

# Springboard Affordable Housing Management LLC

## 100 – CASH & FISCAL MANAGEMENT

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## 100-2000 Site Procedures

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Resident records must be maintained accurately.

## 100-2100 Receipts

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The site accounting records (One Site) must be updated daily.

## 100-2111 Bank Deposits

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- .1 Stamp all checks, money orders and cashier's checks with bank issued endorsement stamp immediately upon receipt.
- .2 If cash accepted per Receipts policy (section 100-1210.1), deposit cash received to the bank as cash.
- .3 If a money order or cashier's check is accepted, make sure the resident's name and apartment number is written on the face of the check or money order.
- .4 If a resident wishes to submit a check before the desired deposit date, e.g., due to vacation, the resident must date the check the same date the check is written (no post dating allowed). The endorsed check, with a "post note" on the check with the deposit date is placed in the back of the cash box or safe until the deposit date arrives, at which time it is then posted
- .5 NSF Notices are sent by the rental account banks to Accounting where a copy of the NSF Notice and checks are retained, with the original check forwarded to the property. Rental Banks are directed to call each property to notify them of any NSF.
- .6 Deliver a Demand for Payment to the resident immediately, within twenty (24) hours of a NSF notification if a delinquency is caused.
- .7 Issue a Thirty-Day Termination of Lease Notice if the current NSF is the third occurrence of Three-Day Notices or NSF Checks. This is at the discretion of the Property Manager.
- .8 Bank deposits must be made daily, Monday through Friday. Deposits can be made by way of online scan for sites equipped with check scanners, in person at the bank branch, or via alternative methods as required by accounting for special circumstances where a local bank isn't available and site isn't setup with check scanners. Deposits made in person require a validated deposit slip be obtained. Deposits received at times when bank deposits cannot be made (Sundays) are to be endorsed and locked in a cash box or safe until they are processed. Reservation deposits must be held seventy-two (72) hours before being deposited.
- .9 Preparing the Deposit Slip for In Person Bank Deposits
  - Bank deposits must be made daily prior to the end of the bank day or concurrent with closing the office. Do not use the night deposit; make sure that you bank during Banking Hours.
  - If site is not using the remote image deposit scanner, then copies of all checks must be made.
  - Complete the Deposit Slip in triplicate as follows:
    1. Date - Enter the date of the deposit. This must be the calendar date that the actual deposit is to be made to the bank.
    2. Currency/Coin - Enter the total currency.
    3. Checks - Enter in the total number of checks in the deposit.
    4. Total - Enter the total of all checks, currency and coin. Verify that the amount on the deposit ticket is equal to your total on "Deposit Batch" ("DB") report.

5. Write the corresponding Deposit Batch number on the deposit slip.
  - Take the two (2) Deposit Slips, plus the checks and a copy of the DB to the bank. The bank will retain the original Deposit Slip, checks, and DB and return one (1) validated copies of the Deposit Slip.
  - Attach a copy of the Deposit Slip to the property's DB.
- .10 Distribution of Validated Deposit Slips
  - Attach the remaining Deposit Slip to the DB along with copies of the checks and retain at the property in chronological order filed with the AME.

### **100-2115 Scanned Deposits (Remote Deposit Capture)**

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- .1 Bank deposits must be made daily. Scans can be done every day of the week that an authorized user is working, but must be made Monday through Friday. Reservation deposits may be held seventy-two (72) hours before being deposited.
- .2 Place a notice on the rent collection box in the leasing office notifying residents that their rent payments will be processed electronically.
- .3 Stamp all checks, money orders and cashier's checks on the back of the payment with the bank issued endorsement stamp immediately upon receipt.
- .4 Write the apartment number on the memo line of the check, money order or cashier's check.
- .5 Input the payments against each resident ledger in OneSite and close bank deposit batch.
- .6 Log into the banking website and scan the payments.
- .7 Run a calculator tape of all payments scanned / review total at bank website.
- .8 Research and correct any totals from OneSite that do not match the scanned Bank Deposit.
- .9 Once totals match then process batch at banking website and close OneSite bank batch.
- .10 Destroy personal checks by shredding all scanned checks after 4 months of being scanned and destroy all cashier's checks and money orders by shredding after 12 months of being scanned.
- .11 Site managers must log into the bank website daily to check for any returned checks. Once a returned check is discovered, view the payment entry in OneSite and click 'Return Item (NSF)' to record the returned item and commence collection efforts against the resident by serving a Demand for Payment.

### **100-2120 OneSite Input of Accounts Receivable**

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- .1 Cash receipts and all other information must be updated in OneSite daily. This includes payments from current and previous residents, applicants, and funds to be posted to Common Ledgers; i.e., Other Income. Cash receipts are always applied to other charges or amounts due, then to rent.
- .2 Copies of all checks, cashier's checks, and money orders are made prior to depositing (several checks may be put on one piece of paper as long as all information is legible). These are kept in a binder once input is complete, with a copy of the completed DB and validated Deposit Slip attached. These are kept in DB numerical order. If scanning checks, check images suffice for copies.
- .3 Payments are input in OneSite, which will generate a Deposit Batch ("DB").
- .4 The DB must be closed daily.
- .5 A minimum of two (2) staff members at each property must be trained on proper posting procedures in OneSite in order to cover for illness and vacation time.
- .6 Deposits are input after all paperwork (i.e., move-ins, rentals, etc.) has been input to the OneSite computer system. The system is set to allow printing of receipts if a Resident wants one.

- .7 All cash receipts must be input and deposited into the bank by the last day of each month prior to Accounting Month End. DO NOT input on the last day of the month and deposit in the next month.
- .8 Cash Receipts are input in OneSite. Enter the unit number or common ledger if this is a collection to be credited to a non-resident ledger.
- .9 Close and print the DB by totaling up the deposit first, then access Bank Deposits within the Administration Tab Menu in OneSite. Input the total and follow the instructions on the screen. If the manual total does not match the computer total, the OneSite system will tell you. If an error message is received, display the DB and compare each line with the actual receipts until the error is found. Check the amounts and the mode of payment for each receipt.
- .11 If the error was in totaling the amounts, use the new totals to close the DB.
- .12 If the error was an incorrect posting of the amount received; edit the incorrect posting in OneSite to the correct amount.
- .13 Total the deposit again and try to close the DB again.
- .14 After closing the DB, print it.
- .15 Write the corresponding DB number on the deposit slip.

