

APPENDIX 19

MANAGEMENT REVIEW WORKSHEET (Suggested Form)		
Project Name/Number	Date of Inspection	Name of Inspector

Part A - MAINTENANCE AND SECURITY - Review most recent physical inspection report before responding to the items below. Check to see if corrections requested in the report have been made. If the report indicated serious problems or if the inspection was made more than nine months ago, you should consider completing a new Physical Inspection Report in conjunction with this review.

1. GENERAL PHYSICAL CONDITION

- a. Are grounds and landscaping in acceptable condition?
- b. Are exterior painted surfaces such as stairs, railings, decks, porches, windows, doors, etc., free from cracking, scaling, chipping, peeling or loose paint?
- c. Is the project generally free of broken windows, broken light bulbs or seriously damaged exterior doors?
- d. Are hallways, stairways, elevators, laundry rooms, garbage areas and other public areas clean?
- e. Is the playground equipment in safe and acceptable condition?
- f. Is the project free of obvious fire/safety/health hazards or housing code violations?
NOTE: An obvious health hazard related to lead-based paint would be deteriorated paint conditions on the interior walls and woodwork and exterior painted surfaces.
- g. Have repairs or corrections called for on last physical inspection been satisfactorily completed?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

2. WORK SCHEDULING

- a. Are maintenance and janitorial employees given written schedules for routine work (i.e., mowing lawns, cleaning trash areas, etc.)?
- b. Are emergency items given priority and acted upon quickly?
Maintenance program can best be described as (check one) Preventive Corrective Deferred Other (describe) _____
- c. Is emergency maintenance service available after regular working hours?
- d. Are purchase orders and work orders required of maintenance staff?
- e. Does management have a system for receiving, assigning, completing and billing work orders and for establishing work priorities?
Average number of requests received per day is: _____
Average response time is: _____
Current work order backlog is: _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

3. PREVENTIVE MAINTENANCE

- a. Is there a schedule for preventive maintenance/servicing of the items listed below? Check schedules in use and indicate in parentheses whether servicing is done by on-site staff (O) or by contractor (C).

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Major Appliances () Elevators () Motor Vehicles () Hot Water Heaters ()	Heating and Airconditioning Equipment () Inspect Roof and Facias () Cleaning Carpets and Drapes ()																														



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Check services currently contracted with outside contractors and identify name of contractor and annual amount of contract for:

- ___ Elevator service _____ for \$ _____ /yr.
- ___ Exterminating service _____ for \$ _____ /yr.
- ___ Apartment cleaning _____ for \$ _____ /yr.
- ___ Heating and A/C service _____ for \$ _____ /yr.
- ___ Plumbing service _____ for \$ _____ /yr.
- ___ Security service _____ for \$ _____ /yr.
- ___ Trash collection _____ for \$ _____ /yr.
- ___ Decorating _____ for \$ _____ /yr.
- ___ Grounds maintenance _____ for \$ _____ /yr.
- ___ Other _____ for \$ _____ /yr.

(Indicate by an asterisk whether there is an identity of interest relationship between the contractor and the owner or agent.)

- f. Is information on pricing of goods & services from identity-of-interest firms and/or central service units reviewed for the propriety of such transactions & the reasonableness of resulting charges to the project?
- g. Do records indicate that management has:
- 1) inspected contractor's work before authorizing payment?
 - 2) pursued corrections needed?

YES	NO	N/A

COMMENTS (indicate item referred to)

8. SECURITY PROGRAM

- a. Is exterior lighting adequate for protection and visual security?
- b. Is the project free of major security problems? If not, check problem areas: Break-ins Vandalism Auto Theft Personal Assault Other (specify) _____
- c. Check type(s) of security device(s) available: Tenant patrol Paid car patrol Paid on-site guard Police Department car patrols in excess of normal patrol for area.
- d. Is type and level of security service appropriate for this project?

