

# ASTRBM06

## Contribute to the management of finances for properties in England, Wales and Northern Ireland



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### Overview

This standard is relevant to managers who play a part in managing the collection and use of service charges for properties as part of a management team or under the guidance of a more senior colleague.

This standard is suitable for use in England, Wales and Northern Ireland only.

Where charges are to be collected on behalf of a third party (e.g. ground rent for a landlord or premiums for an insurance company) you will need to show that these are also separately accounted for in line with your company's procedures and the law.

In the context of this standard other charges may include:

- insurance premiums
- ground rent
- charges for services provided in addition to the management agreement

Other documentation will include:

- leases
- insurance policies

Other correspondence may include application to mortgage lenders, land registry etc.

Policies on confidentiality may be your company's and / or your client's. It is important to also comply with data protection legislation.

This standard covers:

- your role in the setting up of accounts and in recommending and controlling expenditure
- the collection of finances and managing arrears

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### Performance criteria

#### Contribute to managing finances and accounts

- You must be able to:*
- P1 ensure that separately designated client accounts are established and maintained in line with legal requirements and agreed procedures
  - P2 make and justify recommendations for expenditure from accounts based on available information, agreed work programmes, value for money and a reasoned prediction of likely future expenditure
  - P3 give information to relevant people on the reasons for your recommendations
  - P4 present your recommendations in an appropriate format and at an appropriate time
  - P5 monitor and control expenditure in line with agreed budgets and / or cost projections
  - P6 inform the relevant person where significant variations from budget occur
  - P7 ensure that full and accurate records of income, budgets and expenditure are kept
  - P8 provide necessary information for accounts to be certified

#### Collect finances and deal with arrears

- You must be able to:*
- P9 inform service charge payers / owners of their duty to pay service and other charges
  - P10 give service charge payers / owners clear information on the way in which their accounts operate
  - P11 monitor accounts to ensure that payments are being made
  - P12 where accounts fall into arrears, you inform relevant people of the details of the arrears (including colleagues, service charge payers / owners and landlords / freeholders where these exist)
  - P13 take further action to recover arrears. Such actions may include referral of the problem to relevant colleagues, issuing arrears letters and other correspondence, agreeing new payment schedules and instigating legal action
  - P14 maintain an appropriate level of confidentiality when dealing with accounts which are in arrears
  - P15 keep full and accurate records of your decisions and actions at all times

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### Knowledge and understanding

*You need to know and understand:*

#### Contribute to managing finances and accounts

- K1 the need for separately designated accounts
- K2 the implications of relevant legislation, regulations, guidelines and codes of practice
- K3 the implications of different types of property ownership when setting up accounts
- K4 procedures for establishing and maintaining accounts
- K5 how to develop and make recommendations for expenditure
- K6 procedures for making recommendations for expenditure
- K7 how to balance quality and cost to achieve value for money
- K8 procedures for monitoring expenditure
- K9 how to control expenditure in line with budgets / cost projections
- K10 the requirements of account certification

#### Collect finances and deal with arrears

*You need to know and understand:*

- K11 the duties of service charge payers / owners under management agreements and other documentation
- K12 the range of different charges which apply to specific properties
- K13 requirements with regard to accounting for service charges and other income
- K14 how charges and management accounts work
- K15 how to communicate effectively with others
- K16 procedures for monitoring accounts and dealing with accounts which are in arrears
- K17 the range of actions available to recover arrears
- K18 requirements relating to the issue of warning letters
- K19 policies on confidentiality
- K20 the limits of your responsibility for arrears recovery
- K21 when you would need to seek clients' instructions with regard to recovery of arrears
- K22 the importance of accurate recording
- K23 the implications for your work of relevant legislation, regulations, guidelines and codes of practice

## **ASTRBM06**

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**Relevant occupations** Residential Block Manager; Property Manager

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**Suite** Residential block management

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