### **100-2125 Delinquent Rent**

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- .1 Rent payments are due on the first of each month and is delinquent thereafter. Although technically late on the 2<sup>nd</sup>, Late Charges will be assessed in accordance with your property's late fee policy.
- .2 A Late Charge will be assessed consistent with the Lease terms generally on the 4<sup>th</sup> or 6<sup>th</sup> day of the month depending on your property's late fee policy. Any changes to the late fee policy must be approved by the Regional Manager.
- .3 Partial payments of rent or payment arrangements are subject to a Late Charge and must have prior written approval of the Property Manager. The terms must be documented and included in the Resident's unit file. The account must be current by the 10th day of the month to avoid any legal action against the resident for non-payment. Any exceptions must be approved by the Regional Manager.
- .4 A Three-Day Notice to Pay Rent or Quit is to be issued on or before the 6th day of the month for all residents with balances owing, including those with an approved payment arrangement.
- .5 The Eviction Process must begin for any non-payment of rent as soon as the Notice to Pay Rent or Quit expires, typically 3 – 5 days, depending on your state's law, after delivery to the resident, unless payment arrangements are worked out by the Property Manager. See LEGAL Section for details.

### **100-2128 Corporate Units**

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When an apartment is leased as a corporate unit, whereby the resident rents a unit that includes utilities, furniture, house wares, and / or maid services packaged by the property and the resident pays a monthly fee greater than the apartments' standard Market net effective rental amount the additional amount should be charged to a corporate unit G/L code.

### 100-2150 Other Receipts

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- .1 Refunds collected from vendors are to be input into OneSite coded to MISCINCOME and deposited to the bank. The MISCINCOME description must be specific including a note as to where the money should be reclassified and reason for refund.
- .2 Payments collected from non-residents should be input to the Miscellaneous Income Ledger under Administration link in OneSite.
- .3 Amounts received from the Collection Agency are recorded posted to the OneSite previous resident's ledger.

### 100-2175 Delinquency Bonus

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- .1 A \$200 bonus is achieved, and paid to the person responsible for rent collections (generally the Assistant Manager) if the property is able to close the month at less than 1% in Rent delinquencies of Gross Potential. Example: If a property has a monthly gross potential of \$200,000 as long as that property closes the month with less than \$2,000 (1%) in delinquencies then the bonus would be achieved.

### 100-2220 Vendor Qualification

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- .1 The vendor set-up, including insurance will be coordinated by the Properties, with the help of Accounting. The procedure for setting up vendors and service contractors is as follows:
- .2 All vendors and service contractors must be qualified and approved by Accounting before they begin working at the property. A "New Vendor Request" form is required.
- .3 Suppliers of goods require a W-9 form; The Property Manager should obtain the W-9 form from the supplier. Vendors performing services or high risk suppliers will complete the W-9 form as part of their "Vendor Qualification Package".
- .4 The W-9 must be completed with an original signature by the vendor; only the vendor can verify their tax information. Forms filled out and signed by the Property Manager will not be accepted. Please send all completed "New Vendor Request" for suppliers directly to Accounting. W-9 forms for vendors performing services or high risk suppliers will be returned to Accounting as part of their Vendor Qualification Package.

Obtaining a W-9 form does not mean that the payee will receive a 1099. A vendor or service contractor will be issued a 1099 at year end if they: (1) are not incorporated, (2) have been paid more than \$600, and (3) the payment is considered income (i.e., security deposit refunds are not income). Having a signed W-9 form on file protects us against several exposures:

- The Company is required to file an information return with the IRS and must obtain the correct tax identification number ("TIN").
  - Use of the W-9 form certifies that the TIN is correct and correspondingly protects The Company.
  - If The Company does not receive a TIN or receives an incorrect TIN, we are required to take backup withholdings (at 20%) from the vendor until we receive a correct TIN.
- .5 Vendors performing services on the property and suppliers of chemicals or heavy equipment must be qualified through Accounting. The Property Manager will complete the "New Vendor Request" form and forward it to Accounting. The Property Manager will also send the vendor a Vendor Qualification Package (date sent is put on the New Vendor Request) to be completed by the Vendor.

The Vendor should not begin services until the Property Manager has forward the complete Vendor Qualification Package to Accounting, AND they have received notification from Accounting that all requirements have been met and the Vendor is approved.

The Vendor Qualification Package will include:

**REQUIRED**

1. New Vendor Request form.
2. Completed W-9 form.
3. Copy of Certificate of Insurance that meets our Minimum Insurance Requirements, including the Insurance Endorsement.
4. A signed Outside Service Contractor Requirements.
5. Bank and Client references.
6. Copy of licenses to perform services, including certifications for special hazardous waste material handling, if applicable.

**IF APPLICABLE**

1. Waiver of Subrogation - Workers' Compensation or Work Comp Exemption Form (A-WCE").
2. Contractor Information.
- .6 If you have an emergency situation and the vendor is not listed on our Approved Vendor/Service Contractor List, please ask the vendor if they can: (1) verbally verify insurance coverage, and (2) get a policy number or send a facsimile copy of their current insurance coverage. They may not meet our standard qualification package; however, it will give us some coverage if an accident should occur. Forward any information you receive to Accounting with a New Vendor Request form.  
NOTE: SHOULD YOU DECIDE TO USE THE VENDOR IN THE FUTURE, THEY MUST BE QUALIFIED. ONLY ONE (1) EXCEPTION!
- .7 The Property Manager will be notified when a vendor or supplier has been qualified. An Approved Vendor/ Service Contractor List will be sent out monthly. The Property Manager must review this list and send out an insurance renewal letter to everyone on the Approved Vendor/Service Contractor List sixty (60) days in advance of the expiration of their insurance. If a new Certificate of Insurance is not received within thirty (30) days of expiration, the vendor or supplier will be removed from the list.  
NOTE: CHECK YOUR UPDATED APPROVED VENDOR/SERVICE LIST EVERY MONTH!
- .8 The W-9 Form used for vendors and service contractors should not be used for Referrals or Deposit Refunds.

