

## Chapter Outline

### CHAPTER 9: Managing the Office & Reports

- I. Overview
- II. Establishing the Management Office
  - A. Location and Layout
  - B. Office Design
  - C. Files
    - 1. Lease
    - 2. General Correspondence
    - 3. Work Order Bids
    - 4. Financial Files
    - 5. Permanent Files
  - D. Equipment
- III. Computers and Property Management
  - A. Hardware
    - 1. Computers
    - 2. Printers
    - 3. Warranties
  - B. Software
  - C. Basic Software Functions
    - 1. Data Sharing
    - 2. Word Processing
    - 3. Spreadsheet
    - 4. Financial Record Keeping
    - 5. Tracking Maintenance
    - 6. Internet
    - 7. Local Area Network (LAN)
- IV. Staffing the Management Office
  - A. Property Management Executive
  - B. Property Supervisor (Field Manager)
  - C. On-site Manager and Building Personnel
  - D. Purchasing Agent
  - E. Office Manager (Comptroller)
  - F. Cashier-Bookkeeper
  - G. Clerical Personnel
  - H. Branch Offices
  - I. Licensing
  - J. Mergers

**Chapter Outline**

**CHAPTER 9: Managing the Office & Reports**

- V. Determining Management Expenses
  - A. Direct Costs
  - B. Indirect Costs
- VI. Calculating the Management Fee
  - A. Per-Unit Cost Method
  - B. Adjustments to Per-Unit Fee
  - C. Percentage Rate
  - D. Management Pricing Worksheet
    - 1. Section I: Property Supervisor's Services
    - 2. Section II: Property Management Executive's Services
    - 3. Section III: Accounting & Clerical Services
    - 4. Section IV: Subtotals
    - 5. Section V: Overhead and Profit
    - 6. Section VI: Monthly Management Fee
- VII. Operating Reports
- VIII. Financial Reports
  - A. Budget Comparison Statement
  - B. Cash Flow Report
    - 1. Income
    - 2. Expenses
  - C. Profit and Loss Statement
  - D. Operating Budget
    - 1. Estimate Conservatively
    - 2. Examine Discrepancies and Prepare Explanations
    - 3. Allow for an Evaluation of Management Skills
- IX. Income and Expense Statement for Tax Purposes
  - A. Depreciation
    - 1. Pre-1981 Properties
    - 2. Accelerated Cost Recovery System (ACRS), 1981
    - 3. Modified Accelerated Cost Recovery System (MACRS), 1986
    - 4. Revenue Reconciliation Act of 1993
    - 5. Investment Tax Credits (Section 42)
  - B. After-Tax Cash Flow
    - 1. Tax Reform Act of 1986
    - 2. Revenue Reconciliation Act of 1993

**Chapter Outline**

**CHAPTER 9: Managing the Office & Reports**

- X. Determining Profitability
  - A. Break-Even Analysis
  - B. Return on Investment
  - C. Capitalization Rate
- XI. Tax Records
  - A. Employee Documentation
    - 1. Employer Identification Number (EIN)
    - 2. Employee's Withholding Allowance Certificate (W-4)
    - 3. Employment Eligibility Verification (I-9)
    - 4. Employer's Quarterly Tax Return (941, W-2 and W-3)
    - 5. State Obligations
    - 6. Noncash Compensation
    - 7. FICA Insurance
    - 8. Disability and Worker's Compensation
    - 9. Statement of Miscellaneous Income (1099)
    - 10. Unemployment Taxes (FUTA)
- XII. Summary