



Overview

The commercial lease contains information on five functional areas - CPI Rent Increases, CAM (Common Area Maintenance), Escalation, Overage, and Estimated charges. It is found as a Button in the Tenant Profile. The actual charges are posted using the Scheduled Commercial Charges function in AR.

The CPI (Consumer Price Index) is used to implement rent changes based on an index such as the Consumer Price Index.

CAM and Escalation charges are based on a percentage which can be taken from the square footage entered in the Unit Profile, a CAM percentage entered in the Unit Profile, or a fixed percentage entered in the Commercial Lease.

CAM, Escalation and Overage charges use an Account List. An Account List is a list you create of the accounts you want considered when determining the charges. All transactions in the owner ledger with accounts on the account list and falling within the time period selected will be considered when calculating a Source Amount to use in determining the CAM, Escalation or Overage charges. Account Lists are created in Setup, Account Lists.

Once this Source Amount is arrived at, the specific calculations for each charge begin. See the function information for the fields and formulas specific to the CAM, Escalation and Overage charges. Several fields are the same for each - see CAM, Escalation and Overage Charge fields.

The charge is prorated for day of occupancy based on the Move-in Date in the Tenant Profile.

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Account List

An account list is a list you create of all the account codes you want considered when determining the CAM, Escalation or Overage charges. It may consist of one account code or many. All transactions in the owner ledger with accounts on the account list and falling within the time period selected will be considered when calculating a Source Amount to use in determining the CAM, Escalation or Overage charges.

Account Lists are created in Setup, Account Lists.

Find Account List	
Search for <input type="text"/>	<input checked="" type="radio"/> Sort by ID <input type="radio"/> Sort by Name
ID	Name
CAM	CAM
ESCAL	Escalation
ROOF	Roof
TRASH	Trash
WATER	water

CAM [Account List]	
ID	CAM
Account	CLEAN: Cleaning
Account	UTILITIES: Utilities
Account	TRASH: Trash Removal
Account	MAINT: Maintenance
Account	INSURANCE: Insurance
Account	MF EXPENSE: Management Fee
Account	TAX: RE Taxes
Account	ASPHALT: Asphalt

Escalation [Account List]	
ID	ESCAL
Account	TAX: RE Taxes

CAM Profile in Tenant Profile

Commercial Lease

Unit: 436 Fairway Drive Square Feet: 2,250 Rent: \$1,125.00

Charge: CAM: CAM

Memo:

Schedule: Annual Reconcile Adjust to 100% for Vacancy Loss Adjust with CPI Increase Waive Charge

Percent Type: Fixed Percentage: 8.74

Next Scheduled: 7/31/2018 Stop:

Schedule Expires: Cap:

Account List: CAM: CAM

Escalation Profile in Tenant Profile

Commercial Lease

Unit: 212 Main Street Square Feet: Rent: \$950.00

Charge: ESCAL: Escalation Base: \$1,000.00

Percent Type: Fixed Percentage: 2.5 Cap: \$250.00

Charge:

Memo:

Schedule: Monthly Reconcile Adjust to 100% for Vacancy Loss Adjust with CPI Increase Waive Charge

Percent Type: Fixed Percentage:

Next Scheduled: 8/1/2018 Base:

Schedule Expires: Cap:

Account List:

Overage Profile in Tenant Profile

Commercial Lease

Unit: Willow Brooke Unit 203 Square Feet: 1,200 Rent: \$1,150.00

Charge: CAM: CAM

Memo:

Schedule: Quarterly Reconcile Adjust with CPI Increase Waive Charge

Percent Type: Fixed Percentage:

Next Scheduled: 4/1/2018 Base:

Schedule Expires: Cap:

Account List: CAM: CAM

Break Point	Percentage
First	50
Second	25
Third	100
Fourth	
Fifth	

CAM, Escalation, Overage Charge Fields

Charge

From the Find List select the account to use on the charge transaction when it is posted.

Memo

Enter any memo you want attached to the charge transaction.

Schedule

Select the schedule from the Find List.

Next Scheduled

Use this date field to enter the date of the next scheduled charge. If a date in the future is chosen, no charge will be posted until that date is on or before the Scheduled Through date when the charges are compiled. When a charge is posted, the date will be changed to the next scheduled charge date, based on the schedule.

Example: If the Next Scheduled date is March 15 before the charges are posted, and the Schedule is quarterly, then the Next Scheduled date after posting will be June 15.

Schedule Expires

Use this date field to enter the date the schedule expires. No charge will be posted after this date.

Account List

This is a list you create of the accounts you want considered when calculating the charges. All transactions in the owner ledger with accounts on the account list will be considered when calculating a Source Amount to begin with for the CAM, Escalation or Overage charge calculations. Select from the Find List of Account Lists created in Setup.