## **100-2221 Purchase Orders in OneSite**

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Recurring purchase orders are required to be set up for all contract services as well as all utility bills at each property. Utilizing these recurring purchase orders will assist in proper coding as well as making sure that no invoices are missed during the month. Below are step by step instructions on how to go through the set up process.

1. Navigate to Administration
2. Purchasing Set Up
3. Recurring Purchase Orders and select NEW
4. Type in vendor name and select appropriate vendor
5. Fill in fields – frequency (daily, weekly, monthly, quarterly, annually), start and end date, list name, add items to “order” (description, GL code, amount), save.
6. If contract service (advertising, landscaping), put in contracted price as purchase order price
7. If utility, put \$1 as amount and edit later.

**Recurring Invoices:**

- Advertising & Internet Ads
- Trash Removal
- Cleaning Contract (for office, clubhouse, common area)
- Answering Services
- Utility billing/ RUBS
- Contracted Services (landscaping, pest control)

Once all purchase orders are set up, you will have a slightly different method of entering the invoices that match the purchase orders vs. entering invoices without a purchase order. Below are the instructions that you will need to follow to connect the invoices to the purchase orders that were created.

1. Navigate to the purchasing tab, then invoices
2. Enter the vendor information and select the correct vendor
3. In the menu on the upper left side of the screen, select the first option "Match purchase orders to this invoice"
4. Select the purchase order that fits best and hit OK.
5. Continue to complete the invoice, edit information and pricing if needed and submit.

As you go through the month, purchase orders that have already been linked will show as closed on the purchase order tab in OneSite. Purchase orders that have not yet been linked will show as open. If all anticipated monthly invoices have been entered, you should not have any open purchase orders at the end of each month.

## **100-2220    Accounts Payables Overview**

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- .1 PM will send accounting their packages per the published schedule.
- .2 After invoices are keyed and approved electronically in One Site Purchasing they will transmit automatically to OneSite Accounting.
- .3 Accounting will review all invoices for accuracy of data including dates, invoice numbers, remit to address, descriptions, coding, vendor and amount etc. Per internal audit accounting cannot change the vendor or amount. If an error is found for the amount or vendor, these will need to be voided. AP will need to notify the manager of the error and have them correct and resubmit. The PM needs to continue sending copies of capital expenditure invoices to accounting for the replacement reserve draws.
- .4 Running Checks in OSA
  - A/P will obtain the cash requirements report with the approved amount for the check run. A/P selects invoices for check run. They will work with the PM if there is excess cash available to pay other vendors after the priority vendors are selected.
  - Accountants run the checks along with a file copy of check.
  - AP clerk matches checks. A check matching log is kept in which the AP clerk initials the properties they have matched.
  - Checks will be matched by AP against the paper invoice. During review check copies are placed in order by check number with the invoice(s) behind.

- After all checks are matched, AP will scan each property by check run date and save data in property AP folders. File name should be date (2011-01-15)-property name-check number range.
- Checks over \$10,000 requiring a second signature will be routed accordingly with all supporting check documentation.
- Banking transfers are completed by the accountants.
- Assistant controller reviews and approves transfers.
- The majority of invoices will be entered by the PM, even if received by AP or somewhere other than the property. The exception invoices which accounting enters are listed but not limited to:
  - Property Tax Invoices (for properties not impounded)
  - Personal Property Taxes
  - Property Insurance Premiums (for properties not impounded)
  - Property Management Fee
  - Rush items – when time is of the essence, A/P reserves the right to enter invoices directly in OSA.
  - Invoices that are to be split among multiple properties.

### **100-2225 Accounts Payable with OneSite Purchasing**

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- .1 The Invoice Voucher (“IV”), generated in OneSite, provides the Accounting Department with the information necessary to pay a vendor. The IV is the source document used by the A/P Bookkeeper for input into the computer. There are computerized coding slips provided for each property.
- .2 Submit original invoices only. Each invoice submitted to Corporate for payment must have a IV attached.
- .3 The backup invoices attached to each IV must be in the same order listed on the Invoice Ledger Report (check this).
- .4 Utility invoices require only the Property Manager initials and are forwarded to Accounts Payable immediately upon receipt. (Utilities immediately forwarded are: Electric, Gas, Water, Rubbish and Telephone.)
- .5 We do not pay Estimates, Work orders or Statements (exception: a vendor who uses the statement form for billing)
- .6 We do not pay Prior Balances unless confirmed unpaid and a copy of the invoice is submitted to Accounting.
- .7 We prefer not to pay Late Charges or Finance Charges on past due accounts. It is the Property Manager’s responsibility to make sure Invoices are being processed weekly to avoid any Late or Finance Charges.
- .8 Be sure to carefully look at each invoice and do not submit “credits” for payment. Credits should be processed as a Credit Memo to be applied towards another invoice.
- .9 All invoices with IVs must be completed accurately and properly approved before Accounting will process the invoice for payment.
- .10 The IV should be completed as follows:
  - Verify: Vendor is approved; Vendor number; that invoice is valid; and that the invoice is accurate (math, extension, etc.).
  - Select proper Vendor Name and enter correct Invoice Number; Date; GL Account Code Breakdown; and GL Account Allocation if applicable.



- Confirm that IV is accurate by comparing the “Invoice Amount” to the “Actual Invoice Total”.
- .11 The IV should be stapled behind the invoice. There should be one (1) IV for each invoice. Do not staple the IV on the remittance portion of an invoice.
- .12 The invoice, with IV, must be ink signed and approved by the Property Manager. Utility invoices will require a consolidated voucher, input into OneSite and forwarded to accounting.
- .13 Final approved invoices will be forwarded to Accounting for final processing and payment.

