



# **Operating Manual**

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# Introduction

RentMaster is a property management software package designed for both landlords who own and manage their own properties, as well as property managers who manage properties for others.

The software has a number of main functional areas.

- It can be used to maintain details about the various business elements of a rental property being the property itself, the tenants, the mortgage(s) and the owner. These details are mostly all entered when the application is run for the first time, and does not change regularly.
- It can be used to record the daily income and expense transactions so that you can keep an accurate record of the financial dealings of the 'business'. These details tend to be maintained regularly such as weekly or monthly.
- It can be used as an analysis tool to easily and quickly determine the progress of your properties through the use of graphs, reports and financial analysis. These can be run at any time throughout the life of the properties.

The main screen which you see when the application starts is the menu screen. This screen has a series of interactive menus on the left for selecting the main functions in RentMaster. Along the top of the screen is another menu, which has exactly the same functions available from the main screen. This menu also has some additional menu functions for lesser-used features such as setting up income and expense groups etc. Below this menu is a toolbar which you can customize to contain the most regularly used functions.

RentMaster has a special 'Training Mode' function which is available from the General menu at the top of the screen. In training mode you will be using a copy of your real database. This means that anything you do such as entering transactions or deleting properties etc will not have any effect on your real data. When you switch back out of training mode, it will be exactly as you left it. This is an ideal way to experiment with some of the new functions in RentMaster without any risk of damaging your real data.

Most screens have Help buttons at the bottom, which will give you more detailed information about specific fields and what they mean.

This manual has a number of chapters. The first 3 cover the 3 main functional areas mentioned above. Following this is a reference for some of the additional modules which are available in RentMaster.

But first there is a quick getting started section for people who are keen to get straight into entering details without a lot of reading.

# Getting Started

If you have just started using this program and would like to know where to start then read the following steps.

(Menu options may be substituted with the equivalent menu options at the top of the screen.)

You can either follow this list of instructions, or you can choose Getting Started from the General menu group for on-screen interactive instructions.

Step 1 - Create owners.

Choose Owner | Owners menu option and create the owners of the properties. If only one owner owns all properties then this step may be skipped.

Step 2 - Create properties.

Choose Property | Properties and create new property entries for each property which is being rented out.

Step 3 - Create Mortgages

Choose Mortgage | Mortgages and create an entry for each mortgage which is being handled by you. If you are a property manager for someone else's properties you will probably not need to complete this step as the mortgage will be handled by the owner.

Step 4 - Create Tenants

Choose Tenant | Tenants and create the details for each tenant which is currently renting the properties you have previously entered.

Step 5 - Create automatic income and expense details

Choose Setup Automatic from both the Income and Expense menu groups and create entries for regularly scheduled income such as rent and expenses such as mortgage payments.

Step 6 and ongoing - Enter income and expense details.

Use the Transactions | Cashbook menu option to add income and expense transactions which is attributable to the properties you are managing. This will continue throughout the year. Reports and graphs may also be printed or reviewed at regular intervals to watch the progress of the properties.

# Business Elements

## Entity Overview

There are 4 elements required to set up a RentMaster rental business.

The first is the owner. This is the person or people or business which owns the properties.

After setting up the owners, you can create the properties themselves – which are owned by the owners.

Next you can create the details about the tenants who occupy the rental properties and pay the owners or property managers rent.

Then there is the option to record details about the mortgages which the owners may have over the properties.

## Owners

The owner is the person or people or business which owns the properties which are being maintained. If you are the owner of all the properties, then you may skip the Owner section altogether and go straight to entering property details as there is no need to record details about yourself.

This section is designed mainly for property managers who are looking after properties which are owned by a number of different owners other than themselves.

There are 2 reasons for entering owner details. The first is to keep a record of certain details for the owner so they can be contacted when there is an issue to do with one of the properties. The other is to make for easier reporting and investment analysis later because properties can be analyzed, graphed or reported, grouped by their owners name.