Percent Type / Percentage

Select the Percent Type from the Find List. If you select Square Feet or CAM, the protected Percentage field will be filled in from the information in the Unit Profile. If you select Fixed, the Percentage field will be unprotected so you can enter a percentage.

Reconcile

This check box has to do with Estimated Charges.

If checked, the charge will be reconciled against any estimated charges that have been posted in the period preceding the Next Scheduled date. If estimated charges are found, the amount charged (or refunded) will be the calculated charge minus the sum of all estimated charges that were posted since the previous scheduled date.

Dates used for Account Lists and Reconciliation

The system uses the date range from the day after the previously scheduled date to the current Next Scheduled date. For example, if the charge is a quarterly charge next scheduled for April 11, the date range for the account list and reconciling is January 12 to April 11.

CPI Rent Increase Profile

This function is used to implement rent changes based on an index such as the Consumer Price Index. The basic information used to compute the rent change is entered in this profile. The rent change itself is calculated during the Scheduled Commercial Charges, CPI Rent Increase function.

The screenshot shows a software interface for a 'Commercial Lease' with a sidebar on the left containing menu items: Profile Search, Dashboard, Internet Publishing, Profile (highlighted), AP, AR, GL, Maintenance, Reports, and Mailings. The main form area has a header with 'Unit 2118 Oak Street', 'Square Feet', and 'Rent \$980.00'. Below this, the 'CPI Increases' section includes fields for Schedule (Annual), Next Scheduled (4/1/2018), Schedule Expires, Index Abbreviation (CPI), Initial CPI (211.8), and Initial Rent (\$980.00). There is a checked checkbox for 'Reset CPI and Rent After Each Increase', a 'Percentage of CPI Increase' field (50), and a 'Round to Nearest' field (1). An unchecked checkbox 'Apply Increase to Commercial Charges' is at the bottom. The 'CPI Rent Increases' section on the right has fields for Minimum Increase (%) and Maximum Increase (%) in both percentage and dollar amounts, and a 'Per Square Foot' checkbox. A footer bar shows navigation tabs: 1. CPI Rent Increases (selected), 2. CAM, 3. Escalation, 4. Overage, 5. Estimated.

Schedule

Choose the schedule from the Find List.

Next Scheduled

Use this date field to enter the date of the next scheduled charge. If a date in the future is chosen, no charge will be posted until that date is within the Scheduled Through date when the charges are compiled. When a charge is posted, the date will be changed to the next scheduled charge date, based on the schedule.

Example: If the Next Scheduled date is March 15 before the charges are posted, and the Schedule is semi-annual, then the Next Scheduled date after posting will be Sept 15.

Schedule Expires

Use this date field to enter the date the schedule expires. No charge will be posted after this date.

Index Abbreviation

You can enter a code of up to 10 characters to identify the index. This is not required unless you will be creating more than one index.

Initial CPI

Enter the value of the CPI when the lease started.

Initial Rent

Enter the rent amount that corresponds with the Initial CPI above.

Reset CPI and Rent after each Increase

- If this box is checked, the Initial CPI and Initial Rent amounts are updated after each scheduled CPI is posted. The new Initial Amounts will be used the next time there is a CPI rent increase. This may affect the rent amount after several scheduled CPI increases are implemented due to rounding.
- If this box is unchecked, new increases are always calculated from the Initial amounts so no rounding discrepancies will occur.
- The minimum and maximum amounts are applied to the Initial CPI and Initial Rent fields. That means that if those amounts or percentages must be applied to each new rent or CPI amount, you must reset after each increase. For example, if the lease has a maximum amount or percentage increase per year, you would have to reset after each increase to be able to compute that maximum.

Percentage of CPI Increase

Enter here the percent of the CPI increase amount that you want to apply to the rent.

Round to Nearest

Enter the dollar amount to which you want to round the new rent amount.

Apply Increase to Commercial Charges

If this box is checked and the related box (Adjust with CPI Increase) in the CAM, Escalation or Overage Charge page is checked:

The calculated percentage increase, before minimums and maximums are considered, will be applied

- to the Stop and Cap in the CAM Charges
- to the Base and Cap in the Escalation Charges
- to the Breakpoints in the Overage Charges

If you do not wish to apply the CPI percentage increase to those charges, leave this box unchecked.

