



## Management Fee Profile

Property Management Solutions for Over 30 Years

### Overview

The Management Fee profile defines the various fee structures for management fees. If you have only one management fee rate then only one profile is required. A management fee is associated with each unit. An Additional Management Fee can be defined for a tenant's lease in the tenant profile.

### When Management Fees are Taken

Management fees are deducted from the owner balance and added to the management group balance:

- At the time rent is paid if the management fee profile structure is set for Management Fee on Tenant Payment.
- At the time the Management Fee function is run in <<AR, Scheduled Receivables>> for those fees that are set for Management Fee Not on a Tenant Payment and Management Fee when Vacant.
- At the time of posting when a fee amount is entered in <<AR, ProRated Rent>>.
- At the time <<GL, Scheduled Journal Entries, Reconcile Management Fees>> is run.

Management fees taken at the time rent is paid are posted as a payable to the owner/property ledger and a receivable to the management group ledger when rent is charged and shown as such in the General Ledger history. Thus if you decide to change a management fee after rents are charged but before the rent is received, you must void the rent charge and re-enter it again after changing the management fee profile. If you have changed the management fee profile after rents are received and the payment has been put on a deposit slip, follow the procedure for Payment Recorded in Error ([How to PDF document #208](#)). At the receipt screen, pay off a new charge of rent instead of the current charge. After posting, go to AR, Tenant History and void the unpaid rent charge. As an alternative, you can use the procedure for Adjusting Management Fees.

Management fees taken on other than tenant payments are deducted from the owner/property ledger and added to the management group ledger upon posting. The function looks at the lease start date to determine when to begin taking fees. If you decide to change the management fee after posting, you can use the procedure for Adjusting Management Fees ([How to PDF document #220](#)).

Management fees are defined in the Management Fee profile as described below and associated with a unit in the Unit Profile. The fee choices are comprehensive allowing virtually any combination of fees to be structured. Fees can be any combination of % of actual rent, % of market rent, and a fixed amount. All fees when taken are credited to the appropriate management group ledger.

In certain circumstances modified management fees - in addition to those defined in the unit profile - may be appropriate because of the lease term or other circumstances. Since these additional fees are lease specific they are defined in the tenant profile under Additional Management Fee. The percentage entered in that field will be added to the unit defined fee when rents are charged.

The fees collected by the management group must periodically be given to the parent company. This is done by writing a check from the Single Check function, choosing the management group as the Bill To and the parent company as the Payee. See [How to PDF document #212](#).

### Management Fee Profile Setup

If you are a non-fee based manager, set up a profile with a Record ID of No Fee. The only entry required in the profile is the NSF Fees field. Select the appropriate Charge Code and mark the checkbox Pay to Owner. Also set the Owner Percentage of Late Fees to 100% and mark the Invoice Discounts to Owner checkbox.

The screenshot shows a software window titled "Percent of Actual [Management Fee]". At the top, there are two input fields: "ID" containing "10% A" and "Percent of Actual". Below this, the form is divided into several sections:

- Management Fee on Tenant Payment:** Includes a "Fixed Dollar Amount" field, a "Percent of Collected Rent" field with the value "10", and a note: "Note: Will be converted to a percentage of Actual Rent".
- Management Fee Not on Tenant Payment:** Includes three fields: "Fixed Dollar Amount", "Percent of Market Rent", and "Percent of Actual Rent".
- Leasing Fee:** Includes a "Percent of First Month's Rent" field and a "Replaces Management Fee" checkbox.
- Management Fee When Vacant:** Includes two fields: "Fixed Dollar Amount" and "Percent of Market Rent".
- Other Fees:** Includes an "Owner Percentage of Late Fees" field and an "Invoice Discounts to Owner" checkbox.
- NSF Fees:** Includes an "NSF Charge" dropdown menu with "NSF: NSF Check Fee" selected, a small icon, and a "Pay to Owner" checkbox.

Each profile must have a Record ID consisting of an **ID** (short description) field and a **Description** field which uniquely identifies that profile record.

The management fee will be taken on any charge using the Charge Code entered in the Tenant Profile, Lease tab, Rent Charge field. Management fees can also be taken on any charge using a Charge Code that has been set up as Subject to Management Fees.

