
President

System Manual



Purpose Statement:

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

KRA's – Key Result Areas

- * Position Overview – p4
- 1. Financial Health – p5
- 2. Team Health – p6
- 3. Company Marketing – p8
- 4. New Business Development – p9
- 5. Personal Leadership Development – p10
- 6. Other –p11

Templates:

1. Office Docs

- a. Behavioral Values
- b. Office Policy
- c. Letterhead
- d. Fax cover sheet

2. Company Marketing

- a. 6 Things Every Landlord Must Know
- b. 21 Questions to ask a property manager
- c. Satisfaction guarantee
- d. Rental Process overview
- e. What is RE Service Management
- f. Brochure 1
- g. Door hanger flyer
- h. Avoiding Dishonest Landlords
- i. Video for web site.mp4
- j. Logos / Team pictures - folder
- k. You are a RE investor
- l. Pensco RE Investor guide
- m. Free Lease Intro
- n. Free Lease Agreement
- o. Postcards to mail - folder
- p. Web site pics - folder
- q. New owner orientation - draft

3. Company Structure

- a. Articles of Incorporation
- b. Shareholder reports - folder
- c. Officers Meetings - folder
- d. Stock buy-sell agreement – folder
- e. Org chart

4. New Business Development

- a. B&C PM Purchase – folder
- b. Century PM Purchase – folder
- c. Offer to buy PM accounts, letter
- d. New business ideas
- e. DIY Landlord info graphic
- f. Offer to buy property from owners
- g. Prop Mgmt sale agreement

5. Other

- a. CEO Dashboard - folder
- b. Team Meetings – folder
- c. NARPM - folder
- d. Reoccurring monthly calendar
- e. 90 Day New owner check list -EM
- f. New Owner welcome - EM
- g. Unhappy owner - EM
- h. Accountant letter
- i. Required Reading list
- j. Performance Evaluation – President
- k. Organizational Health Checklist
- l. On management agreements - folder
- m. Christmas message
- n. Checkbook balances
- o. Mgmt fee increase letter
- p. Property taxes due spreadsheet
- q. How to set tab through docs
- r. Sample P&P Manual - draft
- s. 1431 Baker letter to tenant

Position Overview – President (PR)

Reporting to the CEO.

The President (PR) shall be the face of the organization both internally and externally to the industry, community, and team; and shall conduct themselves accordingly at all times.

The three most important things the PR must bring to the organization are energy and clarity and accountability.

An operational difference between the President and the Director of Operations is the PR will focus on leading and growing the company through new products and services, while the DO will be focused on implementing and managing those products and services.

“Your business is perfectly designed to achieve the results you are currently getting – if you don’t like your current results – redesign your business.”

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 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- Financial Health

Measure of Success: 6% annual quarter over quarter net income growth.

1. The prior months cash flow statement should be received as completed by the VPO no later than the 5st day of the month. The PR should review in detail and analyze the following for the previous month:
 - a. Monthly income and expense statement from QuickBooks including:
 - aa. Month over month
 - bb. Quarter over quarter
 - cc. Year over year
 - b. Meet with the DO to discuss, analyze, and make system alterations to correct any reductions in any income category, or increase in any expense category of more than 5%.
 - c. Review and analyze the CEO Dashboard
2. Calculate and create the appropriate shareholder equity payments on the last day of each month (using the prior months numbers) and distribute to each shareholder.
 - a. Monthly checkbook balance should have a balance of approximately \$100K AFTER the shareholder's equity has been transferred.
 - b. The company savings account should maintain a balance of no less than \$100K. The escrow reserve held in the property trust account should not be less than \$25K.
3. The PR shall be responsible for setting and measuring financial goals of the organization including:
 - a. Income and Expense budgets
 - b. Approving expenditures and any necessary debt.
 - aa. Any debt or borrowing over \$5,000 must be approved by the board of directors.
 - c. Reviewing fixed and variable expenses quarterly
 - d. Capital allocation
4. An emergency plan should be in place to weather an immediate 15% reduction in gross revenues.

1. 5. Security Deposit Account Reconciliation

On the 20th day of each month enter the current months security deposit transfers into the security deposit spreadsheet (template 2a on the APC's system).

Create a new tab for the spreadsheet each month.

Enter each individual line item for the month for all security deposit received and transferred INTO the Enterprise Bank Sec Dep trust acct.

Enter each individual line item for the month for all security deposit that have been transferred OUT OF the Enterprise Bank Sec Dep trust acct and into Client Trust account by entering the actual dollar amount into column F, showing that the money has been transferred OUT of this account (and has gone into Client Trust account).

Make an entry on the spreadsheet for the monthly interest that has been received.

PMBuild.com

2- Team Health

Measure of Success: Ensure the Mission Statement and Behavioral Values are clearly understood, embraced, and practiced by all.

1. A healthy organization is difficult to define, but easy to recognize. The PR should keep the following ideas and concepts in mind as the PR ensures the team is behaving as a healthy team.
 - a. Mission statement (to improve the lives of real estate investors and residents) should be known and practiced by all to the point that it is second nature.
 - b. Behavior values (template 3a) should be known and practiced by all to the point that we hear compliments directed back to the team relating to these values.
2. One major role of the PR is to be the chief reminding officer. To continually remind – remind – remind the team of these behavioral values. The PR should determine how best to do this.
3. An organization is healthy when it is whole, consistent, and complete, that is, when its management, operations, strategy, and culture fit together and make sense.
4. A good way to recognize health is to look for signs that indicate an organization has it. The signs include:
 - a. Minimal politics
 - b. Clarity of duties and responsibilities
 - c. High energy level
 - d. High degree of morale and productivity
 - e. Very low turnover among good team members
5. Ultimate Impact of a healthy team: “It’s certainly worth acknowledging that the impact of organization health goes far beyond the walls of a company, extending to customers and vendors, even to spouses and children. It sends people to work in the morning with clarity, hope, and anticipation and brings them home at night with a greater sense of accomplishment, contribution, and self-esteem. The impact of this is as important as it is impossible to measure.
At the end of the day, at the end of our careers, when we look back at the many initiatives that we have poured ourselves into, few other activities will seem more worthy of our