Michigan Rental Property Chart of Accounts

General template, not legal advice. Have a Michigan attorney review before use. Last reviewed October 29, 2026.

How to use it: keep the numbering, rename or delete accounts you will never use, and add sub accounts (for example 5020.1 Plumbing) only where you want more detail. Use the same chart for every property and tag each transaction with its property, rather than making a separate set of accounts per building. Your tax preparer may map these accounts to the lines of your return.

Number	Account name	Type	Normal balance	What to post here
1000	Operating bank account	Asset	Debit	Rent deposits and bill payments for day to day operations
1010	Security deposit bank account	Asset	Debit	Tenant deposits, kept apart from operating cash where the law requires it
1020	Reserve account	Asset	Debit	Money set aside for repairs, replacements and vacancies
1100	Accounts receivable, tenants	Asset	Debit	Rent and charges billed to tenants but not yet paid
1150	Undeposited funds	Asset	Debit	Payments received but not yet deposited at the bank
1200	Prepaid expenses	Asset	Debit	Insurance or other costs paid in advance
1500	Land	Asset	Debit	Purchase price allocated to land, which is not depreciated
1510	Buildings	Asset	Debit	Purchase price allocated to the building
1520	Building improvements	Asset	Debit	Roofs, additions and other improvements that add value or extend life

Number	Account name	Type	Normal balance	What to post here
1530	Appliances and equipment	Asset	Debit	Appliances, HVAC units and equipment you depreciate
1590	Accumulated depreciation	Contra asset	Credit	Total depreciation taken on buildings, improvements and equipment
2000	Accounts payable	Liability	Credit	Vendor bills received but not yet paid
2100	Tenant security deposits held	Liability	Credit	Deposits owed back to tenants, less lawful deductions
2110	Prepaid rent	Liability	Credit	Rent received before the period it covers
2200	Credit card	Liability	Credit	Balance owed on cards used for property costs
2300	Property tax payable	Liability	Credit	Property taxes owed but not yet paid
2500	Mortgage loan	Liability	Credit	Principal balance of loans on the property
3000	Owner contributions	Equity	Credit	Money the owner puts into the business
3100	Owner distributions	Equity	Debit	Money the owner takes out of the business
3900	Retained earnings	Equity	Credit	Profit kept in the business from earlier years
4000	Rent income	Income	Credit	Monthly rent charged to tenants
4010	Late fee income	Income	Credit	Late charges allowed by the lease and the law

Number	Account name	Type	Normal balance	What to post here
4020	Pet rent and fees	Income	Credit	Monthly pet rent and nonrefundable pet fees
4030	Parking and storage income	Income	Credit	Garage, parking space and storage rent
4040	Utility reimbursements	Income	Credit	Utilities billed back to tenants
4050	Application fee income	Income	Credit	Application fees, where the law allows them
4060	Laundry and vending income	Income	Credit	Coin or card laundry and vending machines
4090	Other income	Income	Credit	Anything that does not fit another income account
4100	Concessions and discounts	Contra income	Debit	Free rent and move-in specials given to tenants
5000	Advertising and marketing	Expense	Debit	Listing fees, signs and photography
5010	Cleaning and turnover	Expense	Debit	Cleaning, painting touch ups and make-ready work between tenants
5020	Repairs and maintenance	Expense	Debit	Routine repairs that keep the property in working order
5030	Landscaping and snow removal	Expense	Debit	Lawn care, trees and snow clearing
5040	Pest control	Expense	Debit	Regular and one time pest treatment
5050	Utilities	Expense	Debit	Water, sewer, trash, gas and electricity the owner pays

Number	Account name	Type	Normal balance	What to post here
5060	Insurance	Expense	Debit	Property and liability insurance premiums for the period
5070	Property taxes	Expense	Debit	Real estate taxes for the period
5080	HOA dues	Expense	Debit	Association dues and special assessments
5090	Management fees	Expense	Debit	Fees paid to a property manager
5100	Legal and professional fees	Expense	Debit	Attorneys, accountants and other advisers
5110	Mortgage interest	Expense	Debit	Interest part of loan payments (principal goes to 2500)
5120	Bank and payment fees	Expense	Debit	Bank charges and payment processing fees
5130	Software and subscriptions	Expense	Debit	Property management software and other tools
5140	Travel and mileage	Expense	Debit	Trips to the property for business
5150	Supplies	Expense	Debit	Small tools, light bulbs, filters and other supplies
5160	Licenses and permits	Expense	Debit	Rental registration, business licenses and permits
5170	Bad debt	Expense	Debit	Tenant balances written off as uncollectible
5800	Depreciation expense	Expense	Debit	Annual depreciation on the building, improvements and equipment

Tip: post a loan payment in two parts, interest to 5110 and principal to 2500. Post a deposit you receive to 2100, not to income, and move only lawful deductions to income after move-out.

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