All owner details are created and maintained from the Owners menu group. Another option in the Owner menu group is a Default owner. By selecting a default owner, other parts of the program such as transaction entry will automatically filter out all properties which are not owned from the selected owner. This makes it easier to find the properties you want without having to hunt through a large list of them.

Disbursements are a special transaction type which occurs when the property manager pays the owner of the property their share of the income. This is also found in the Owners menu group. See Disbursement Transactions later for further details.

The property details can be accessed from the Owner details screen, as well as the Properties menu group.

## Property

The property is the house or apartment or group of flats which are being rented out.

Properties are created and updated through the Properties menu group. On the first page of the property details screen are details such as the property address and description. The owner of the property can be selected to associate this properties back their owners (if owners have been set up). The default bank account and default mortgage fields can be used to save time later when entering income or expense transactions. Once the property has been selected for a transaction, the bank account and mortgage is automatically set to the default setting for that property.

Vacant properties can be added or removed from the FindARentalHome web site simply by pressing one button on the Web tab. You need to establish a web site account first. Check [http://www.rentmaster.co.nz/details\\_web.aspx](http://www.rentmaster.co.nz/details_web.aspx) for information on starting a FindARentalHome web site account.

The values set on the third tab of the property details screen is used mainly for informational purposes. The depreciation settings allow you to calculate and maintain the depreciation calculation for the property itself. See Depreciation Methods in the on-line help from the help menu. A separate depreciation calculator can be accessed from the Calculators menu group.

Fittings are the assets which are included with the house and include items such as a stove or curtains or light fittings. In many countries these items can be depreciated separately at a higher depreciation rate from the house itself. Fittings are entered from the Fittings tab on

the property maintenance screen. Once again the depreciation rate and method need to be entered. The purchase value of the item is the value when it was first acquired – even if it was acquired second hand or it came with the house. In these cases, an estimate of the value is required. A professional valuation can be used to ascertain this value.

The 'Current Years Depreciation' report can be used to get the total depreciation incurred for both the houses and the fittings.

If you own an apartment building, with a lot of units all being rented by the same person, this is best handled by creating multiple properties. One for each unit being rented, and optionally one for the entire building itself. For example, if an apartment building has 10 units being rented, you may choose to create 11 properties. One for each unit in the building, and one for the whole building. Most income and expenses will relate to a specific unit, however some expenses may be for the building as a whole, such as replacing the roof or a mortgage over the building. These costs can be associated with the building itself, which leaves the expenses incurred by each individual unit unaffected. When it comes to reporting or graphs, you can choose to report on the individual properties, or select all properties to get a combined total.

The tenant and mortgage details can be access from the property maintenance screen as well as the Mortgage and Tenant menu groups.

## Tenant

The tenant is the person or people who rent the buildings we are renting or maintaining.

The tenant details screen is accessed from the Tenants menu group.

Most tenant details are for informational purposes such as the tenancy start date, name, bond paid etc. It is always a good idea to associate a tenant with a specific property. If you have a number of tenant renting the same property at the same time, such as flat mates, you can either create one tenant, or you can create one tenant per person and split the rent between them.

The current rent and rent frequency fields are important because they are used to automatically create the rental periods. The tenancy closed check box is used to designate a tenancy as terminated, and also removes this tenant from certain selections such as the rental periods screen and some reports.

A special Rent Arrears screen and report has been created which quickly highlights the tenants who are behind in their rent. This menu screen is available from the Rent menu group.

See Work Order and Mail Merge for information about these related extra modules topics.

## Mortgage

A mortgage is a loan from a bank or lending institution which most landlords take out in order to finance their purchases. As such, RentMaster has a special section in order to help keep track of these mortgages. This section is designed primarily for individual landlords rather than property managers who often have no knowledge of the mortgages involved.

Mortgage details can be entered from the Mortgage menu group.

Most fields on the mortgage details screen are optional. The property field is the primary property this mortgage is associated with. If there are multiple properties being covered by the mortgage, such as with an apartment building, you may choose to create an additional property for the purposes of associating the mortgage with it, or simply select any one of the properties.