YES	NO	N/A

COMMENTS (indicate item referred to)

9. ENERGY CONSERVATION

- a. Has the project complied with the provisions of the Natural Gas Pipeline Safety Act (e.g., cathodic protection, etc.)?
- b. Has the Owner/Agent compared utility rate schedules to assure that the most economic rate schedule is used?
- c. Has management attempted to reduce energy consumption?
- Check measures undertaken:
- ___ Energy Audit Completed
 - ___ Caulking and Weatherstripping
 - ___ Storm Doors and Windows
 - ___ Watersaver Devices
 - ___ Extra Insulation
 - ___ Conversion to Individual Metering
 - ___ Consumer Education
 - ___ Other (specify) _____

YES	NO	N/A

COMMENTS (indicate item referred to)

10. MAINTENANCE PROGRAM RATING (Check applicable box)

- Superior Above Average Satisfactory Below Average Unsatisfactory

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- b. Are exterminator services provided regularly as necessary?
Are tenants properly notified of such services?
- c. Are sewer lines, roof gutters, and downspouts cleaned periodically?
- d. Are lawns and plants fertilized/trimmed at appropriate time of the year?
- e. Is recreational equipment serviced/stored as seasonal changes indicate?
- f. Are exterior windows cleaned on a regular basis?
- g. Is there a schedule for exterior painting and is it followed?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

4. UNIT INSPECTIONS (Inspect at least two occupied and two vacant units selected at random.)

- a. In the case of long-term occupied units:
 - 1) are units inspected on a regular basis?
 - 2) are units redecorated on a regular basis?
 - 3) is there a written schedule for the inspections and redecorating?
- b. In the case of vacant units:
 - 1) are move-in and move-out inspection forms used?
 - 2) is there a system for billing tenants for damages?
 - 3) are charges to tenants for damages itemized in writing?
 - 4) do charges to tenants appear reasonable?
- c. Is the condition of units inspected satisfactory?
How many units were inspected? _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

5. VACANT UNIT PREPARATION

- a. Does management have a system to monitor timely preparation of vacant units for rental?
- b. Is preparation of vacant units free from delays due to:
 - 1) lack of funds?
 - 2) insufficient supply of materials maintained at project site?
 - 3) use of contractor instead of on-site staff, or vice versa?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

6. EQUIPMENT AND INVENTORY CONTROLS

- a. Is maintenance work area and storage space adequate?
- b. Is there a satisfactory inventory system for accounting for tools, equipment, supplies and keys?
- c. Is a list of equipment and appliance serial numbers maintained?
- d. Are equipment and tools adequate to perform maintenance tasks?
- e. Is a copy of the project's as-built drawings on site?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

7. PROCUREMENT AND SUPPLY PRACTICES

- a. Does the project maintain a list or file of vendors who sell services or products to the project?
- b. Is an adequate amount of supplies kept on hand at all times?
prices to obtain supplies & services at most favorable terms available?
- c. Is there evidence that the project has shopped around and compared?
- d. Are copies of maintenance and/or service contracts available for review?
- e. Does the project maintain a list or card file on outside contractors?

YES	NO	N/A



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Part B - FINANCIAL MANAGEMENT - This part will assist the mortgagee in evaluating the mortgagor's system of financial and accounting controls, as well as the mortgagor's compliance with HUD financial reporting requirements. Some items may have already been covered in your review of the latest annual audited financial statement.

11. ACCOUNTING AND BOOKKEEPING

- a. Are books and records maintained as required by HUD Handbook 4371.1 (Chapter 4)? Check books of accounts maintained. Indicate where books may be examined by placing in parentheses an (O) for Owner's office; an (A) for Agent's Office; or (P) for Project Site.
 - General Ledger () Rent Receivable Ledger ()
 - General Journal () Cash Receipts Journal ()
 - Accts. Payable Journal () Cash Disbursements Journal ()
- b. Are operating funds, security deposits and reserve funds, maintained in separate accounts and properly secured for authorized use?
- c. Does mortgagor make frequent postings (at least monthly) to ledger accounts?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

12. BUDGET MANAGEMENT

- a. Is an operating budget prepared annually and is it approved by owner? If yes, obtain a copy of current year's budget.
- b. Is a budget used to monitor and control operating expenses?
- c. Are monthly or quarterly reports prepared indicating variances between actual income and expenses and budgeted income and expenses?
- d. Are rent increase requests submitted to mortgagee promptly when needed?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

