

ASTRBM6

Contribute to the management of finances for properties



Overview

Who this unit is aimed at

This unit 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.

What the unit covers

The unit is made up of two elements:

Element 1 covers your role in the setting up of accounts and in recommending and controlling expenditure.

Element 2 is about 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 you ensure that separately designated client accounts are established and maintained in line with legal requirements and agreed procedures
- P2 you make and justify **recommendations for expenditure** from accounts
- P3 you give information to relevant people on the reasons for your recommendations
- P4 you present your recommendations in an appropriate format and at an appropriate time
- P5 you monitor and control expenditure in line with agreed budgets and/or cost projections
- P6 you inform the relevant person where significant variations from budget occur
- P7 you ensure that full and accurate records of income, budgets and expenditure are kept
- P8 you provide necessary information for accounts to be certified

Collect finances and deal with arrears

You must be able to:

- P9 you inform service charge payers of their duty to pay service and other charges
- P10 you give service charge payers clear information on the way in which their accounts operate
- P11 you 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
- P13 you take further **action** to recover arrears
- P14 you maintain an appropriate level of confidentiality when dealing with accounts which are in arrears
- P15 you 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 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

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Additional Information

Scope/range

Contribute to managing finances and accounts

You make and justify **recommendations for expenditure** based on:

1. available information
2. agreed work programmes
3. value for money
4. a reasoned prediction of likely future expenditure

You must also show that you have the knowledge and understanding stated in this element.

Notes

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 with the law.

"Relevant person" may be a colleague or your client.

Collect finances and deal with arrears

You must inform the following **relevant people** of arrears when they arise

5. relevant colleagues
6. service charge payers
7. clients (e.g. landlords/freeholders) where these exist

You must show that you take the following types of **action** in relation to arrears

8. referral of the problem to relevant colleagues
9. issuing arrears letters and other correspondence
10. agreeing new payment schedules
11. instigating legal action

You must also show that you have the knowledge and understanding stated in this element.

Notes

Other charges may include:

12. insurance premiums
13. ground rent

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14. charges for services provided in addition to the management agreement.

You may inform service charge payers via covering letters with estimates or demands.

Other documentation may include:

15. leases/deeds of conditions/title
16. insurance policies

In Scotland, it will be necessary for the manager to have an understanding of the implications of the common law of tenement.

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

Policies on confidentiality may be your company's and/or your client's.

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Suite Residential Block Management

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