When paying mortgage interest or principal payments, the expense entry screen will ask for the mortgage being paid off. See the later section on expense transactions for more details.

Special mortgage calculators are available from the Mortgage menu group. These can tell you how much you can expect to pay in interest and principal over time given the total value, term and interest rate of the mortgage. This is useful for budgeting purposes.

The mortgage comparison calculator gives you the same mortgage calculation information in summary, but also allows you to enter a number of different mortgage details side by side to see the effect of a change of term or interest rate etc.

# Transactional details

## Income Transactions

Income transactions is money received – usually from tenants. The main form of income is rent. Income transactions are accessed through the Cash Book in the Transactions menu group.

Income transactions save the property code, date and amount of the transactions. The income group is used to classify what type of income this is e.g. rent, interest received etc. Income groups can be created from the Maintenance menu at the top of the screen.

If the income transaction is classified as rent, the name of the tenant can also be selected in order to correctly calculate the balance owing for this tenant. The amount paid is automatically deducted from the running balance owing, paying off the oldest outstanding balance first. See Rental Periods later in this chapter for extra information.

A special Rent Arrears menu option is also available from the Rent menu group. This will highlight any tenants who are being in their rent, with the exact amount they currently owe. This can optionally be set to display automatically every time the application is started.

Income transactions appear in a number of different reports, as well as the bank reconciliation report if the bank account has been selected.

See Automatic Transactions later in this chapter for information about setting up and recording regularly occurring transactions.

## Expense Transactions

Expense transactions are money which is paid out as a result of maintaining a rental property, such as repairs or rates or mortgage expenses. For property managers, not all these expenses will be applicable – such as mortgage payments. Expense transactions are accessed through the Cash Book from the Transactions menu group.

Expense transactions save the property code, date and amount of the transactions. The expense group is used to classify what type of expense this is e.g. repairs, mortgage interest or principal or rates etc. Expense groups can be created from the Maintenance menu at the top of the screen.

If the expense transaction is classified as either mortgage interest or mortgage principal, the mortgage being paid can also be selected in order to maintaining the running balance of what is owing on the mortgage. Various reports and graphs show the current mortgage balance.

A special form of expense transaction is mileage. In New Zealand at least, mileage is a tax-deductible expense. For that purpose it is important to keep a log of every trip which was done in order to manage your properties. A mileage report is available to total the distance traveled.

Expense transactions appear in a number of different reports, as well as the bank reconciliation report if the bank account has been selected.

See Automatic Transactions later in this chapter for information about setting up and recording regularly occurring transactions.

## Rent Periods

A rent period is a time span during which a tenant occupies the rental property. A period may be 1 week, a fortnight, a month etc. The duration of a tenancy is likely to span multiple periods.

During a period, a certain amount of rent is payable. For example, if a tenant rents a property for \$200 per week, then during each weekly time period the rent payable would be \$200.

RentMaster automatically maintains a running balance of rental periods. Each time the application starts, new rental periods are generated if they are required. For example, if the rental period finished yesterday, then when the application is started today, a new rental period covering the next time span will automatically be generated, and the current rental value for the tenant will be inserted.

During each time period, there is a value of rent owed. This is automatically inserted from the tenant details screen. The length of the period is also taken from the tenant details screen. There is also the ability to add additional charges to the period such as late rent fees or Extra Charges. Late fees are applied from the Rent menu group, and extra charges are added through the Tenants menu group.

The total amount paid is maintained automatically when a rent income entry is entered. By default, the computer automatically pays off the oldest outstanding balance first, working forwards to the newer periods. If the tenant has overpaid in total, then the current period will have a negative amount owing. When the next period is generated, this over-payment will automatically be rolled forward into the new period.

## **Disbursement Transactions**

Disbursements are payments made from the property manager to the owner of the property. If you are a landlord, and therefore you own the properties yourself, this section can be ignored, as it will not apply to you.

It is common for property managers to accumulate the rental income and expenses over a time period – such as a month, and then pay the landlord the balance. Usually property management fees are taken out before the payments are made.

