	Account Cr	Extra Dimension Cr	Quantity Cr	Amount
Entity	Department Dr		Currency Dr	Department Cr		Currency Cr	Accounting Currency
Line Number			Amount (Cur.) Dr			Amount (Cur.) Cr	Content
5/15/2026 11:50:07 AM	Bank Accounts	12569654, in CityBank		Finance Income	Other Operating Income		50
CIT Demo Entity		Other Payments for Current Transactions	AED				AED
1			50	Main Department			Income reflection

3. Deposit Issued as a Loan

If the deposit represents a **loan issued to another party (with interest)**:

Step 1. Create a Loan Agreement

Path: **Money > Loan Documents > Loan Agreements**

The screenshot displays a software interface with a navigation menu on the left and a main content area on the right. The navigation menu includes the following items: Quick menu, Sales, Purchasing, Warehouse, Production, Money (highlighted), Project Costing, HR & Payroll, Asset Management, Accounting, Taxes, Analysis, Approvals, Process Management, and Administration. The main content area is organized into several sections: Reports of Money, Bank Documents (containing Bank Receipts, Bank Payments, and Bank Statements), Cash Documents (containing Cash Receipts, Cash Payments, and Employee Expense Reports), Cheques Documents (containing Cheques Received, Cheques Issued, and Cheque Cancellations), Loan Documents (containing Loan Agreements and Processing of Current Loans), and Cash Flow Forecasting. Additionally, there are sections for Master Data (Cash Flow Items, Bank Accounts, Cash Accounts, Currencies, Banks, Cash Equivalents) and Reports (Cash Assets Balances, Cash Flow Analysis, Statement of Cash Assets by Document, Cheques Analysis, Schedule of Payments to Suppliers Based on Payment Terms, Loans Issued, Loans Received, Repayment of Loans Issued (Planned vs Actual), Repayment of Loans Received (Planned vs Actual), Bank Reconciliation Analysis, Unmatched Bank Documents, and Additional Reports). A red arrow points from the 'Money' menu item to the 'Loan Documents' section.

- Select **Transaction Type: Loan Issued**
- Fill in:
 - Borrower
 - Contract / Agreement number
 - Loan amount
 - Interest rate
 - GL accounts and other dimensions

← → ☆ Loan Agreement EILA26-00000001 dated 3/31/2026 12:00:00 PM

Main Approvals History of Approval History of Object Status Changes Taken Decisions

Post and close Save Post Dr Cr Generate Print

Main Amortization Schedule (10) Additional Information

Borrower: Bank NBD Number: EILA26-00000001 From: 3/31/2026 12:00:00 PM

Contract: Main Contract 2020101, 2020102 Transaction Type: **Loan Issued**

Agreement Number: Entity: United Furniture Group (East location)

Loan Amount: 1,000.00 AED Interest Income GL Account: Finance Income

Interest Rate: 10.000 Department: Main Department Income Item: Finance Income

Business Activity:

Comment

On the **Amortization Schedule** tab:

- Set schedule type and payment frequency
- Enter loan start date, term, and repayment start date
- Click **Calculate**, then review and post

← → ☆ Loan Agreement EILA26-00000001 dated 3/31/2026 12:00:00 PM

Main Approvals History of Approval History of Object Status Changes Taken Decisions

Post and close Save Post Dr Cr Generate Print

Main Amortization Schedule (10) Additional Information

Schedule Type: Interest-Only Payments Payment Frequency: Month Interest Calculation Method: Actual/365

Loan Start Date: 3/31/2026 Loan Term in Months: 12 Loan End Date: 3/30/2027 Repayment Start Date: 4/30/2026

Add Calculate Search (Ctrl+F)

#	Payment Date	Principal	Interest	Total Payment	Unpaid Balance	Remarks
1	4/30/2026		8.22	8.22	1,000.00	
2	5/30/2026		8.22	8.22	1,000.00	
3	6/30/2026		8.49	8.49	1,000.00	
4	7/30/2026		8.22	8.22	1,000.00	
5	8/30/2026		8.49	8.49	1,000.00	
6	9/30/2026		8.49	8.49	1,000.00	
7	10/30/2026		8.22	8.22	1,000.00	
8	11/30/2026		8.49	8.49	1,000.00	
9	12/30/2026		8.22	8.22	1,000.00	
10	1/30/2027	1,000.00	8.49	1,008.49		

See more on [Loan Agreements](#)

Step 2. Record the Loan Disbursement

- Create a **Bank Payment** with **Transaction Type: Loan Issued**

Bank Payment EIBP26-00000005 from 3/31/2026

Main Approvals History of Approval History of Object Status Changes Reconciliation Statuses of Bank Documents Taken Decisions Balance of Employee Business

