CHAPTER 4: FINANCE AND ADMINISTRATION

Nothing surprising here, like in any other business, there must be somebody keeping a record of the proceedings of the business.

Let us start with:

ADMINISTRATION

Do not for a moment think that this is just a lowly specialist in his or her office moving files around! This is your backbone! If **Administration** is done perfectly, you will always be able to address any issue around your property as you will have a record of it. A paper trail of everything of importance.

Let me firstly address the software. In today's modern Malls everything is underpinned by a Property Management system (PMS) of some kind. There are many available and not the scope of this guide. The Centre that you are managing (or about to manage) will already have a system installed.

Chat GPT was kind enough to tell us this about systems:

A property management system (PMS) is a software application designed specifically for managing various aspects of real estate properties. It is commonly used by property managers, landlords, real estate agents, and property owners to streamline and automate tasks related to property management.

Key features of a property management system typically include:

1. **Tenant Management**: This feature helps in managing tenant information such as contact details, lease agreements, rent payments, and communication history.
2. **Lease Management**: Allows users to create, track, and manage lease agreements, including lease terms, renewal dates, and rent escalation clauses.
3. **Rent Collection**: Enables automated rent collection processes, including generating invoices, tracking payments, and sending reminders for overdue payments.
4. **Maintenance Tracking**: Helps in scheduling and tracking property maintenance tasks, managing work orders, and monitoring repair costs.
5. **Accounting and Financial Reporting**: Provides tools for managing property finances, including tracking expenses, generating financial reports, and facilitating tax preparation.
6. **Document Management**: Allows users to store and organize important documents such as lease agreements, insurance policies, and inspection reports in a centralized location.
7. **Communication Tools**: Facilitates communication between property managers, tenants, and property owners through features such as email integration, messaging, and notifications.

8. **Vacancy Management**: Helps in marketing vacant units, tracking inquiries, scheduling property viewings, and managing the tenant application process.
9. **Reporting and Analytics**: Provides insights into property performance through customizable reports and analytics dashboards, helping users make informed decisions.
10. **Integration Capabilities**: Integrates with other software applications such as accounting software, online payment gateways, and listing platforms to streamline workflows and data exchange.

Somewhere in your or the Centre owner's offices there will be an administrator(s) who's task it is to manage this system that will do all the things that we see above, for you.

Let us just lift out some points that you should be aware of as Centre Manager:

TENANT BILLING:

This is the point where it is of utmost importance that all the information contained in the signed lease must be captured 100% accurately as your Tenant's monthly billing will be generated from it. A mistake here will perpetuate throughout the period of the lease (if not picked up or corrected).

This system generates the monthly billing for you and automatically sends out the bills on a pre-determined date to the Tenant's chosen e-mail address. So, you can see, a mistake here may cause your Tenants not to receive billing and perhaps pay late!

Upon capturing the Lease documents, your **Administrator** will link the Tenant's premises Electricity, Water, Gas (and whatever other utility is consumed) meters with your meter reading company's software (see page 50). Once per month, as the meter reader's numbers are dumped into your PMS, the

charges for consumption are raised and added to the tenant's billing, automatically.

A good PMS will also have the pro-rata rates and taxes charges programmed in by your **Financial team**, therefore billing will automatically be added (provided all was captured correctly).

These systems are so well set up that your Tenants simply pay their bills using a system generated reference number from where your banking system will update payment directly to Tenants accounts from their electronic payments into your Malls' bank account.

Landlords require of their Centre Managers to check on monthly billing-runs to establish that it is correct. Yet, one must be sensible as it is very time consuming to check the charges to every Tenant's account in detail, but there is merit in casting your eye over the pre-billing reports that such systems generate just to make quite sure for yourself that there are no obvious glitches (which any system may have, not so?). So, diarise for such checks (more about that later under the Management structure chapter).

COLLECTIONS:

In the real world it is so that one must follow up if all your Tenancies pay correctly and on time. For this reason, your Administrator will be tasked to draw so called "arrears" reports from the system at regular intervals to check and follow up on late or short payments.

Larger Centres may have dedicated arrears clecks who do this full-time.

Your task will be to keep an eye on this, so diarise time for you to call on reports from **Administrators or -clerks** so you can keep a finger on this very important cash-flow monitor for the **Owners**. Such reports (in the better systems) will have comments columns in which the actions taken to collect arrears are entered and therefore available to you.

Of course, when collection from some Tenants become impossible and it becomes clear that their businesses are failing, you need to take this further. (More about this later under Legal Matters).

EXPENSE TRACKING:

Property Management Systems (which are fully integrated) also keep track of all expenses in your Centre. As instructions are issued for jobs to be done around the Centre (mostly by your Facilities and Marketing Management teams) these are entered into the system by the Administration (team). The system, in turn, raises an order number and automatically forwards that instruction to the applicable contractor by means of e-mails.

In larger Centres these orders may be raised by a separate administrator in the **Facilities team**. In other smaller Malls you will have this done by your Receptionist (as they are normally the first to receive messages about work needing to be done), but more about this later under the Management chapter where reporting structures will be explored.