The fee that will be taken from the owner is determined at the time rents are charged. Fees can be taken based on the rent collected, the actual rent which is defined in the Tenant Profile, the market rent which is defined in the Unit Profile, or be a fixed amount - or any combination thereof.

Percent of Actual [Management Fee]	
ID	10% A
Percent of Actual	
Management Fee on Tenant Payment	
Fixed Dollar Amount	<input type="text"/> Note: Will be converted to a percentage of Actual Rent
Percent of Collected Rent	<input type="text" value="10"/>
Management Fee Not on Tenant Payment	
Fixed Dollar Amount	<input type="text"/>
Percent of Market Rent	<input type="text"/>
Percent of Actual Rent	<input type="text"/>
Leasing Fee	
Percent of First Month's Rent	<input type="text"/>
Replaces Management Fee	<input type="checkbox"/>
Management Fee When Vacant	
Fixed Dollar Amount	<input type="text"/>
Percent of Market Rent	<input type="text"/>
Other Fees	
Owner Percentage of Late Fees	<input type="text"/>
Invoice Discounts to Owner	<input type="checkbox"/>
NSF Fees	
NSF Charge	NSF: NSF Check Fee <input type="checkbox"/> Pay to Owner

The total fee amount on *Management Fee on Tenant Payment* and *Management Fee Not on Tenant Payment* is the sum of calculated fees for those fields that are filled in. Thus the total fee could be a % of the collected rent plus a % of the actual rent plus a % of the market rent plus a fixed dollar amount. Similarly the total management fee taken when a unit is vacant could be a fixed amount plus a % of market rent as defined in the Unit Profile.

Management fees are deducted from the ledger balance and added to the management group balance:

- At the time the rent charge is paid if the management fee profile structure is set for *Management Fee on Tenant Payment*
- At the time the Management Fee function is run in AR, Scheduled Receivables for those fees that are set for *Management Fee Not on Tenant Payment* and *Management Fee when Vacant*.

Management fees can be charged to the ledger when the rent is received or when the Management Fees NOT on Tenant Payment function is run (or at both times).

The account codes used for the management fee transactions are set in the Posting Table on tabs 2 and 3.

## Management Fee on Tenant Payment

When a tenant payment is processed this percentage of the amount recorded (that is subject to management fees based on the charge code) will be deducted from the owner/property ledger balance and added to the management group ledger balance. The account codes used for these transactions are set in the Posting Table.

When the rent charge is posted it creates a payable in the owner/property ledger and a receivable in the management group ledger. The fee amount is determined at the time rent is charged even though it is not deducted from the ledger until rent payment is received. The management fee amount is an owner/property payable due to the management group. The payable amount is reduced as the rent is paid off and the fee is paid to the management group.

Percent of Actual [Management Fee]	
ID	10% A
	Percent of Actual
Management Fee on Tenant Payment	
Fixed Dollar Amount	<input type="text"/>
Note: Will be converted to a percentage of Actual Rent	
Percent of Collected Rent	<input type="text" value="10"/>

### Percent of Collected Rent

This percentage of the rent receipts is deducted from the owner/property ledger and given to the management group when rent receipts are posted. The field accommodates up to four decimal places.

### Fixed Dollar Amount (on tenant payment)

If the fee is a fixed amount taken at the time rent is paid, enter that amount in the Fixed Dollar Amount. The program will compute the percentage so that if only a partial rent is paid, only a partial management fee will be taken.

## Management Fee Not on Tenant Payment

The management fees set up here are taken when the <<AR, Scheduled Receivables, Management Fees NOT on Tenant Payment>> function is run. This fee structure can be in lieu of or in addition to management fees on collected rent. The amount or percentage entered will be deducted from the ledger and given to the management group when the Management Fees NOT on Tenant Payment function is run.

Management Fee Not on Tenant Payment	Leasing Fee
Fixed Dollar Amount <input type="text"/>	Percent of First Month's Rent <input type="text"/>
Percent of Market Rent <input type="text"/>	Replaces Management Fee <input type="checkbox"/>
Percent of Actual Rent <input type="text"/>	

### Fixed Dollar Amount

The amount entered here is deducted from the owner ledger when the Management Fees NOT on Tenant Payment function is run.