CPI Example:

CPI Profile

Initial CPI - 211.8
Initial Rent - \$980
Percentage of CPI Increase - 50%
Round to - \$1

On Scheduled Charges page

New CPI - 250

Calculations

% CPI Change - 18.0359

formula: $((\text{New CPI} / \text{Old CPI}) - \text{Round To amount}) \times 100$

calculations: $((250 / 218.8) - 1) \times 100$

% Rent Change - 9.0179

formula: $\% \text{ CPI Increase} \times \% \text{ CPI Change}$

calculations: $(50\% \times 18.0359)$

Initial Rent - 980

Rent Change - 88.38

formula: $\% \text{ Rent Change} \times \text{Initial Rent}$

calculations: (9.0179×980)

CPI Rent - 1,068.38

formula: $\text{Initial Rent} + \text{Rent Change}$

calculations: $(980 + 88.38)$

Round to - \$1

New Rent - \$1,068

Rodriguez - CPI CAM Est [Tenant] Scheduled Commercial Charges

CAM Charges
 Escalation Charges
 Overage Charges
 Estimated Charges
 CPI Rent Increases

Scheduled Through: 4/1/2018

Limit to Schedule: [Dropdown]

Restrict to: [Dropdown] [Dropdown]

CPI Index Name: CPI

New Index Value: 250

CPI Rent Increases

Date	Tenant	Schedule	New Rent Amount	
4/1/2018	ROD: Rodriguez - CPI CAM Est	Monthly Rent	\$1,068.00	<input type="checkbox"/> Skip
Unit: OAK2118: 2118 Oak Street				
Current CPI	211.8	Initial Rent	\$980.00	Minimum Rent
New CPI	250	Rent Change	\$88.38	Maximum Rent
% CPI Change	18.0359	CPI Rent	\$1,068.38	
% Rent Change	9.0179	Round To	\$1.00	New Rent
				\$1,068.00

[All Rent Changes](#) / [Selected Increases](#) / [Selected Decreases](#) / [Skipped Rent Changes](#)

CPI Rent Increase

April 27, 2018

Posting Date	Charge	Rent Change	Rent	Skipped
2118 Oak Street				
Rodriguez - CPI CAM Est				
4/1/2018	Rent	\$88.38	\$1,068.00	
Schedule				
Monthly	Current CPI	New CPI	Percent CPI Change	Percent Rent Change
	211.8	250	18.0359	9.0179
Initial Rent				
	Rent Change	Round To	CPI Rent	
	\$88.38	\$1.00	\$1,068.38	

CAM Charge Profile

The CAM (Common Area Maintenance) allows you to pass through to the tenant a percentage of overhead charges incurred by the property. You can enter as many CAM charges as you want, and each can use a different charge ID and a different percentage.

The CAM amount is arrived at in the following way:

- A percent of the Source Amount is calculated using the % in the CAM profile.
- Any amount entered in the Stop field is subtracted from this figure
- If that amount exceeds the Cap the amount is reduced to the Cap figure

Example 1:

You receive bills over the course of 3 months for \$3217.32 for roofing which is to be passed on to the tenants. Invoices were paid out of the owner's ledger.

CAM Profile

CAM % - 2.5

Stop - 10

Cap - 50

Schedule - Quarterly

Charge ID - CAM

Account List - contains the account Roofing

Scheduled Charges, CAM calculations

Source Amount - 3217.32

total of Roofing account in owner's ledger for past 3 months

CAM % - 2.5

Pro-rated Share - 80.433

formula: Source Amount x CAM %

calculations: 2.5% x 3217.32

Stop - 10

Cap - 50

Charge Amount - 70.4333

formula: pro-rated share - Stop

calculations: 80.4333 - 10

Cap - 50

Net Charge - 50

Charge Amount is more than Cap, so Cap will be charged

A CAM charge is posted to the tenant for \$50 and the Next Scheduled date in the CAM profile is advanced 3 months.

Commercial Lease

Unit: 327 Cedar Lane Square Feet: Rent: \$690.00

Charge: ROOF: Roof/Gutters/Chimney

Memo: Percent Type: Fixed

Schedule: Quarterly Reconcile Percentage: 2.5

Next Scheduled: 4/1/2018 Adjust to 100% for Vacancy Loss Stop: \$10.00

Schedule Expires: Adjust with CPI Increase Cap: \$50.00

Account List: ROOF: Roof Waive Charge

1. CPI Rent Increases / 2. CAM / 3. Escalation / 4. Overage / 5. Estimated

CAM Charges

Tenant	Source Amount	Charge (Refund) Amount	
2018 ROSEMAN: Rita Roseman cam	\$3,217.32	\$50.00	<input type="checkbox"/> Skip
Unit: CEDAR327: 327 Cedar Lane			
Charge: Roof/Gutters/Chimney		Prorated Stop: \$10.00	
Source Amount: \$3,217.32	Days: 90 / 90	Prorated Cap: \$50.00	
Percentage: 2.5	% Days: 100	Net Charge: \$50.00	
Stop: \$10.00	% Distributed:	Reconciled:	
Cap: \$50.00	Adjusted %: 2.5	Total Charge: \$50.00	

Help Post Report Cancel

All Charges / Selected Charges / Selected Refunds / Selected Zero Charges / Skipped Charges

CAM Charges
April 27, 2018

Harrison S. Golden

Post Date	Charge	Source Amount	Net Charge	Previously Charged	Reconciled Charge	Reconciled Refund	
327 Cedar Lane							
Rita Roseman cam							
4/1/2018	Roof/Gutters/Chimney	\$3,217.32	\$50.00	\$0.00	\$50.00		
Percentage	Stop	Cap	Days	% Days	Prorated Stop	Prorated Cap	Actual Charge
2.5	\$10.00	\$50.00	90 / 90	100	\$10.00	\$50.00	\$50.00

Reconcile

If you clicked Reconcile in the CAM profile and you have charged the tenant \$20 over the past three months either through the Estimated Charges function or the Charge Tenant and marked it an estimated charge, then:

Reconciled - 20

Total Charge - 30

Calculation: 50 - 20

A CAM charge is posted to the tenant for \$30 and the Next Scheduled date in the CAM profile is advanced 3 months.