13. CASH CONTROLS

- a. Are collections deposited on the day received or, pending deposit, are they properly controlled?
- b. Are there adequate controls over cash accepted? Check controls used:
 - Prenumbered rent receipts Bank collections Safe Lock Box
- c. Do different persons handle bank deposits and accounts receivable, or is an alternative safeguard in effect?
- d. Are all disbursement checks prenumbered, properly identified with account numbers and supported by vouchers or invoices?
- e. Is the supply of unused checks adequately safeguarded and under the custody of persons who do not sign checks manually, control the use of facsimile signature plates, or operate the facsimile signature machine?
- f. Are funds (i.e., receipts, disbursements, petty cash, etc.) periodically checked on a surprise basis by a responsible official (other than on-site employees)?
- g. Are bank statements reconciled promptly upon receipt by someone other than check signer and by one who has no cash receipt or disbursement function?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

14. COST CONTROLS

- a. Does owner/agent solicit bids (formal or informal) in order to obtain materials, supplies and services on most advantageous terms to project? Give recent example: _____

YES	NO	N/A



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- b. Are bills (including mortgage payment) paid in sufficient time to avoid late penalties?
- c. Are vendor bills paid in time to obtain maximum trade discounts?
- d. Are operating expenses (including taxes and utilities) periodically reviewed to assure that the project is paying lowest possible rate? Identify any efforts by owner/agent taken to reduce expenses/effect cost savings:
- e. Do project operating costs or expenses appear reasonable compared to those of similar projects?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

15. SUBMISSION OF REPORTS

- a. Have the following financial reports been submitted on a timely basis and in acceptable form?
 1) Annual Audited Financial Statement: Due / / ; Received / /
 2) Monthly Accounting Reports (Forms HUD-93479, 93480, 93481)
- b. Does agent/owner contact IPA early enough to enable the IPA to prepare annual financial report within 60 days of close of fiscal year?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

16. FINANCIAL COMPLIANCE AND CONDITION

- a. If the owner/agent has taken unauthorized distributions, reimbursements or supervision fees, have these been repaid? If no, indicate amount due project \$ _____
- b. Is management fee paid to agent in accordance with time schedule and amount authorized?
 Fee authorized = \$ _____ (%) Fee paid = \$ _____ (%)
- c. Is agent charging project for expenses which HUD policy requires the agent to pay?
- d. Has owner corrected any findings made on your review of last annual financial statement?
- e. Is current rent schedule sufficient to meet project needs?
- f. Does balance in security deposit trust account equal or exceed liability? If no, explain how deficit will be funded: _____
- g. If security deposits are invested in an interest-bearing account, is interest passed through to tenants or transferred to project account? Complete the following as of the end of last month (/ /): Cash on hand = \$ _____ Accounts Receivable = \$ _____ Accounts Payable = \$ _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

17. RENTAL COLLECTION PRACTICES

- a. Is there a written rental collection policy?
 ___ Late charge of \$ _____ on _____ day.
 ___ Delinquent notices sent on days _____, _____, _____.
 ___ Eviction procedures commence on _____ day.
 ___ Referred to collection agent on _____ day.

YES	NO	N/A

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- b. Does rent collection policy appear to be uniformly applied?

YES	NO	N/A
- c. Is an aged tenant delinquency report prepared monthly?
- 1) During an average month, how many tenants have not paid their rent by the 10th of the month? _____
- 2) During an average month, how many tenants have not paid their rent by the end of the month? _____

COMMENTS (indicate item referred to) _____

18. ACCOUNTS RECEIVABLE/PAYABLE

- a. Are tenant accounts receivable within acceptable limits?
Amount of Accounts Receivable shown in Item 16g is ___% of monthly rents due from tenants. Of this amount, \$_____ is more than 30 days past due.
- b. Does procedure for write-off of bad debts appear reasonable?
- c. Has annual "write-off" of tenant's accounts receivable for the last two fiscal years been less than 1% of gross rents due from tenants? Tenant delinquent accounts written off last 12 months equals \$_____
- d. Are accounts payable reasonably current? Indicate amount of accounts payable more than 60 days old \$_____
- | | | |
|-----|----|-----|
| YES | NO | N/A |
| | | |
| | | |
| | | |
| | | |

COMMENTS (indicate item referred to) _____

19. RESERVES AND ESCROWS

- a. Complete the following table:

Name of Reserve	Value as of ____ / ____ / ____			Held in Interest-Bearing Account? (Check Box)	
	Total	Per Unit	Monthly Deposit	Yes	No
Replacement Reserve	\$	\$	\$		
Other	\$	\$	\$		
Other	\$	\$	\$		
Other	\$	\$	\$		

- b. Do the balances in replacement or general operating reserve accounts appear adequate to meet future needs? If no, what action is recommended? _____
- c. Have monthly deposits to these reserves been increased since the project was completed?
- d. Has mortgagor/mortgagee performed analysis to determine future replacement reserve needs?
- e. Is only one account (i.e., the appropriate reserve or operating expense account) being billed for repairs that are eligible for reimbursement from the reserves?
- | | | |
|-----|----|-----|
| YES | NO | N/A |
| | | |
| | | |
| | | |
| | | |

COMMENTS (indicate item referred to) _____

20. FINANCIAL MANAGEMENT RATING:
(Check appropriate box)

- Superior Above Average Satisfactory Below Average Unsatisfactory

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- b. Are the security deposit and first month's rent the only charges made when applicant is accepted for occupancy? List other charges & amounts:
 Other (specify) _____ @ \$ _____ per month
 Other (specify) _____ @ \$ _____ per month

YES	NO	N/A

COMMENTS (indicate item referred to) _____

24. RENT SCHEDULE COMPLIANCE

- a. Is a Mortgagee-Approved Rent Schedule (HUD-92458) on file?
 List and compare the rental charges:

YES	NO	N/A

Source	Efficiency	1 BDR	2 BDR	3 BDR	4 BDR	5 or more BDR
Rent Used						
HUD-92458 Rent						

- b. Is the gross potential income from apartments equal to or less than rents approved on the latest Mortgagee-approved Form HUD-92458?
 c. Are charges for equipment and services included in the rent the same as shown on the latest Mortgagee-approved Form HUD-92458?
 d. Is other income-producing space in the project rented at or above the rates shown on the latest Form HUD-92458?
 e. Are the number of non-revenue producing dwelling spaces at the project the same as shown on the latest Form HUD-92458?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

25. EVICTION PROCEDURES

- a. Does management have a written policy for handling evictions?
 b. Are eviction procedures initiated promptly, when warranted?
 1) Number of evictions completed during last six months _____
 2) Average cost per eviction \$ _____
 3) Eviction handled by Attorney:
 on staff of management agent on contract on call
 c. Any special problems or delays?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

26. TENANT FILES AND RECORDS

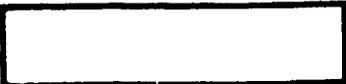
- a. Are tenant files organized, properly maintained and secured in a confidential manner?
 b. Do tenant files contain all the necessary forms and documents? Are these signed by the tenant and the owners, as required?
 Check items typically found in files: _____ Application (signed)
 _____ Income Verifications _____ Lease (signed) _____ Lease addenda
 _____ Security Deposit Receipt _____ Unit Inspection _____ Correspondence
 _____ Other (specify) _____
 c. Is there a chronological record of maintenance inspections and work completed for each unit maintained in the project office?

YES	NO	N/A

27. LEASING AND OCCUPANCY RATING

- a. Occupancy Compliance - List any deficiencies which were noted in prior review(s) and which are still outstanding: _____

- b. Rating: Check appropriate box:
 Superior Above Average Satisfactory Below Average Unsatisfactory



Part D - TENANT/MANAGEMENT RELATIONS

28. TENANT PARTICIPATION

- a. Is there an active tenant organization at this project?
- b. Does the tenant organization appear to represent the majority of the residents? What tenants appear to be under-represented? _____
- c. Does the tenant organization meet frequently with management? Give the frequency of meetings _____, Date of last meeting _____
- d. Is tenant organization supported by project funds? How much is the value of support? \$ _____
- e. Are there brochures and newsletters available regarding project policies and activities? Does management encourage tenant input to the newsletter?
- f. Is tenant involvement in project operations encouraged? Check areas in which involvement is encouraged:
 - ___ Project Rules
 - ___ Redecorating Schedule
 - ___ Energy Conservation
 - ___ Security Program
 - ___ Use of Community Space
 - ___ Social Service Program
 - ___ Other (specify) _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

29. USE OF COMMUNITY SPACE

- a. Is indoor community space adequate and in satisfactory condition?
- b. Does management plan and use the space effectively?
- c. Is outdoor recreation space adequate and in good condition?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