### **100-2226 Charge Accounts**

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- .1 A list of charge accounts, and authorized signer(s) must be maintained at the property with a copy given to the Regional Manager and President. Whenever there is a change, the list must be updated, with a copy sent to Regional Manager.
- .2 Applications must be completed by the Property Manager or the Regional Manager. A copy of the application should be maintained with the Charge Accounts list.
- .3 All applications for new accounts must be signed by either the Regional Manager or President.
- .4 Whenever there is a change in Personnel, or signer(s) a letter must be sent (faxed) within twenty-four (24) hours to the vendors, with a follow-up phone call within five (5) days.

### **100-2230 Petty Cash**

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- .1 The amount of each property’s Petty Cash Fund shall be approved by the Regional Manager and will generally approximate one (1) month’s requirements.
- .2 The use of Petty Cash is restricted to small amounts (generally less than \$50) for emergencies, and when payment by check is impractical. NO LABOR is to be paid from Petty Cash.
- .3 A Petty Cash voucher or note on a slip of paper must be completed and placed in the Petty Cash box to account for withdrawals until a receipt for the purchase is received.
- .4 All expenditures from Petty Cash must be supported by a receipt that shows the tender used was CASH.
- .5 Petty Cash must be stored in a secure location i.e., in an on-site safe or, if there is no safe, locked in the Property Manager's desk drawer. Only the Property and Assistant Manager may have keys.
- .6 The Property Manager is the Petty Cash Custodian, and responsible for the physical security of the Petty Cash and any non-reimbursed receipts.
- .7 The Property Manager shall reconcile and request reimbursement of Petty Cash at least monthly, and always included with the payables at the end of the month.
- .8 Upon termination or transfer of the Petty Cash Custodian, Petty Cash must be reconciled in the Custodian’s presence by his/her immediate Supervisor prior to the transfer or the issuance of the final paycheck.
- .9 The use of Petty Cash for anything other than Company business is not permitted.
- .10 Co-mingling of Petty Cash funds with cash receipts or any other funds is not permitted.
- .11 Organize the Petty Cash receipts in date order, with the oldest receipts first. Obtain a Petty Cash Voucher Envelope (available at an office supply store) and list all expenditures as they occur as follows:
  - From - Enter date of the oldest receipt, month, day and year.
  - To - Enter date of the newest receipt, month, day and year.
  - Date - Enter date of receipts, in chronological order, with the oldest receipts listed first.
  - No. - If vouchers are used, enter numerical sequence beginning with the first voucher.

- To Who Paid - Enter where expenditure was made.
  - For What - Enter nature of item(s) purchased.
  - Acct. - Enter the G/L account code.
  - Amount - Enter the amount of the receipt.
- .12 Add the total of the cash-on-hand to the Total Receipts. The result should equal the fund amount. If your fund has been temporarily increased, indicate the deduction required to return it to the original balance.
- .13 Complete a Petty Cash Fund Reimbursement Form and input the reimbursement request into OneSite as an Invoice payable to the Property Manager – Petty Cash and attach it to the Petty Cash Voucher Envelope.
- .14 Forward to accounting for payment

## **100-2235 Referrals**

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Referral Fee payments are made in accordance with the Schedule of Rent & Policy. A referral fee for an apartment rental may be paid to any person or entity, with the exception of employees and families of employees, that generates a new rental.

All resident referrals must be entered at the property level. You will need to forward the NVR - Resident Referral Sheet (attached) and signed W-9 to accounting to set up the payee as a "one-time vendor". Once done, enter the invoice just like any other A/P invoice. This will be approved in OneSite by the RM and their signature will not be needed on the invoice. Please use the attached Resident Referral Invoice going forward and use the invoice # format as noted on the form (RESREF-unit # of new resident) When sending paperwork, please include:

- 1) Resident Referral Approval Form (attached)-signed by PM
  - 2) Signed W-9 form
  - 3) Guest card or rental application
  - 4) Current resident ledger
  - 5) Signed OneSite sheet
- .1 Do not enter a credit or concession in OneSite for any resident referrals. Referrals are paid by check through our accounting department.
- .2 Obtain documents listed above and send paperwork to accounting.
- .3 Once "one-time vendor" is setup, enter the referral invoice into OneSite for approvals.
- .4 RM will approve if invoice is over budget and their signature will not be needed on the invoice as their electronic approval is sufficient.
- .5 Petty Cash can be used to purchase gift cards / certificates for use of payment of referral fees as approved Schedule of Rent and Policy defines. Proper support must be provided to accounting for reimbursement when using Petty Cash to purchase gift cards / certificates for referral fees. Required support includes a copy of receipt signed by payee (referring party), payer (site manager) and a 3<sup>rd</sup> party witness (other staff member) in the amount of the gift card / certificate. Additional required support to be sent to accounting includes a copy of the guest card and / or application to lease showing name of payee as referring party and a copy of the resident ledger for the new move-in. Please refer to the 100-2230 for more information on Petty Cash.

**\*\*NOTE:** Accounting also needs the resident ledger attached for the new move-in on all "outside leasing commissions" payable to all locator services, etc.

## 100-2300 Financial Statements

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Financial Statements are prepared monthly by the accounting department. Financial statements include the Operating Statement, Profit and Loss, Trailing 12, Balance Sheet, General Ledger, Check Register, Bank Reconciliations, and copies of various statements, such as the lender statements. The financial statements are completed every month within 15 days of month end and are delivered via electronic delivery to the President, Vice President, Regional Manager, and Property Manager, who are to review the financials in detail each month, prepare a cash flow analysis, complete monthly variance report and executive summary.

## 100-2310 Month End Procedures

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Month End Procedures are to guide site managers through the Accounting Month End (AME) process within OneSite to verify pre-close reports, close the accounting period, locate and save automatically generated reports, review and sign required reports, and advance to the new accounting period.

## 100-2311 Accounts Payable (A/P) at Month End

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Timing of input, approval, and transmission for sites using OneSite Purchasing is critical. All A/P entered into OneSite Purchasing current “open” period (current month) must be entered with enough time for it to transmit to your RM, who then must approve in time for it to transmit to Corporate **BEFORE** the Month End Closing process begins. When invoices are input into OneSite, the ‘READY’ invoices transmit at midnight, nightly. If the invoice is ‘PENDING’ approval, you must have your RM approve the invoice to a ‘READY’ status prior to midnight in order for the invoice to transmit.