The screenshot shows the 'CAM Charges' window with a sidebar on the left containing navigation options: Profile Search, Dashboard, Internet Publishing, Profiles, AP, AR, GL, Maintenance, Reports, and Mailings. The main area displays a table with columns: Date, Tenant, Source Amount, and Charge (Refund) Amount. The first row shows a charge on 4/1/2018 for tenant 'ROSEMAN: Rita Roseman cam' with a source amount of \$3,217.32 and a charge amount of \$30.00. Below this, a detailed breakdown is shown for the charge 'Roof/Gutters/Chimney' with a unit 'CEDAR327: 327 Cedar Lane'. The breakdown includes: Source Amount (\$3,217.32), Days (90 / 90), Percentage (2.5), Stop (\$10.00), Cap (\$50.00), Prorated Stop (\$10.00), Prorated Cap (\$50.00), Net Charge (\$50.00), Reconciled (\$20.00), and Total Charge (\$30.00). At the bottom, there are buttons for 'Help', 'Post', 'Report', and 'Cancel', and a breadcrumb trail: 'All Charges / Selected Charges / Selected Refunds / Selected Zero Charges / Skipped Charges /'.

CAM Charges									
April 27, 2018									
Harrison S. Golden									
Post Date	Charge	Source Amount	Net Charge	Previously Charged	Reconciled Charge	Reconciled Refund			
327 Cedar Lane									
Rita Roseman cam									
4/1/2018	Roof/Gutters/Chimney	\$3,217.32	\$50.00	\$20.00	\$30.00				
Percentage	Stop	Cap	Days	% Days	Prorated Stop	Prorated Cap	Actual Charge		
2.5	\$10.00	\$50.00	90 / 90	100	\$10.00	\$50.00	\$30.00		

Example 2:

You receive bills over the course of 3 months for \$75 for trash and over the course of a year \$164.72 for water which are to be passed on to the tenants. Invoices were paid out of the owner's ledger.

CAM Profile

WATER

CAM % - 1.75
 Stop - none
 Cap - none
 Schedule - Annual
 Charge ID - Water
 Account List - Water

TRASH

CAM % - 2.25
 Stop - none
 Cap - none
 Schedule - Quarterly
 Charge ID - Trash
 Account List - Trash

Scheduled Charges, CAM calculations

Source Amount - \$387.72

total of Water account in owner's ledger for past 12 months

CAM % - 1.75

Pro-rated Share - 6.79

formula: Source Amount x CAM %

calculations: 1.75% x 387.72

Stop - 0

Cap - 0

Charge Amount - 6.79

Source Amount - \$75

total of Trash account in owner's ledger for past 3 months

CAM % - 2.25

Pro-rated Share - 1.69

formula: Source Amount x CAM %

calculations: 2.25% x 75

Stop - 0

Cap - 0

Charge Amount - 1.69

Two CAM charges are posted to the tenant, one for Water for \$6.79, one for Trash for \$1.69. The Next Scheduled date in the CAM profile is advanced 3 months for Trash and one year for Water.

Commercial Lease

Unit **2118 Oak Street** Square Feet Rent **\$980.00**

Charge: WATER: Water Bill
 Memo:
 Schedule: Annual Reconcile Percent Type: Fixed
 Next Scheduled: 7/31/2018 Adjust to 100% for Vacancy Loss Percentage: 1.75
 Schedule Expires: Adjust with CPI Increase Stop:
 Account List: WATER: water Waive Charge

Charge: TRASH: Trash Removal
 Memo:
 Schedule: Quarterly Reconcile Percent Type: Fixed
 Next Scheduled: 7/31/2018 Adjust to 100% for Vacancy Loss Percentage: 2.25
 Schedule Expires: Adjust with CPI Increase Stop:
 Account List: TRASH: Trash Waive Charge

