

Director of Accounting System Manual



Purpose Statement:

To improve the lives of real estate investors and residents through property management solutions.

Systems Manual: Director of Accounting (DA)

KRA's – Key Result Areas

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Templates:

1. Accounting

- a. Security Deposits transfers - folder
- b. Nettrour Property Balances - folder
- c. Nettrour Payments - folder
- d. Security Deposits held by owners
- e. Owner Reserve Adjustments
- f. Payout Owner Funds

2. Office Docs

- a. Behavioral Values
- b. Office Policy
- c. Letterhead

3. Owners

- a. Late rent note to owner (AppFolio letter)
- b. Monthly payment notes
- c. Evicting Resident Notification EM (AppFolio letter)
- d. Account Shortage Notification
- e. Service Fee due GM – Account Shortage

- f. Mid Month Owner Notification Email (AppFolio letter)
- g. W9 form
- h. 1099's info (old)
- i. Escrow Shortage

4. Residents

- a. 3 Day notice (manual back up form)
- b. NSF notice
- c. Rent Credit Invoice
- d. Rental Payment Assistance Locations
- e. Eviction checklist

5. Other

- a. Performance Evaluation – DA
- b. Misc Payment Form
- c. Reoccurring Monthly Calendar
- d. Password list
- e. MISC Payment Form Tracker

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Position Overview – Director of Accounting (DA)

The DA will report to the Vice President of Operations.

System Manual Overview:

The system shall run the business, and the team members shall run the system.

Systems are simply road maps or instructions that allow the Grace Management processes to be repeated and easily duplicated.

Property management done on a large scale is an extremely complex business with many moving parts. In order for Grace Property Management to be successful, it must be consistent.

The purpose of the system manual is to provide a consistent and specific way of doing business, and to ensure that each property, resident, owner, and as much as possible, each situation, are treated the same. Also to define HOW Grace Property Management will do property management.

The System Manual will provide each team member with specific KRA's (Key Result Areas) for which they are responsible and a specific measures of success for each KRA, so that each team member always knows whether or not they are succeeding.

Team members should always refer to their specific system manual to determine the answer to a question before bringing that question to the Director of Operations.

Any deviation outside of the system must be recognized as an exception to the system. While exceptions are necessary from time to time, each exception is by nature inefficient, and should therefore be avoided.

Each team member shall constantly work to improve the system. One purpose of the monthly Performance / Evaluation meeting with the Director of Operations is to ensure that on-going system improvements are suggested, discussed and implemented.

1 – Create Batch Bank Deposits

Measure of Success: Daily deposit all payments to bank

1. A deposit should be made each day AFTER the mail has been received and checks removed.
2. The only cash payments that will be acceptable are application fees.
3. Deposit all check items into the correct checking account each day. There are two accounts.
 - a. Grace Management – Business Operating account
 - * All money going into the Grace Mgmt Business account including application fees, ex-resident collection payments.
 - b. Client Trust Account
 - * All Resident Rents, Owner Contributions, Security Deposits.
4. Periodically the check scanner will not properly read or scan a check or money order. When that happens, the DA will need to create a manual deposit and physically take it to the bank.
 - a. When a manual deposit is done, make copies of each check to be deposited and attach to our copy (the yellow copy) of the deposit slip. Keep this yellow copy as our backup. Treat the yellow copy as a batch deposit to be entered into the AppFolio system. Stamp the back of all checks and take to the bank.
 - b. Trips to the bank should not be made more than one time per day and made at the Chase bank located on 104th Ave & Colorado Blvd.
5. Check Scanning Procedures / Steps:
 - a. Run a total of the checks and count checks.
 - b. Go to www.chase and log in using the updated access and passwords as found in the password list (template 5D)
 - c. Click Collect & Deposit tab located on top of page
 - d. Scan Checks for Deposit
 - e. Select Deposit Checks