Example of what will happen if the invoices are not approved and transmitted PRIOR to MONTH END:

- Monday: Site enters Bills (midnight the information is transmitted to the RM)
- Tuesday: RM is unable to approve invoices due to travel or other reasons.
- Wednesday: Month End Occurs
- Thursday: All Invoices that were input with a ‘PENDING’ or ‘READY’ status that didn’t transmit must be deleted and re-input into the new “open” accounting period because it was not transmitted to corporate by the RM PRIOR to month end closing process.

To avoid this, Properties must enter all their A/P for the current accounting period at least 4 days prior to the scheduled Month End Close date. Managers and RM’s must keep an eye on the calendar and communicate to each other when there are ‘PENDING’ invoices awaiting approvals and if more time is needed by the RM to approve the A/P before Month End Closing.

**Required Step:** At least a few business days before the Month End Process occurs, you must go into “Purchasing” tab, then into the “Invoices” tab and look at the status of any invoices listed here.

- If there are invoices with a status of “pending” (meaning ready for the RM to approve) then you need to make sure you communicate with your RM and make sure they approve the invoices PRIOR to the Month End Process.
- If there are invoices with a “ready” status (meaning APV has approved – but the invoice has not transmitted to Corporate yet), then you must wait until the invoices transmit that evening to complete your Month End Process. If this delay causes problems with our accounting

department, you may be notified and required to 'void' the invoices that have not transmitted in order to complete Month End and re-input them once the new accounting period begins.

- If the status is "transmitted" then your invoices have processed and you are ready to complete the Month End Process

Not only do you have to forward your PROPERTY DATE to the new accounting period, but you must also advance the PURCHASING DATE to the new accounting period as well. If Month End is complete and the PURCHASING DATE isn't forwarded to the new accounting period, and invoices are posted to the prior closed period, then those invoices will have to be voided and re-input into the NEW accounting period once the PURCHASING DATE has been advanced into the new period.

## 100-2312 Month End Procedure – Pre Close Process

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**Be aware that before you complete this process in preparation for your actual close, you need to have completed all of your daily activity for the month. Otherwise, the reports that you generate following the process will not accurately reflect your closing numbers.**

### .1 Complete the following Tasks prior to Closing the Period

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- All monies are posted
- All move-ins are completed
- All move-outs are completed
- All lease renewals are posted
- All rent changes have been entered
- All resident balances have been reviewed for accuracy
- All work orders and make readies have been completed

### .2 Complete the Pre-Close Process in OneSite

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Complete the Pre-Close process a day or two before your month-end so that you have time to correct any errors that you discover. You can complete this process at any time during the month as often as you want in order to review your numbers. After this process is completed, the income numbers including Vacancy Loss, Gain and Loss to Lease are transmitted to OneSite Accounting after the property date is forwarded so the data can be reviewed on the financials during the month.

- Click the '**Administration**' tab
- Click '**Other**' in the *Leasing & Rents* section of the page.
- Select '**Month-end processing**'.
- Click the '**Pre-close Period**' button

The Pre-Close process is a scheduled task that will automatically generate the pre-close reports once the date is forwarded to the fiscal month end. Click the 'Report, SDE & Tasks' tab, scroll down to 'Home Office Groups' and click Pre-Close Reports. Once the reports are processed, they will appear in the Previous Groups Instances section of the screen. If they do not show up, you will need to manually generate and print the following reports:

- Monthly Transaction Summary
- Transaction Summary by Unit
- Resident Summary Balances
- Bank Deposit Summary

.3 Comparing Pre-Close Reports

Use the totals on these reports to make sure that your closing numbers match.

- **Monthly Transaction Summary:** This report summarizes the month-to-date and year-to-date accounting activity. It provides an accrual journal entry with delinquent and prepaid detail needed to post to the G/L in modified accrual/cash format. It also provides a collection recap that reconciles gross scheduled rent to cash receipts.
- **Transaction Summary by Unit:** This report details the beginning balance, charges, payments and credits, and deposits for each unit.
- **Resident Summary Balances:** This report shows beginning balances, charges, credits, deposit activity, and ending balance information for all residents for any range of dates.
- **Bank Deposit Summary:** This report shows, by deposit number, cash receipts on account, NSF replacement information, and deposits received for the month.
- 

Reports to Compare	Data to Compare
<b>Monthly Transaction Summary</b> and the <b>Bank Deposit Summary</b>	The total monthly collections on the last page of the <b>Monthly Transaction Summary</b> report should match the net bank deposit on the last page of the <b>Bank Deposit Summary</b> report. (Click report names to see the examples)
<b>Transaction Summary by Unit</b> and the <b>Monthly Transaction Summary</b>	The total LTOL/GTOL from the last page of the <b>Transaction Summary by Unit</b> report should match the sum of the gain and loss to lease on the <b>Monthly Transaction Summary</b> report. The sum includes GTOL and LTOL under 'Monthly Rental Potential Computation' and 'Less Adjustments' section and Total Vacancy Loss on the last page of the <b>Transaction Summary by Unit</b> report should match the sum of all vacancy loss totals on the last page of the <b>Monthly Transaction Summary</b> report. (Click report names for examples)
<b>Monthly Transaction Summary</b> and the <b>Resident Summary Balances</b>	The prepaid portion/delinquent portion at end of the prior period on the <b>Resident Summary Balances</b> report should match the past due/prepaid portion at the end of the prior month on the <b>Monthly Transaction Summary</b> report. And the prepaid portion/delinquent portion at end of the current period on the <b>Resident Summary Balances</b> report should match the past due/prepaid portion at end of current month on the <b>Monthly Transaction Summary</b> report. (Click report names for examples)

If your reports do not match, you must contact your Regional Manager and / or RealPage Support to assist in correcting the discrepancies prior to closing the period. Once you make the corrections, run the above reports once again and compare them. Once you have verified your totals match, then you can proceed to close the period.