1. CPI Rent Increases 2. CAM 3. Escalation 4. Overage 5. Estimated

CAM Charges

Date	Tenant	Source Amount	Charge (Refund) Amount	
7/31/2018	ROD: Rodriguez - CPI CAM Est	\$387.72	\$6.79	<input type="checkbox"/> Skip
Unit: OAK2118: 2118 Oak Street Charge: Water Bill Source Amount: \$387.72 Days: 365 / 365 Prorated Stop: <input type="text"/> Percentage: 1.75 % Days: 100 Prorated Cap: <input type="text"/> Stop: <input type="text"/> % Distributed: <input type="text"/> Net Charge: \$6.79 Cap: <input type="text"/> Adjusted %: 1.75 Reconciled: <input type="text"/> Total Charge: \$6.79				
7/31/2018	ROD: Rodriguez - CPI CAM Est	\$75.00	\$1.69	<input type="checkbox"/> Skip

Recalculate All Charges That Adjust for Vacancy Loss

Help Post Report Cancel

All Charges / Selected Charges / Selected Refunds / Selected Zero Charges / Skipped Charges

CAM Charges

July 31, 2018

Donald S. Schenk

Post Date	Charge	Source Amount	Net Charge	Previously Charged	Reconciled Charge	Reconciled Refund
2118 Oak Street						
Rodriguez - CPI CAM Est						
7/31/2018	Water Bill	\$387.72	\$6.79		\$6.79	
Percentage	Stop	Cap Days	% Days	Prorated Stop	Prorated Cap	Actual Charge
1.75		365 / 36	100	\$0.00	\$0.00	\$6.79
7/31/2018	Trash Removal	\$75.00	\$1.69		\$1.69	
Percentage	Stop	Cap Days	% Days	Prorated Stop	Prorated Cap	Actual Charge
2.25		92 / 92	100	\$0.00	\$0.00	\$1.69

Example 3:

You receive bills over the course of 12 months for a variety of expenses. The expense codes are entered in an Account List called CAM. Invoices were paid out of the owner's ledger.

Tenant is charged an estimated CAM charge each month. At the end of the year the estimated charges amounts will be reconciled against all the expenses in the Account List.

CAM [Account List]	
ID	CAM
Account	CLEAN: Cleaning
Account	UTILITIES: Utilities
Account	TRASH: Trash Removal
Account	MAINT: Maintenance
Account	INSURANCE: Insurance
Account	MF EXPENSE: Management Fee
Account	TAX: RE Taxes
Account	ASPHALT: Asphalt

CAM Profile

CAM

CAM % - 8.74
 Stop - none
 Cap - none
 Schedule - Annual
 Charge ID - CAM
 Reconcile annually on 12/31.

Commercial Lease

Unit: 436 Fairway Drive Square Feet: 2,250 Rent: \$1,125.00

Charge: CAM: CAM Memo: Percent Type: Fixed

Schedule: Annual Reconcile Percentage: 8.74

Next Scheduled: 12/31/2018 Adjust to 100% for Vacancy Loss Stop:

Schedule Expires: Adjust with CPI Increase Cap:

Account List: CAM: CAM Waive Charge:

1. CPI Rent Increases 2. CAM 3. Escalation 4. Overage 5. Estimated

Estimated

Charge

\$75 monthly

Commercial Lease

Unit: 436 Fairway Drive Square Feet: 2,250 Rent: \$1,125.00

Charge: CAM: CAM Schedule: Monthly

Amount: \$75.00 Per Sq Foot Next Scheduled: 9/1/2018

Memo: Schedule Expires:

1. CPI Rent Increases 2. CAM 3. Escalation 4. Overage 5. Estimated

General Ledger Summary

August 1, 2017 to July 31, 2018

Harrison S. Golden

Description	Debit	Credit
Trash Removal - 7 Items	\$210.00	\$100.00
Management Fee - 17 Items	\$1,360.52	\$759.76
Insurance - 2 Items	\$13,000.00	
Cleaning	\$60.00	
Maintenance - 2 Items	\$605.00	
Utilities	\$289.00	
Asphalt	\$328.00	
	\$15,852.52	\$859.76

CAM Charges
— □ ×

Profile Search

Dashboard

Internet Publishing

Profiles

AP

AR

GL

Maintenance

Reports

Mailings

Date	Tenant	Source Amount	Charge (Refund) Amount	
7/31/2018	BRUNO: Bruno - CAM Est	\$14,992.76	\$410.37	<input type="checkbox"/> Skip
Unit: FAIR436: 436 Fairway Drive				
Charge: CAM				
Source Amount	\$14,992.76	Days	365 / 365	Prorated Stop
Percentage	8.74	% Days	100	Prorated Cap
Stop		% Distributed		Net Charge
Cap		Adjusted %	8.74	Reconciled
				Total Charge
				\$1,310.37
				\$900.00
				\$410.37

All Charges / Selected Charges / Selected Refunds / Selected Zero Charges / Skipped Charges /

Scheduled Charges, CAM - Reconcile 7/31

Source Amount - \$14,992.76

total of amounts in owner's ledger for expenses for all codes in account list for past 12 months (14,992.76 = 415,852.52 - \$859.76)

CAM % - 8.74

Net Charge - \$1,310.37

formula: Source Amount x CAM %

calculations: 8.74% x \$14,992.76

Reconciled - \$900

total of estimated charges to tenant

calculations: \$75 x 12

Total Charge - \$410.37

difference of Net Charge and Reconciled

calculations: 1310.37 - 900

CAM charge of \$410.37 is posted to the tenant. The Next Scheduled date in the CAM profile is advanced 12 months.

