

## Financial Considerations in Acquiring and Maintaining a Property Management System

Having been involved with property management systems for over 30 years I have often been involved with recommendations re: various financial options that minimize or at least soften the hit on a system purchase. One of the first methods that involved a number of local banks that offered property managers a "Reserve Analysis" service.

This is a process which allows the bank the ability to provide credits based on the Trust Account balances the managed properties maintain. The credits can therefore be used towards bank services, i.e. Payroll, check reader/ scanners, etc. or even vendor services / products associated with accounting. The accounting element included property management software and support services.

On-line property management software was still in the future at that time, Software systems were either PC or on-site server based and often cost thousands. Note: Rent Manager was one of the first if not the first to release an on-line system in 1999.

Most of the property management companies I assisted were not large enough to establish a one time credit large enough to acquire a system. One large local bank however, who appeared to be one of the first offering a "Reserve Analysis" service also offered a "Lease/ Purchase" Service allowing the system to be purchased over 3 or 4 years via the credits. As I recall at least 4 or 5 of our clients transitioned into a new system during the Y2K period using the Lease-Purchase option available at that bank.

That bank over the years significantly lessened the benefits of their Reserve Analysis calculations while adding a surcharge to their program. I no longer promote their service. I do however, know of a Leasing Company that will fund a midsize and larger systems over 3 or 4 years. The potential to repeat what was done above in the past is still there. A low interest rate credit card also offers benefits and perhaps more financial flexibility than the "lease purchase" option.

A few years ago I had a list of about a dozen banks that provided similar programs in a varying degree. I can still identify a few of those banks, but not inclined to do so based on the recommendation of a client about four years ago., He identified a bank that has provided excellent services which I have shared with a number of other clients who have benefited with an excellent return by transferring their accounts to that bank.

A couple of my larger clients have their annual support and upgrades fee, (a significant amount) paid by the bank. A Rent Manager on-line system user can also be funded by the bank. Some of our DJ&A services have been funded by the bank. Contact my office and we will talk about the issues and I will provide referral and contact information if interested.

**Dick Jonilonis**

**619-460-8925**

[dickj@pmssoftwaresolutions.net](mailto:dickj@pmssoftwaresolutions.net)

[www.pmssoftwaresolutions.net](http://www.pmssoftwaresolutions.net)