.4 920 and 925 Bank Batches

Generate a Bank Deposit Detail report in OneSite selecting batch 920 and 925 for current accounting period.

Review the 920 and 925 bank batches for any adjustment made during the period. If the batch doesn't balance to zero, review and correct prior to running month end.

## 100-2313 - Month End Procedure – Closing the month after pre close

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### .1 Closing the A/R Fiscal Period

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When on the last day of the accounting period, Advance property date page to close the A/R period and advance to the new accounting period. At this time, a Close period link takes the place of the Advance button. Closing the period involves the following steps and can take several hours. During the Close process, no regular activities, other than running reports, are possible. The property becomes 'Locked'. You must make sure all transactions, move-ins, move-outs, renewing leases, etc. are completed before you begin.

Click the 'Close Period' button / link; confirm you are ready to close the period by clicking Close Period again.

Click the 'Send Warning' if other users are still logged in and need to sign out.

Click the 'Lock' button to lock the period and begin processing the month.

Click the 'Close Period' button / link once again.

If other users are signed in, click the 'Send Warning' button to notify them to log out of the system.

During the close process, OneSite calculates vacancy loss and gain/loss to lease transactions.

### .2 Month End Reports are Automatically Generated - Review

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**IMPORTANT: MONTH-END REPORTS AUTOMATICALLY GENERATE AFTER YOU CLOSE THE PERIOD, BEFORE ADVANCING THE DATE TO THE NEXT NEW ACCOUNTING PERIOD. MANAGERS ARE RESPONSIBLE TO VERIFY THAT ALL MONTH-END REPORTS HAVE GENERATED AND HAVE BEEN SAVED AS .PDF TO THE COMPUTER BEFORE ADVANCING INTO THE NEW ACCOUNTING PERIOD.**

OneSite is set up to automatically run the required Accounting Month End (AME) Reports once the period is closed, however, it is the responsibility of the property manager to ensure such reports have been generated and saved as .PDF prior to forwarding the date into a new accounting period.

The following is a list of the required AME reports that must to be generated, printed and verified during the 'Locked' period, before advancing to the new period:

- **All Units Report:** A detailed listing of the units by floor plan, this report includes financial information by floor plan as well as occupant information and make ready status. The report also reflects occupancy, exposure, rental rate statistics, as well as statistical information by floor plan.
- **Rent Roll Detail:** This detailed format of the rent roll provides a list of units with floor plan, square feet, status, resident name, move-in/move-out dates, lease dates, market rent, and transactions in scheduled billing for the unit along with deposits on hand and a ledger balance.
- **Monthly Activity Summary:** The Monthly Activity Summary provides occupancy (move-ins, renewals, etc.) and accounting (charges, payments/credits) for specific date range.
- **Monthly Income Summary:** The Monthly Income Summary is a cash report that reflects income by G/L code. It breaks down the income by bank deposit amount, NSF's, net bank deposits and billing and credits.

- **Monthly Transaction Summary:** This report summarizes the MTD and YTD accounting activity. It provides an accrual journal entry with the delinquent and prepaid details needed to post the G/L in a modified accrual/cash format. It also provides a collection recap reconciling gross scheduled rent to cash receipts.
- **Bank Deposit Summary with NSF Totals:** The *Bank Deposit Summary* report lists all bank deposits. It provides a cumulative total as bank deposits are posted and provides NSF activity for payments and deposits for the period. Property Managers review this report monthly and compare the total Bank Deposits for the current month to the prior month. Provide a copy of prior month and current month Bank Deposit Summary. Any difference in collections  $\pm$  5% requires a written explanation. Example, if last month's total bank deposits were \$200,000 and these months are \$190,000 then there is an unfavorable change of 5% in total deposits. Since this difference is  $\geq$  5% a written explanation is required. On the last page of the current month Bank Deposit Summary, write the amount of the former month bank deposit total and an explanation for the difference. To calculate the percentage change, divide current month into prior month bank deposits and subtract by 1.  $(\$190,000 / \$200,000) - 1 = .05$  or 5% change. (see attached 'Bank Deposit Summary – Sample with Explanations' for an example on how to show the change in total deposits from prior month to current month with written explanation)
- **Resident Deposit Activity:** This report reflects all deposits that have been received and disbursed, by resident. It shows deposits on hand and reports any variances to the deposit required for each unit.
- **Resident Deposit Audit:** Resident Deposit Audit report displays Unit, Name, Status, Move Out Date, Total Deposit Required, Unit Deposit, Pet Deposit, and Other Deposits on hand and variance.
- **Resident Summary Balances:** The *Resident Summary Balances* report reflects beginning balances, charges, credits, deposit activity, and ending balances for the date range selected. This report can be filtered by Status, but to use it as a control report you should run it with the pre-programmed default. This is an excellent audit report to balance resident balances from one month to the next.
- **Delinquent and Prepaid:** The *Delinquent and Prepaid* report lists residents with delinquent and/or prepaid balances as of the report date (the current property date).
- **Transaction Summary by Unit:** This report displays a detail of all transactions by the unit they were posted to. Each line of the report shows a unit, its beginning and ending balances, and the transactions for the period in a summarized form. This is another excellent audit report to use when auditing site performance.
- **Transaction Detail by Code:** The Transaction Detail by Code report shows a breakdown of transactions grouped together by transaction code. It also reflects the bank deposit number to which each transaction was posted along with the date and amount, and includes totals by code.
- **Cash Basis G/L Distribution:** Cash Basis G/L Distribution report allows cash basis accounting method users to see cash application details for the period.
- **Boxscore:** This report shows floor plan statistics, availability/exposure, make ready status, leases, transfers, cancelled/denied information, move ins, move outs, notices, and vacancy information for the last seven days