### Percent of Market Rent

Enter a percent (up to four decimal places) of the market rent (defined in the Unit Profile) that you wish taken when Charge Management Fees is run.

### Percent of Actual Rent

Enter a percent (up to four decimal places) of the actual rent (defined in the Tenant Profile) that you wish taken when Charge Management Fees is run.

## Management Fee When Vacant

The management fees set up here are taken on vacant units when the Management Fees NOT on Tenant Payment function is run. The amount or percentage entered below will be deducted from the owner's ledger and given to the management group.

### Fixed Dollar Amount

Enter the dollar amount of the management fee taken when a unit is vacant.

### Percent of Market Rent

Enter the percent of the market rent taken when a unit is vacant.

Management Fee When Vacant	Other Fees
Fixed Dollar Amount <input type="text"/>	Owner Percentage of Late Fees <input type="text"/>
Percent of Market Rent <input type="text"/>	Invoice Discounts to Owner <input type="checkbox"/>

## Leasing Fee

### Percent of First Month's Rent

Enter the percent of the first month's rent that is taken as a leasing fee. The leasing fee can be taken through <<Scheduled Receivables, Management Fees NOT on Tenant Payment>> if the Lease Start Date is in the same month as the Scheduled Thru date on the Scheduled Receivables screen.

### Replaces Management Fee

Mark this checkbox if you do not want to take a management fee on the first month's rent.

Management Fee Not on Tenant Payment	Leasing Fee
Fixed Dollar Amount <input type="text"/>	Percent of First Month's Rent <input type="text" value="50"/>
Percent of Market Rent <input type="text"/>	Replaces Management Fee <input type="checkbox"/>
Percent of Actual Rent <input type="text"/>	

Post Management Fees

Profile Search	Date	Unit	Leasing Fee	Management Fee	
Dashboard	3/25/2019	MAIN212: 212 Main Street	\$475.00		<input type="checkbox"/> Skip
Internet Publishing	Owner & Fees	CLAYTON: Frederick Clayton	10% A: Percent of Actual		
Profiles	Actual Rent	\$950.00	Last Month Mgmt Fees		Status New
AP	Market Rent	\$950.00	Last Month Leasing Fees		Vacant Mgmt Fee
AR	Active Tenants	1	This Month Mgmt Fees		Leased Mgmt Fee
	New Tenant Rent	\$950.00	This Month Leasing Fees		Leasing Fee \$475.00

Alternate ways of processing the leasing fee are to use the Prorated Rent function or post a journal transfer from the owner/property ledger to the management group ledger.

Rent charged in <<AR, Scheduled Receivables, Rent>> is considered to be First Month's Rent when the Lease Start Date in the Tenant Profile is prior to the Scheduled Thru date and after the Next Scheduled Date in the tenant profile.

Caution: Do not change the Lease Start date when you get a renewal of a lease unless you take no management fee on the rent charged in the first month of the renewal.

## Other Fees

### Owner Percentage of Late Fee

This percentage of the late fee will be credited to the owner's ledger when late fees are collected.

Note: If the owner receives none of the late fee his ledger will not show any late fee transactions.

Management Fee When Vacant	Other Fees
Fixed Dollar Amount <input type="text"/>	Owner Percentage of Late Fees <input type="text"/>
Percent of Market Rent <input type="text"/>	Invoice Discounts to Owner <input type="checkbox"/>

### Invoice Discounts to Owner

If you receive discounts from a vendor you can choose to give the discount to the owner or the management group. Check this box if the owner receives invoice discounts. In either case, the check will be written for the discounted amount and the owner ledger will be debited the full invoice amount. If you choose to give the discount to the owner, the discount amount will be credited back to him. If you choose to give the Management Group the discount, the management group ledger will be credited with the discount amount.

## NSF Fees

### NSF Charge

Enter the charge code to use when posting an NSF check charge to the tenant's account. The actual NSF charges are entered in Setup, Account Codes when you set up the bank account information.

### Pay to Owner

Mark this checkbox if the above fee should be paid to the owner/property ledger rather than the Management Group.

Note: If the owner receives none of the NSF fee his ledger will not show any NSF fee transactions.

NSF Fees
NSF Charge <input type="text" value="NSF: NSF Check Fee"/> <input type="checkbox"/> Pay to Owner