CAM Charges							
July 31, 2018							
Harrison S. Golden							
Post Date	Charge	Source Amount	Net Charge	Previously Charged	Reconciled Charge	Reconciled Refund	
436 Fairway Drive							
Bruno - CAM Est							
7/31/2018	CAM	\$14,992.76	\$1,310.37	\$900.00	\$410.37		
Percentage	Stop	Cap Days	% Days	Prorated Stop	Prorated Cap	Actual Charge	
8.74		365 / 36	100	\$0.00	\$0.00	\$410.37	

Escalation Charge Profile

The Escalation amount is arrived at in the following way:

- The Base is subtracted from the Source Amount•
- A percent of the new figure is calculated using the % in the Escalation profile•
- If that amount exceeds the Cap the amount is reduced to the Cap figure•

The Days field contains 2 fields. The first is the number of day the tenant has occupied the unit, based on the Move In date in the tenant profile. The second is the number of days in the period. This only has an effect on the charges if the tenant has not occupied the unit for the whole Schedule period (see example 2).

Example 1:

Suppose the tax bill comes in for \$8500 for a building and a portion of that is charged to the tenants as an escalation charge.

Escalation Profile

Escalation % - 2.5

Base - 1000

Cap - 250

Schedule - Semi-annual

Charge ID - Escalation

Account List - contains account Tax

The screenshot shows the 'Commercial Lease' software interface. The main window displays the 'Escalation Charge Profile' configuration for unit '212 Main Street'. The 'Rent' is listed as '\$950.00'. The 'Charge' is 'ESCAL: Escalation'. The 'Memo' field is empty. The 'Percent Type' is 'Fixed' and the 'Percentage' is '2.5'. The 'Schedule' is 'Semi-Annual'. The 'Next Scheduled' date is '7/1/2018'. The 'Base' is '\$1,000.00'. The 'Schedule Expires' field is empty. The 'Cap' is '\$250.00'. The 'Account List' is 'ESCAL: Escalation'. There are checkboxes for 'Reconcile', 'Adjust to 100% for Vacancy Loss', and 'Adjust with CPI Increase', all of which are currently unchecked. A 'Waive Charge' checkbox is also present and unchecked. The interface includes a sidebar with navigation options: Profile Search, Dashboard, Internet Publishing, Profiles, AP, AR, GL, Maintenance, Reports, and Mailings. At the bottom, there is a navigation bar with options: 1. CPI Rent Increases, 2. CAM, 3. Escalation, 4. Overage, and 5. Estimated.

Scheduled Charges, Escalation calculations

Source Amount - 8,500

total of Tax account in owner's ledger for past 6 months

Escalation % - 2.5

Base - 1000

Charge Amount - 187.50

formula: (Source Amount - Base) x 2.5 / 100

calculations: (8500 - 1000) x 2.5 / 100

Cap - 250

Net Charge - 187.50

An Escalation charge is posted to the tenant for \$187.50 and the Next Scheduled date in the Escalation profile is advanced 6 months.

Escalation Charges								
July 1, 2018								
Frederick L. Clayton								
Post Date	Charge	Source Amount	Net Charge	Previously Charged	Reconciled Charge	Reconciled Refund		
212 Main Street								
Guro - Escalation								
7/1/2018	Escalation	\$8,500.00	\$187.50		\$187.50			
Percentage	Base	Cap	Days	% Days	Prorated Base	Prorated Cap	Actual Charge	
2.5	\$1,000.00	\$250.00	181 / 18	100	\$1,000.00	\$250.00	\$187.50	

Reconcile

If you clicked Reconcile in the Escalation profile and you have been charging the tenant \$20 each month for the past six months either through the Estimated Charges function or the Charge Tenant and marked it an estimated charge, then:

Reconciled - 120

Total Charge - 67.50

Calculation: 187.50 - 120

An Escalation charge is posted to the tenant for \$67.50 and the Next Scheduled date in the Escalation profile is advanced 6 months.

Example 2:

Suppose the tax bill comes in for \$8500 for a building and a portion of that is charged to the tenants as an escalation charge. The tenant's Move In date is 4/22. The Base and the charge amount will be adjusted accordingly.