- **Resident Activity:** Lists, for a range of dates, activity such as move-ins, transfers, move-outs, cancellations, etc.
- **Concessions:** Lists all onetime and recurring concessions. Properties with YieldStar should not be giving concessions.
- **Lease Expiration Detail:** Shows leases expiring for a month or range of months. It includes pertinent information to aid the renewal process, such as unit number, phone number, and email address. It also includes expected move out date (if any), the number of times the resident has paid late or paid with NSF's, date of the last increase and amount, market and lease rent along with any other charges and a total. This report also reflects the total number of leases expiring in each month.
- **Charge and Adjustment Journal:** This report reflects manual transactions and manual adjustments within the selected period of time. It also reflects any adjustments to RENT and all other charges. This report includes a summary by transaction code. Property Managers review this report monthly in detail, line by line, and will provide explanations in a separate excel template file for all ADJUSTMENTS to the RENT charge code. Generate this report in excel and note your explanations in Column Z for ALL reversals of charges and negative charge amounts. All adjustments require a reasonable explanation. These explanations must be completed by the Property Manager who must approve all adjustments to charges. Any unauthorized adjustments or excess of adjustments in any one accounting period may result in disciplinary action. (see attached 'Charge Adjustment Journal Example' to see how to add comments to Column Z after generating the report in Excel. This report must accompany the .PDF version that is auto generated at Month End and must match)
- **How Payments and Credits Were Applied:** A cash basis accounting recap by fiscal period, showing the transaction codes to which payments/credits have been applied.

### .3 How to Locate, save, and Print the Automatically Generated AME Reports

These reports are set up to automatically to generate once the accounting period is closed. To access these reports, click the 'Reports, SDE & Tasks' tab and scroll down to Home Office Reports. Select the 'AME...' group and the processed reports will be listed under the section 'Previous Group Instances'. Print the reports. If the report did not generate, you will need to manually generate and print them.

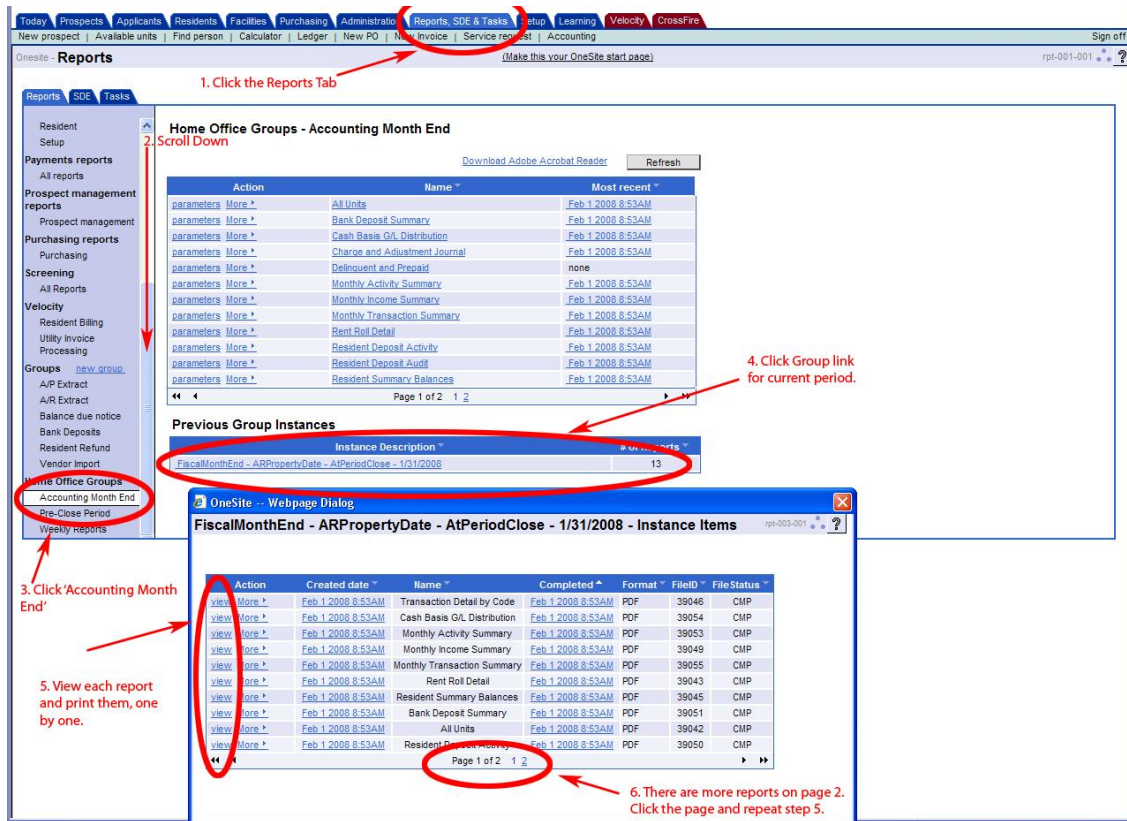
If any errors or additional entries need to be made before you move into a new accounting period, you have the option to 'Reopen period'. By clicking this button, the property becomes unlocked and reversed all vacancy transactions and loss or gain to lease transactions that were created when you 'Closed' the period. You can now make corrections, add missing transactions, etc. Once all corrections and entries are made, return to the 'Advance property date' page and click 'Close period' to re-run the closing process again. If this step is done, all reports will need to be regenerated, printed and verified again for accuracy.

To save and print your Accounting Month End reports after you 'close' your period and before you move to the new accounting period, follow these steps:

1. Click the Reports Tab
2. Scroll down to the Home Office Groups
3. Click 'Accounting Month End' group
4. Under Previous Group Instances, look at the dates to select the current group and click the current 'FiscalMonthEnd'.
5. View each report and SAVE them to your computer's hard drive to later email to accounting and print the last page of each report for manager's signature.



6. Note that the reports go through 2 pages.



**If any of the reports are missing or didn't generate, then manually generate and print the report before moving forward to the new accounting period.**

4 Email reports to accounting per the schedule below

Each property must save all reports to their computer in a .PDF format. To do so, [follow steps in prior section to locate and save the files](#). Once you have all the reports saved to your computer, create an email, attach the reports, and send them to the accountant associated to your property.

5 Reports to be Printed, Reviewed, Signed and sent to Accounting

The property manager is required to review, in detail, **and sign the summary / totals page(s)** of each of these reports prior to being forwarded to the Accounting Department.