Post and close Save Post Generate Settings Print

Main Payment Details (1) Bank Charges Additional Information

Borrower: Bank NBD Number: EIBP26-00000005 From: 3/31/2026 12:00:00 PM

Borrower Bank Account: Transaction Type: **Loan Issued**

Cash Flow Item: Payment of Loans Entity: United Furniture Group (East location)

Amount: 1,000.00 (Rate 1, Factor 1) Basis: Loan Agreement EILA26-00000001 dated 3/31/2026

Bank Account: 32478978921341, in NBD 2050200

Comment

On Payment Details tab, select:

- Contract
- Loan Agreement
- GL Account (Loan Receivable)

Bank Payment EIBP26-00000005 from 3/31/2026

Main Approvals History of Approval History of Object Status Changes Reconciliation Statuses of Bank Documents Taken Decisions Balance of Employee Business Expenses Statement of Mutual Settlements

Post and close Save Post Generate Settings Print More actions

Main Payment Details (1) Bank Charges Additional Information

Add Search (Ctrl+F) More actions

#	Contract	Loan Agreement	Loan Amount	Rate	Factor	Payment Amount (AED)	Project
1	Main Contract	Loan Agreement EILA26-00000001 dated 3/31/2026 12:00:00 PM	1,000.00	AED	1.000000	1,000.00	

Entry:

- Dr Loan Issued
- Cr Cash / Bank

Document's Registers Records

Horizontal Details Vertical Details

Bank Payment EIBP26-00000005 from 3/31/2026
Document's Registers Records

Accounting Register "General Ledger"

Period	Account Dr	Extra Dimension Dr	Quantity Dr	Account Cr	Extra Dimension Cr	Quantity Cr	Amount
Entity	Department Dr		Currency Dr	Department Cr		Currency Cr	Accounting Currency
Line Number			Amount (Cur.) Dr			Amount (Cur.) Cr	Content
3/31/2026 12:00:00 PM		Bank NBD			32478978921341, in NBD		1,000
	Current Loans Issued			Bank Accounts			
	United Furniture Group (East location)	Main Contract	AED		Payment of Loans	AED	AED
1			1,000			1,000	Loan issued to borrower

Step 3. Income (Interest) Accrual on a Loan Issued

During Month-End Closing, if the "Calculate Monthly Interest on Loans" option is selected in the Month-End Closing assistant, the system automatically generates a **Processing of Current Loans** document.

← → ☆ **Month End Closing**

Main [Month End Closing Documents](#) [Fixed Assets Depreciation Documents](#) [Revenue Recognition Documents](#) [Expense Recognition Documents](#) [More actions...](#)

2025 << 2026 year **Processing of Current Loans Documents** >> 2027

For Entity: [United Furniture Group \(East location\)](#)

January	<input checked="" type="checkbox"/> Month End Closing	<input type="checkbox"/> Optional Validations
February	<input checked="" type="checkbox"/> Calculate Depreciation ?	<input type="checkbox"/> Validate Currencies and Exchange Rates ?
March	<input checked="" type="checkbox"/> Calculate Current Revenue for Deferrals	<input type="checkbox"/> Search for Unapplied Prepayments from Customers ?
April	<input checked="" type="checkbox"/> Calculate Current Expenses for Deferrals	<input type="checkbox"/> Search for Unapplied Prepayments to Suppliers ?
May	<input checked="" type="checkbox"/> Calculate Monthly Interest on Loans	Execute
June	<input checked="" type="checkbox"/> Calculate End of Service Benefits ?	
July	<input checked="" type="checkbox"/> Calculate Accumulated Vacation Pay	
August	<input checked="" type="checkbox"/> Calculate Exchange Rate Differences ?	
September	<input checked="" type="checkbox"/> Calculate Direct Costs ?	
October	<input checked="" type="checkbox"/> Allocate Costs ?	
November	<input checked="" type="checkbox"/> Calculate Actual Cost ?	
December	<input checked="" type="checkbox"/> Calculate Financial Result ?	

Execute Month End Closing Cancel Month End Closing

This document lists each loan (including loans issued) with the monthly interest and fee amounts to be posted as income (for loans issued) or expenses (for loans received) for the current period.

← → ☆ **Processing of Current Loans EIPCL26-0000001 dated 4/30/2026 11:59:59 PM**

Post and close Save Post

Main [Accruals \(1\)](#)

Manual Processing
If this option is selected, then the month-end closing assistant will not perform calculation of monthly interest on loans issued or received that are listed in this document.

