



Put Your House in Order

Securing Your Supportive Housing
Program's Future through Effective
Asset Management

AIDS HOUSING
OF WASHINGTON

SEATTLE 2002

THE NEED FOR A SELF-MONITORING SYSTEM

Self-monitoring systems are a way of institutionalizing asset management within your organization. Ideally, you will build an infrastructure of self-monitoring systems that are guaranteed to be followed year in and year out.

Supportive housing organizations have a tendency to keep self-monitoring a folksy, informal affair. However, supportive housing groups need formality perhaps more than other organizations, given their relatively high turnover rates at the managerial level, which perhaps is a result of the demands of working with special populations.

There are two important areas for self-monitoring: the creation of internal reports and a schedule of visits to/inspections of the property itself. Since they are essential to the asset management approach, neither of these tasks should be left to the property manager alone.

THE BEST INTERNAL REPORTING SYSTEM

Your group already has some method for gathering information to respond to external demands for reports. This guide has also discussed strategies for gathering information for internal examination. Some of these strategies lend themselves to ongoing tracking.

The asset management approach will coordinate reporting to external parties with these internal processes of collecting information. A number of the publications listed in Best Picks at the back of this guide include diskettes with prototype forms that you can modify.



Characteristics of Effective Forms and Schedules⁴⁰

- | | |
|---|---|
| a. Collects information regularly | d. Highlight issues of importance |
| b. Are easily understood | e. Use consistent data forms from
internal to external reports |
| c. Are as focused and simple
as possible | f. Are not cluttered on the page |

Contents of a High-Performance Reporting System⁴¹

Weekly Reports	Occupancy Reports Incident Reports
Monthly or Quarterly Reports	Monthly Asset Management Reports Rent Collection Reports Utility Consumption Reports Financial Statements – Balance Sheet, Income and Expense Statement, Accounts Payable and Receivable Reports Maintenance Repair Log Waiting List Status Work Order Status Turnaround Time Reports
Annual Reports	Annual Asset Management Report Annual Audit Management Letters

⁴¹ Stockard and Engler, p. 190.

Contents of a Monthly Asset Management Report²⁰

<i>Net profit per unit</i>	<i>Occupancy rate</i>
Total operating expenses	Average unit turnaround time
Budget to actual expenses	Turnover rate
Capital reserve contribution per unit	Families on wait list
Collection rates	Average unit preparation time
Tenant receivables per unit	Work order backlog
Subsidy receivables per unit	Average work order completion time
Accounts payable per unit	Percentage of units in arrears

²⁰ *Track-It! Asset Management Software Instruction Guide*, Local Initiatives Support Corporation, 1998, p. 21.

Getting Maximum Value from a Site Visit⁴³

<i>If you find these clues...</i>	<i>You may have a problem with...</i>
Graffiti Untidy grounds and trash	Vandalism and poor security Lack of attention to curb appeal and community relationships
Poor condition of neighboring properties	Falling property values
Insufficient night lighting	Lack of security
Excessive vehicles parked on or near premises	Poor rule enforcement – residents not on the lease or unregulated auto repairs
Disorganized or dirty laundry room	Inadequate housekeeping of high-traffic areas – signaling worse conditions in low-traffic areas
Water damage at base of gutters	Poor preventative maintenance, overlooked seasonal gutter cleaning and other weatherization strategies
Bulletin boards that are not up to date or informative	Lack of communication between tenants and management

43 Vogel.

NEW SOFTWARE OR NOT?

Buying new software is an appealing approach to professionalizing the way you do business. If you are like many small supportive housing groups, you currently rely on a combination of accounting software and Excel spreadsheets to track budgets and other data. But you may not be aware of the availability of more sophisticated property management software. With mixed success, community development corporations and other nonprofit housing groups have been using such products for the last decade.



Unfortunately, much of the property management software available is not the best fit for small supportive housing groups. At this time, there doesn't seem to be a perfect package to recommend to the supportive housing constituency. However, there are a handful of packages that may improve your asset and property management significantly. They are described in the next pages of this guide.

Alternatively, you may want to stick with your current arrangements until more software is created with the needs of small nonprofit housing groups in mind. In the future, in all likelihood these programs will be available online and with links between property and asset management functions. As asset management becomes more commonplace, related functions will likely appear in updates for existing software packages.

CHOOSING SOFTWARE

There are many variables to your property management software needs. Needs vary depending on staff size and expertise, the number of properties in your portfolio, your budget, and your need for support to understand the software.

"I don't think all these high-flung software packages are going to be that relevant to your constituency of small supportive housing groups."⁴⁴

⁴⁴ Judith Rose, Local Initiatives Support Corporation.

Steps in Choosing Software⁴⁵

1. Involve your accountant in investigating some recommended software programs.
 2. Brainstorm with staff and determine which outputs are important to those who use your financial reports (internally and externally).
 3. Look for a package with a flexible report writer that can create user-defined reports by accessing every data element and can store these reports.
 4. Eliminate the kinds of packages that don't meet your needs.
 5. Select several packages that seem appropriate and gather information about them.
 6. Order demonstration diskettes or limited-use versions of the software at little or no cost. These let you play with the actual program using your own data.
 7. Narrow down the choices.
 8. Get the names of other nonprofits that have used the software and call them.
 9. Determine if the software is easy to use and could be operated by someone with no accounting experience.
-

⁴⁵ LaCharla Figgs and D. Crowley, "Accounting Software for Community Development Corporations," p. 2. Available online: www.enterprisefoundation.org.