PROMAS

Charge Codes and Bill Codes

Property Management Solutions for Over 30 Years

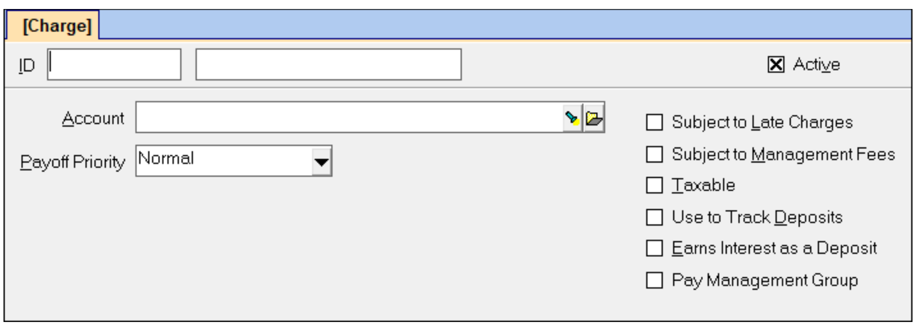
Overview

Charge Codes and Bill Codes are essentially subsets of the Account Codes or Chart of Accounts. Charge codes are used for receivables and Bill codes are used for payables. They are designed to make it less confusing when posting charges to tenants and bills paid to vendors.

Charge Code Setup

The Charge Code is used primarily in the Receivables function. Whenever a tenant is charged for something, a Charge Code (descriptive reason for the charge) is associated with it. The Charge Code description is associated with an account in the Chart of Accounts but does not have to have the same ID and Description.

> For example, an Application fee charge to the tenant may post to the owner's ledger as Miscellaneous Income. Similarly, specific charges to a tenant might be consolidated as Tenant Reimbursement on an owner ledger. You may define multiple charge codes that all point to the same account code.



The Charge Code definition includes an **ID** and **Description**, the associated account, a payoff priority, and check boxes that are used to define how the charge should be treated for reporting and processing purposes.

Active

Unmark this checkbox if you do NOT want the code to show on the Find List. Once on the find list you can mark the "Show Inactives" checkbox to display inactive codes.

Account

This refers to the account code that will be affected when the charge is paid off by the tenant. This is usually an income account but can be a liability account type if you are holding the deposit.

> ***Warning***: If you change this field after posting transactions, all those previously posted will continue to point to the old account until you rebuild.

Priority
There are several levels of payoff priority. When a tenant payment is entered in the Tenant Receipt function, the amount of the payment is distributed against the unpaid charges in priority sequence. If two charges have the same priority, the oldest charge is paid first. If they have the same date, they are paid based on the Record ID sort order. You have the option to manually distribute the payment if you want to do it differently than the priority scheme dictates.

Check Boxes

Subject to Late Charges
The Charge Late Fees function considers only those Charge ID's that are checked when determining the amount to use when calculating a late fee. These might include, for example, rent and recurring charges.

Subject to Management Fees
If this box is checked, a management fee based on the management fee profile will be taken on any charge posted with this charge code.

Taxable
Charges marked taxable will use the Rate Table assigned in the Tenant Profile to generate a tax charge.

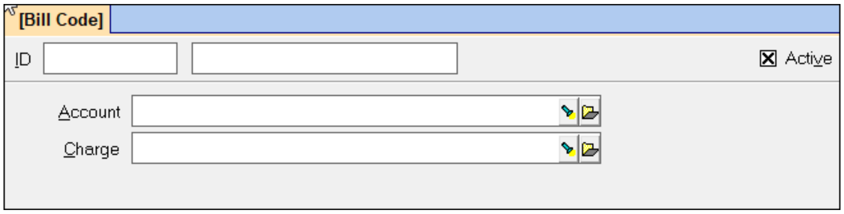
Use to Track Deposits
Charges that are marked are considered deposits that are refundable to the tenant. Payments of these charges are reported on the Security Deposits report under Tenant Reports and released in Tenant Move Out. The associated account is usually a liability account, but could be income if the security deposit is being held by the owner.

Earns Interest as a Deposit
Payments for these charges are subject to the Rate Table interest formulae when security deposit reports are run and when security deposits are released in Tenant Move Out or Release Security Deposits.

Pay Management
When this checkbox is marked, all charges to the tenant will automatically go to management when paid instead of the owner.

Bill Code Setup

Bill codes are a link to the Chart of Accounts primarily for use in the payables module. They define how accounts payable transactions post to the general ledger. Invoices, Work Orders, Checks, all have an associated Bill Code which defines the reason for the transaction.



Like the accounts defined in the Chart of Accounts, the Bill Code has an **ID** and **Description** which appears in the Find List. It must be associated with an account in the Chart of Accounts. The Chart of Accounts ID and Description can be the same as the Bill Code but does not have to be.

> A number of Bill Codes can be assigned to the same Account Code, i.e. you may write checks for Stove, Refrigerator, Dishwasher but on the owner ledger have them all combined as Appliances. The Bill Code (e.g. Stove) will appear on invoice reports, the Account Code (e.g. Appliances) will appear in the owner ledger and on the owner statement.

The Bill Code may also be associated with a Charge Code which is used to charge a tenant. This is the case when the tenant is responsible (charged for) a percentage or fixed amount for invoices.

> For example, the owner pays for trash collection and is reimbursed by the tenant. There would be a trash collection bill code tied to a Trash account, with an associated Charge Code of trash collection.

Active

Unmark this checkbox if you do NOT want the code to show on the Find List. Once on the find list you can mark the "Show Inactives" checkbox to display inactive codes.

TIP: Bill codes are created for identifying what bills are being paid for. Do not set up a bill code if you don’t write a check for it. We strongly recommend consulting your accountant for assistance in setting up your bill codes.