Add ↑ ↓ Fill in for All Companies Fill in by Company Search (Ctrl+F)

#	Accrual Type	Company	Loan Agreement	Amount	Currency		Amount (AED)	Income / Expense ...	Account Dr Dimensions
					Rate	Factor			
1	Interest	Bank NBD	Loan Agreement E...	8.22	AED		8.22	Finance Income	Finance Income, <...>
		Main Contract	Loan Issued		1.000000	1		Main Department	

The interest is calculated based on the loan agreement terms and is posted automatically for the closing period.

Entry:

- Dr Current Interest Receivable
- Cr Finance Income

Document's Registers Records

Processing of Current Loans EIPCL26-0000001 dated 4/30/2026 11:59:59 PM
Document's Registers Records

Accounting Register "General Ledger"

Period	Account Dr	Extra Dimension Dr	Quantity Dr	Account Cr	Extra Dimension Cr	Quantity Cr	Amount
Entity	Department Dr		Currency Dr	Department Cr		Currency Cr	Accounting Currency
Line Number	Department Dr		Amount (Cur.) Dr	Department Cr		Amount (Cur.) Cr	Content
4/30/2026 11:59:59 PM	Current Interest Receivable	Bank NBD		Finance Income			8.22
United Furniture Group (East location)		Main Contract	AED				AED
1			8.22	Main Department			Accruals on loans issued

Step 4. Receive the Accrued Deposit Interest

Create a **Bank Receipt** directly from the **Loan Agreement**.

Click **Generate > Bank Receipt**.

Loan Agreement EILA26-0000001 dated 3/31/2026 12:00:00 PM

Main Approvals History of Approval History of Object Status Changes Taken Decisions

Post and close Save Post Generate Print

Main Amortization Schedule (10) Additional Information

Schedule Type: Interest-Only Payments

Loan Start Date: 3/31/2026 Loan Term in Months: 12

Add Calculate

#	Payment Date	Principal	Interest	Total Payment	Unpaid Balance	Remarks
1	4/30/2026		8.22	8.22	1,000.00	
2	5/30/2026		8.22	8.22	1,000.00	
3	6/30/2026		8.49	8.49	1,000.00	
4	7/30/2026		8.22	8.22	1,000.00	
5	8/30/2026		8.49	8.49	1,000.00	

Alternatively, on the **Main** tab, select **Loan Agreement** as a Basis and click **Fill by Basis**.

Bank Receipt (create) *

Main Reconciliation Statuses of Bank Documents Balance of Employee Business Expenses Statement of Mutual Settlements

Post and close Save Post Generate Settings Print

Main Payment Details (1) Bank Charges Additional Information

Borrower: Bank NBD Number: <Auto> From: 5/15/2026 12:00:00 AM

Borrower Bank Account: Transaction Type: Repayment of Loan Issued

Cash Flow Item: Repayment on Loans Extended Entity: United Furniture Group (East location)

Amount: 8.22 (Rate 1, Factor 1) Basis: Loan Agreement EILA26-0000001 dated 3/31/2026 Bank Account: 32478978921341, in NBD 2050200

All data will be filled automatically based on the loan agreement schedule.

Bank Receipt (create) *

Main Reconciliation Statuses of Bank Documents Balance of Employee Business Expenses Statement of Mutual Settlements

Post and close Save Post Generate - Settings Print - More actions

Main Payment Details (1) Bank Charges Additional Information

Add Pick Repayments Fill by Schedule Search (Ctrl+F) More ac

#	Contract	Loan Agreement	Payment Type	Loan Amount	Rate	Factor	Payment Amount (AED)	Project
1	Main Contract	Loan Agreement EILA26-00000001...	Interest	8.22 AED	1.000000	1	8.22	

Entry:

- Dr Bank Accounts
- Cr Current Interest Receivable

Document's Registers Records

Horizontal Details Vertical Details

Bank Receipt EIBR26-00000003 from 5/15/2026
Document's Registers Records

Accounting Register "General Ledger"

Period	Account Dr	Extra Dimension Dr	Quantity Dr	Account Cr	Extra Dimension Cr	Quantity Cr	Amount
Entity	Department Dr		Currency Dr	Department Cr		Currency Cr	Accounting Currency
Line Number			Amount (Cur.) Dr			Amount (Cur.) Cr	Content
5/15/2026 3:00:55 PM		32478978921341, in NBD		Current Interest Receivable	Bank NBD		8.22
United Furniture Group (East location)	Bank Accounts	Repayment on Loans Extended	AED		Main Contract	AED	AED
1			8.22			8.22	Loan repayment by borrower

Thanks for being a Firstbit Customer!
 #DepositAccounting #DepositToSupplier #DepositsPaidToSuppliers

#BankDeposit #SupplierDeposit #Deposits