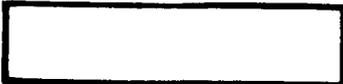
30. TENANT SATISFACTION

- a. Do residents appear reasonably satisfied with the overall quality of housing services provided by the project? Check areas of satisfaction:
 - ___ Maintenance Services
 - ___ Security
 - ___ Social Services
 - ___ Other _____
- List areas of dissatisfaction: _____
- b. Does management respond promptly to maintenance requests and other resident complaints?
- c. Does management have an effective method for resolving tenant grievances and are tenants aware of it?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

31. TENANT/MANAGEMENT RELATIONS RATING: Check appropriate box.
- Superior Above Average Satisfactory Below Average Unsatisfactory



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Part E - GENERAL MANAGEMENT PRACTICES - Review any procedures manuals and management plans or management specifications on file.

32. ORGANIZATION AND SUPERVISION

- a. Does owner/agent have system/procedure for providing field supervision of on-site personnel? Name of Field Supervisor(s): _____
- b. Are lines of supervision between on-site staff and agent's central staff described in writing and understood by staff?
- c. Are duties of on-site staff described in writing (e.g., job description, etc.) and are they clearly understood by on-site staff?
- d. Has the owner/agent established a written personnel policy for employees?
- e. Check types of reports agent prepares for owner (give frequency of reporting): Cash flow/accounting _____;
 Move Out/Move In _____; Delinquency _____;
 Maintenance _____; Other (specify) _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

33. STAFFING AND PERSONNEL PRACTICES

- a. List all staff billed to project account:

Name (Indicate by Asterisk Those Living On-site)	Title	Date Employed	Hours Per Week	Monthly Salary or Wage	IF Free Apt. Give bdrm Size
					bdrm

- b. Does above staffing reasonably correspond to that submitted in support of last rent increase?
- c. Are skills of staff appropriate for this project?

YES	NO	N/A

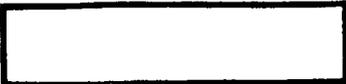
COMMENTS (indicate item referred to) _____

34. OPERATING PROCEDURES AND MANUALS

- a. Is there a procedures manual on-site for staff use?
- b. Does the manual adequately cover HUD and mortgagee requirements?
- c. Are HUD manuals, handbooks or other guide materials available on-site for staff use?
- d. Is owner complying with any operating procedures required by mortgage or Regulatory Agreement?

YES	NO	N/A

COMMENTS (indicate item referred to) _____



35. TRAINING

- a. Does agent/owner have a formal on-going training program for its staff?
Check types of training used: On-Site (Frequency _____)
IREM _____ NCHM _____ Local Colleges _____ Other (specify) _____
- b. When on-site staff have questions or concerns, do they know who to call for answers? Who do they call? _____
- c. Does owner/agent have a system to keep on-site staff informed of changes in either HUD policies or project operating procedures? _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

36. ON-SITE OFFICE ADMINISTRATION

- a. Are there signs enabling tenants/applicants to easily locate the office?
- b. Is office organized and neat in appearance?
- c. Are office hours posted?
- d. Are office hours convenient for tenants and prospective applicants?
- e. Is rent collection policy posted?
- f. Is affirmative fair housing sign posted?
- g. Are emergency phone numbers posted?

YES	NO	N/A

COMMENTS (indicate item referred to) _____

37. INSURANCE AND BONDING

- a. List current insurance coverage and annual premiums:
1) Property Basic Coverage = \$ _____, Premium = \$ _____
2) Liability Basic Coverage = \$ _____, Premium = \$ _____
- b. Is property insurance adequate to cover replacement cost?
- c. Has the project been able to obtain property and liability insurance coverage without any major difficulty? If no, describe problems.

- d. Has the owner/agent attempted to obtain lower insurance coverage rates? If yes, describe _____
- e. Does the owner/agent have a fidelity bond which is at least equal to potential rent collections for two months and which provides coverage for all employees handling cash? (Obtain copy, if available.) _____

YES	NO	N/A

COMMENTS (indicate item referred to) _____

38. GENERAL MANAGEMENT PRACTICES RATING: Check appropriate box:

- Superior Above Average Satisfactory Below Average Unsatisfactory