In an effort to save paper, electronic signature is acceptable, or only print the summary page(s) to be signed by manager and sent to the corporate office, not the entire report. Often, the summary information is on the last page and may be on more than one page, so be sure to print all summary pages. Below are the listed steps that must be completed for each report prior to sending to accounting.

The following reports must be signed by the **Property Manager** prior to sending to corporate and reviewed by the **Regional Manager**:

**Charge and Adjustment Journal** – The summary page(s) must be must be signed by the Property Manager and reviewed by the Regional Manager.

**Transaction Summary By Unit** – Review Promo/Concession, Write-Offs, and Misc. Credit columns for each resident. Verify all entries are correct and the summary page(s) must be signed by the Property Manager and reviewed by the Regional Manager.

**Concession Report** – The summary page(s) must be must be signed by the Property Manager and reviewed by the Regional Manager.

**The following reports must be reviewed and summary pages must be signed by the [Property Manager](#) prior to sending to corporate:**

**All Units Report** – Must be reviewed and the summary page(s) must be signed by the Property Manager.

**Rent Roll Detail** – Must be reviewed and signed by the Property Manager.

**Monthly Income Summary** - Must be reviewed and the summary page(s) must be signed by the Property Manager.

**Monthly Transaction Summary** – Verify Delinquent and Prepaid amounts from the prior AME match the totals of this current report. This report is where Accounting pulls ALL the data for the Financial Statements. Every line item must be reviewed in detail. Review all income categories. If your property doesn't charge for parking and you show parking income there is something that needs to be corrected. The summary page(s) must be signed by the Property Manager.

**Bank Deposit Summary with NSF Totals** – Verify each Deposit Batch to your Bank Deposit Receipts. If there is a discrepancy – note it next to the batch line item. If you have correcting batches, you must provide support for each one. Verify that all NSF's have been entered and the summary page(s) must be signed by the Property Manager.

**Resident Deposit Activity** – Verify that all FAS's have been completed for all Move-outs for the period you are closing. Review the Deposit Out column to verify all move outs have been processed. The summary page(s) must be signed by the Property Manager.

**Resident Deposit Audit** - Must be reviewed and the summary page(s) must be signed by the Property Manager.

**Resident Summary Balances** - Must be reviewed and the summary page(s) must be signed by the Property Manager.

**Delinquent and Prepaid** – Input comments into Onesite regarding anyone with a balance due over \$50, Property Manager needs to sign.

**Transaction Detail** – Property Manager needs to verify and initial that all Employee Rent Discounts / Employee Free Rent are properly input. Employees who receive any discount must be reflected in OneSite using 'EMPLCRED' code. Verify that amounts are correct. The summary page(s) must be signed by the Property Manager.

**Cash Basis G/L Distribution** - Must be reviewed and the summary page(s) must be signed by the Property Manager.

**How Payments and Credits Were Applied** – Must be reviewed and the summary page(s) must be signed by the Property Manager.

Once all reports have been reviewed and signed by the Property Manager, the original signed summary page(s) need sent to corporate accounting within 1 day of closing the period. Download and save all Accounting Month End reports, scan copies with manager signatures and save them to the Manager computer. These records are to be kept at the property for a period of three (3) years.

**Properties with YieldStar must also print the following reports, write explanations for all variances and send the report to their Regional Manager and Revenue Manager.**

**Lease Compliance Report (New Leases)** – Date range is to be from the 1<sup>st</sup> of the month to the last day of the month for the accounting period being closed. Review variance column and make note explaining why there are variances, then forward to the RM and Revenue Manager for review.

**Lease Compliance Report (Renewals)** - Date range is to be from the 1<sup>st</sup> of the month to the last day of the month for the accounting period being closed. Review variance column and make note explaining why there are variances, then forward to the RM and Revenue Manager for review.

#### .6 Advance the Property Date to the New Period

The property will remain locked until the property date is advanced. When everything is complete, all reports have been printed and verified, then you are ready to Advance to the New Period.

Click the '**Advance**' button on the Advance Property Date page.

OneSite will ask to confirm that you are ready to move into a new accounting period. Once you forward into the new period, the property will become unlocked and is ready for normal use.

#### .7 Post Scheduled Billing

To charge the monthly scheduled billing after the property date is advanced to the 1<sup>st</sup> of the month, go to the 'Administration' tab, Leasing and Rents, Other, Post Scheduled Billing.

Click 'Preview' to generate a pre-bill report. Print the report and review for accuracy. Any resident that doesn't show a schedule billing needs corrected. To verify scheduled billing, go to 'Resident' tab, view resident and review scheduled billing from the summary tab. Make necessary corrections to the scheduled billing.

After corrections are made, return to 'Post Scheduled Billing' screen, preview and 'Post' scheduled billing.

**IF YOU HAVE ANY QUESTIONS REGARDING THE MONTH END PROCESS, PLEASE CONTACT YOUR REGIONAL MANAGER FOR ASSISTANCE.**

### **100-2315 Fiscal Reports**

- .1 See Administration & Management Section: Management for a description of Fiscal Management and Reports.
- .2 Accounting is responsible for reviewing the property's Accounting Month End (AME) reports and completing the journal entry to record revenues and cash collected by the Property. The review includes:
  - Review of all Deposit Batches, verifying amounts and whether cash was deposited
  - Review of NSF's and Security Deposit Dispositions
  - Review of Delinquencies
- .3 All bank accounts are reconciled monthly by the tenth (10<sup>th</sup>) of the month

- .4 Monthly Reports prepared by the fifteenth (15<sup>th</sup>) of each month by Corporate include
  - Detailed Balance Sheet - financial picture of Assets and Liabilities as of the end of the month.
  - Budget versus Actual Variance Report - a comparison of the monthly and year-to-date operating results versus the budget.
  - Income Statement by Period - a listing of operating results by month.
  - Year over Year - Budget versus Actual - similar to the "Variance Report", however adds a comparison of prior years' month and year-to-date results.
- .5 The Property Manager is responsible for filing the Monthly Reports in their Financial Binder by month.