



# Division of Responsibilities

OPERATIONS TASK	PJ'S ASSET MANAGER	OWNER'S ASSET MANAGER	PROPERTY MANAGER
Select Property Manager		Do	
Marketing/Mgmt. Plan		Approve	Propose
Rent & Expense Projections		Approve	Propose
Annual Property Budget	Review	Approve	Propose
Expenditures within budget			Do
Select, Train & Discipline staff			Do
Increase or decrease staff		Approve	Do
Rent units			Do
Certify Household Incomes	Review		Do
Inspect Units/Property	Do	Do	Do
Collect Income			Do
Set Rents within HOME limits	Approve		Do
Enforce leases			Do
Other legal actions		Approve	Propose
Maintain property	Review	Review	Do
Monthly Reports	Review (quarterly)	Review	Do
Annual Audits	Review	Review	Review
Risk Management		Do	Do
Monitor insurance		Do	
Refinancing	Notified	Do	Advise
Workout	Do	Do	Advise
Debt/Equity Monitoring		Do	
Negotiate Sale	Approve	Do	
Replace non-performing owner	Do		
Replace non-performing manager	Notified	Do	
Tax rate appeals		Do	Advise

Source: "Asset Management – A HOME Guide," produced by The Compass Group, LLC for HUD.





## EIGHT EARLY WARNING SIGNALS OF TROUBLED PROPERTIES

Signal	What it Means
1. Decreasing or low cash balance	May indicate that a property will have difficulty covering expenses in the near future.
2. Increasing tenant receivables	Shows that the property is not receiving all available income, which makes it difficult for the property to pay all expenses and fully fund reserve accounts.
3. Low rent collections	Collection rates below 95% reduce the property's ability to pay its expenses and fund reserve accounts.
4. Slow turn-around of vacant units	Long vacancy periods mean a loss of rental income for the property.
5. Increasing or high accounts receivable	May indicate that the property is having a difficult time paying its bills.
6. Deteriorating property condition	May indicate that the property may not have enough cash or reserves to pay for needed maintenance or repairs <b>OR</b> that the property manager is not addressing the property's maintenance needs.
7. Increasing and unexpected capital needs	The property may not have enough reserves to pay for capital needs <b>OR</b> preventive and routine maintenance is not being performed.
8. Poor local economy/increasing crime conditions	May indicate that the property may face increasing vacancies as good tenants look to leave the property or lower rent collections if there is higher unemployment.