- f. Choose account (B or Grace)
- g. Enter the total Amount of Batch that will be created under deposit total
- h. Put checks in scanner first, then press NEXT.
- i. The scanner will feed all checks through. If there are more than 30 checks, Chase will ask you to remove the remaining checks and put them back into the check scanner. It will then continue to scan the remaining checks. Continue until all checks are scanned.
- j. Once you are done scanning all checks, click Next
- k. The next screen will list each check. There will be an error symbol next to any checks that need corrections. Go to 'Checks to Correct' under "Display".
- l. Click 'Correct Check Error' and make corrections
- m. If there are several corrections listed in a row, press Submit, and then click NEXT.
- n. Proceed until all checks are corrected. Click Submit & See LIST
- o. If the total NUMBER of checks equals the amount you counted, click NEXT (this is your last chance to scan more checks into this batch if needed, if needed click scan more checks) click NEXT.
- p. The next screen will tell you if your deposit is in balance. If out of balance, go through each check and find the discrepancies.
- q. Once in balance, click SUBMIT, then Print this page.
- r. Paperclip the checks to the Batch print out page (s).
- s. Proceed to system manual KRA #2 and enter the batch payments into the AppFolio.

2 – Post The Daily Bank Deposit Into AppFolio

Measure of Success: Daily enter all deposits to AppFolio

1. Once the bank deposit has been completed, post that deposit into AppFolio.
2. To manually enter a Tenant Receipt follow the instructions in the below link.
 - a. <https://help.appfolio.com/s/article/Manually-Enter-a-Tenant-Receipt#enterreceipt>
 - b. For tenant security deposit receipts, enter SD information for the appropriate year on template 1A.
3. To manually enter an Other Receipt follow the instructions in the below link.
 - a. <https://help.appfolio.com/s/article/Enter-an-Other-Receipt>
4. To manually enter an Owner Receipt follow the instructions in the below link.
 - a. <https://help.appfolio.com/s/article/Manually-Enter-an-Owner-Receipt>
5. To create a New Bank Deposit follow the instructions in the below link.
 - a. <https://help.appfolio.com/s/article/Create-a-Bank-Deposit>
6. Print deposit information from AppFolio, staple all checks and file in monthly Client Trust deposits.

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3 – Prepare 3-day Notices

Measure of Success: Daily create needed 3-day notices

1. On the date given by the VPO in the monthly close-out schedule, 3-day notices need to be prepared for all delinquent residents.
2. Print a Delinquency Report from AppFolio showing all balances over \$50. Follow the instructions in the below link:
 - a. <https://help.appfolio.com/s/article/Delinquency-Report>
3. Charge the appropriate Late Fees in AppFolio. Follow the instructions in the below link:
 - a. <https://help.appfolio.com/s/article/Charge-Late-Fees>
4. After late fees have been charged, you will manually need to charge posting fees accordingly to each delinquent account using GL code 4490:
 - a. <https://help.appfolio.com/s/article/Enter-a-One-Time-Tenant-Charge>
5. After appropriate fees have been charged, print two copies of each 3-day notice to be served. Follow the instructions in the below link:
 - a. <https://help.appfolio.com/s/article/Send-3-Day-Notice-Letters>
6. After all 3-day notices have been printed; give them to the individual currently in charge of serving notices.
 - a. All notices should be completed and given to the individual serving notices by noon on the day they are to be posted so they can be delivered immediately.
 - b. Email individual 3-day notices, anytime you need a 3-day served.
7. Once delivered, the individual serving the demands will place the original notices in the 'In-Box' of the DA.
8. Place all pending 3-day notices and the delinquency list in the "Demands for Rent" folder.
9. Initiate the Collection of Delinquent Rent process as outlined in KRA item #4

Quick reference below for late fees and due dates:

<u>Property</u>	<u>Rent Due Date</u>	<u>Serve 3-day Date</u>	<u>Late Fee</u>
Group A:			