Escalation Profile

Escalation % - 2.5

Base - 1000

Cap - 250

Schedule - Semi-annual

Charge ID - Escalation

Account List - contains account Tax

Scheduled Charges, Escalation calculations

Source Amount - 8,500

total of Tax account in owner's ledger for past 6 months

Escalation % - 2.5

Days - 70 / 181

(70=9 days in April, 31 days in May, 30 days in June)

% Days - 38.674

computed from Days above - days occupied divided by days in schedule period (Jan-June)

Adjusted % - 0.9669

formula: percentage x % Days%

calculations: 2.5 x 38.674 / 100 = 0.9669

Base (recalculated) - 386.74

formula: Base x % Days %

calculations: 1000 x 38.674 / 100

Charge Amount - 78.44

formula: Source Amount - Base (recalculated) x Adjusted % / 100

calculations: (8500 - 386.74) x .9669 / 100

Cap - 250

Net Charge - 78.44

An Escalation charge is posted to the tenant for \$78.44 and the Next Scheduled date in the Escalation profile is advanced 6 months.

Overage Charge Profile

The Overage amount is calculated using a series of breakpoints and percentages.

- The Base amount is the amount you will not be charging overage on, similar to a deductible.
- Take the difference between the Base and the first breakpoint, apply the first %
- Calculate the difference between the second and third breakpoints, apply the second %
- Calculate the difference between the third and fourth breakpoint, apply the third %
- Continue for up to 5 breakpoints and percentages
- Calculate the difference between the last breakpoint and the Source Amount and apply the last %
- Add all together to arrive at the Overage charge amount.

Example 1

The tenant has negotiated an arrangement to have a \$250 deductible on all maintenance charges. After that he pays different percentages of the maintenance charges as follows:

50% of the next \$500, 25% of any amount between \$750 and \$2000, 100% of any amount over \$2000.

Overage Profile

Base 250 50%
 Second 750 25%
 Third 2000 100

Charge	Break Point	Percentage
CAM: CAM	Base	\$250.00 50
	Second	\$750.00 25
	Third	\$2,000.00 100
	Fourth	
	Fifth	

Unit: Willow Brooke Unit 203 Square Feet: 1,200 Rent: \$1,150.00

Charge: CAM: CAM Memo: Schedule: Quarterly Reconcile Adjust with CPI Increase

Next Scheduled: 4/1/2018 Schedule Expires: Account List: CAM: CAM

1. CPI Rent Increases 2. CAM 3. Escalation 4. Overage 5. Estimated

Scheduled Charges - Overage

Source Amount - \$2,742.80

from the transactions in the owner ledger

1st Break - 250

formula: (Second - Base) x Base Percentage

calculations: (750 - 250) = 500 x 50%

2nd Break - 312.50

formula: (Third - Second) x Second Percentage

calculations: (2000 - 750) = 1250 x 25%

3rd Break (last) - 742.80

formula: (Source Amount - Third x Third Percentage

calculations: (2742.80 - 2000) x 100% = 742.80

Net Charge - 1,305.30

formula: the sum of each break: 1st Break + 2nd Break + 3rd Break

calculations: 250 + 312.50 + 742.80

A charge is posted to the tenant for \$1,305.30.

Overage Charges						
April 1, 2018						
0						
Post Date	Charge	Source	Amt Due	Reconcile	Reconciled Charge	Reconciled Refund
Willow Brooke Unit 203						
Phyllis Schrader Overage						
4/1/2018	CAM	\$2,742.80	\$1,305.30		\$1,305.30	
Break 1	Break 2	Break 3	Break 4	Break 5		
\$250.00	\$750.00	\$2,000.00				

Example 2

Overage charges are calculated annually based on annual sales figures for the tenant. The first \$7,000 in sales will not be subject to overage charges. After that, the following charges apply:

- any amount between \$7,000 and 10,000 will be charged 10%;
- between 10,000 and 15,000 will be charged 7%,
- between 15,000 and 18,000 will be charged 3%;
- and above 18,000 will be charged 1%.

Overage Profile

Base 7,000 10%
 Second 10,000 7%
 Third 15,000 3%
 Fourth 18,000 1%

Account List - no account list is selected since this is not an amount that is found in the owner ledger. Instead, the sales figure will be entered in the Source Amount field in the Scheduled Charges function.

Charge	Break Point	Percentage
Base	\$7,000.00	10
Second	\$10,000.00	7
Third	\$15,000.00	3
Fourth	\$18,000.00	1
Fifth		

Additional form fields visible in the screenshot include: Unit: Willow Brooke 201, Square Feet: 950, Rent: \$2,325.00, Charge: CAM: CAM, Memo, Schedule: Annual, Next Scheduled: 5/1/2018, Schedule Expires, Account List, and checkboxes for Reconcile and Adjust with CPI Increase.

Scheduled Charges - Overage

Compile the overage charges. The Source Amount for the tenant will be 0. Fill in the Source Amount with the \$25,000 and the amounts will be calculated.

1st Break - 300

formula: Second - Base x Base Percentage
calculations: 10,000 - 7,000 = 3,000 x 10%

2nd Break - 350

formula: Third - Second x Second Percentage
calculations: 15,000 - 10,000 = 5,000 x 7%

3rd Break - 90

formula: Fourth - Third x Third Percentage
calculations: 18,000 - 15,000 = 3,000 x 3%

4th Break - 70

formula: Source Amount - Fourth x Fourth Percentage
calculations: 25,000 - 18,000 = 7,000 x 1%

Net Charge - 810

formula: the sum of each break: 1st Break + 2nd Break + 3rd Break + 4th Break
calculations: 300 + 350 + 90 + 70

A charge will posted to the tenant for \$810

Date	Tenant	Source Amount	Charge (Refund) Amount
5/1/2018	STIEFFEL, Thomas J. Stieffel overag	\$25,000.00	\$810.00

Unit	Charge	Source Amount	3rd Break	4th Break	5th Break	Net Charge
WB201: Willow Brooke 201	Annual CAM	\$25,000.00	\$90.00	\$70.00		\$810.00
	1st Break	300.00				
	2nd Break	\$350.00				
						Reconciled
						Total Charge
						\$810.00

0						
Post Date	Charge	Source	Amt Due	Reconcile	Reconciled Charge	Reconciled Refund
Willow Brooke 201						
Thomas J. Stieffel overag						
5/1/2018	CAM		\$25,000.00	\$810.00		\$810.00
	Break 1	Break 2	Break 3	Break 4	Break 5	
	\$7,000.00	\$10,000.00	\$15,000.00	\$18,000.00		

Estimated Charge Profile

The Estimated charge function is used when you charge a tenant an estimated amount on a regular basis until the actual bill comes in, at which point you need to charge or credit him the difference.

For example, suppose you want to charge a tenant monthly for water usage but the water bill only comes quarterly.

- Set up a monthly estimated charge for an set amount for Water. This will be charged each month thru the Scheduled Commercial Charges, Estimated Charges function.
- Set up a CAM, Escalation or Overage charge for Water with a quarterly schedule and with the Reconcile check box marked .
- When the bill is paid, go to the Scheduled Commercial Charges function.
- Using the Schedule to determine how far back to go, the system will calculate the amount previously charged during the time period and charge or credit the tenant difference based on the actual amount of the invoice.
- If the Reconcile check box is not marked, the system will not compute the amounts previously charged but simply charge the CAM, Escalation or Overage amount.

Only charges posted thru the Estimated Charge function, or marked as Estimated in the Charge Tenant function, will be considered when reconciling.

Example:

The tenant owes the owner 8.74% of any of a variety of charges contained on the Account List CAM. The tenant will be charged a monthly charge of \$75. At the end of the year a reconciliation will be done and the tenant will either be charged the amount he still owes or the owner will return to the tenant what he has overpaid. The total CAM expenses to the owner for the year are \$14,323.

Estimated Charge Profile

Charge - CAM
Amount - 75
Schedule - Monthly

CAM Profile

CAM % - 8.74
Schedule - Annual
Charge ID
Account List - CAM
Reconcile checkbox marked

Scheduled Charges, CAM Reconciliation calculations

Source Amount - 14,323

total of all amounts paid using accounts on the CAM account list

Percentage - 8.74

Net Charge - 1251.83

formula: Source Amount x Percentage

calculations: 14323.00 x 8.74%

Reconciled - 900

*total of charges posted to tenant through Estimated Charges during the schedule period
(75/month for year)*

Total Charge - 351.83

formula: Net Charge - Reconciled

calculations: 1251.83 – 900

Scheduled Commercial Charges

This function computes the scheduled commercial charges you have set up in the Commercial Lease function of the Tenant Profile. It presents a list of candidates for your review before posting.

Scheduled Through

This date field is the date through which you wish to post charges. You can charge for one month or for several at a time. Whatever charges are due based on the Next Scheduled date and Schedule in the applicable profile will display.

Limit to Schedule

Use this Find List to select the schedule (weekly, monthly, etc.) for the charges if you wish to limit them.

Restrict To

Use this field to select a particular profile that you wish to charge. The field at the far right is a Find List to select the set of profiles you want displayed in the Find List for the field. Once a particular Record ID is chosen, clicking on the folder button will bring up that profile for viewing or editing.

Once you have the charge parameters set, click on the Compile button to bring up the list of candidates.

Use the Skip box to skip the charge for that tenant.

The Edit box above the vertical scroll bar will toggle the line item charges from view, to one line edit, to every line edit.

When you are satisfied with the information on the screen, click the Post button to post the charges to the tenant ledger.

Commercial Reports

The commercial reports summarize the information entered in the tenant profile for the Cam, Escalation, Overage or CPI Rent Increase functions.

The reports on CAM, Escalation, and Overage can be printed in ledger order or in order by account code. In each case it shows each field and the information entered in the respective CAM, Escalation or Overage profile.

CPI Increase prints by ledger.

The Commercial Lease Summary prints by ledger. It shows the unit ID, tenant, square footage, % of sq. ft, market rent, actual rent, actual rent per sq. ft and deposits for each tenant.