Disbursement transactions are accessed from the Owner menu group. Once the owner is selected, the total income and expenses since the last disbursement will be calculated and displayed. This is a sum of all properties owned by the selected owner. This way you can calculate the total amount to be given to the owner and to calculate the fees to be charged and reserve value to be retained. These transactions will also appear on the bank reconciliation report.

The default management fee percentage and reserve value can be entered on the owner details screen.

The owner transaction summary report will list the income and expenses for a time period, as well as the disbursements and fees charged, for a specific owner.

A bulk disbursement function is also available and is a useful tool for property managers with a lot of property owners. This function will automatically calculate the disbursement amount and fees for all owners all at the same time.

## Automatic Transactions

Automatic Transactions are both income and expense transactions which occur on a regular basis, such as weekly, fortnightly or monthly etc. As these transactions tend to be the same each time they occur, it makes sense for the computer to insert these transactions for you once you have set them up once.

The menu item 'Setup Automatic' can be accessed from the maintenance menu at the top of the screen. The information being saved with each automatic transaction is almost identical to the information stored against each real income or expense transaction. The main difference is that with the automatic entry you also have to specify how often the transactions occur, and also when it was last applied.

Once the automatic transactions have been set up, you can access the 'Automatic Income' or 'Automatic Expenses' menu items from the Transactions menu groups. This will automatically go through the list of automatic transactions and create a list of transactions to be created. This is a preview of what the real transactions will be. At this stage you have the opportunity to specify which transactions are to be applied and which ones should be skipped by clicking on the tick column to change it to a cross. For example, if rent is set up as an automatic income entry, but the tenant missed a payment, then you can tell the computer not to apply that particular occurrence of the transaction.

Every time an automatic transaction is correctly applied, the date of the last applied occurrence of that transaction is increased. This means that when you choose Apply Automatic again, only transactions which should have occurred since that day will be created. If a transaction occurs weekly for example, and you choose to run the 'Apply Automatic' menu option only once a month, then you will get 4 occurrences being listed as transactions which should have been applied since it was last successfully run.

Some transaction, such as mortgage interest and principal, occur regularly but are not the same value each time. In this case you can set up the automatic transaction with a value of zero, and then once the automatic transactions are applied, you can manually over-ride the value with the correct value. You can also choose to set up the automatic entry with a daily value which will be automatically calculated out over the duration of the transaction.

## Transaction Import

The import Statement facility found in the Transaction menu group, allows you to import an electronic copy of your bank statement. This can save a lot of time and errors, and is ideal for people who enter their transactions periodically e.g. weekly or monthly. To use this

facility, you will need to obtain a copy of your bank statement in either OFX or QIF file format (OFX is recommended). Many banks have the ability for you to download this information from their web sites. The import function has a rules facility which also assists in categorizing the transactions to save even more time.

## Property Inspections

Inspections play an important part of being a property manager or landlord. Inspections involve someone visiting the tenants house, and checking to make sure the house is being kept in a tidy fashion, and any issues are being dealt with.

RentMaster handles a large portion of the inspection related activities.

First there is the Inspection Schedule. This screen allows you to pre-load a date and time when a property is intended to be inspected. The Tenant Details screen also allows you to pre-load an intended frequency for a tenant, and based on that, your schedule will be automatically created for you based on the last inspection date, and the intended inspection frequency.

The Inspection Details screen contains additional information for a particular inspection. From this screen, a property inspection checklist can be created, listing the rooms and attributes which need to be checked. It can also create a reminder letter which can be sent to the tenant to inform them of the pending inspection. Also from this screen, the results of the inspection checklist can be recorded after the inspection has been done.

In order to create the inspection checklist report, the system needs to know what rooms and attributes a property has. The Rooms menu option is used to create a list of all possible rooms which a property may have. Then each property can specify which rooms that property contains. For example you may create a room called the Cellar, but only a small number of properties would contain that room. So the rooms menu is used to create the room, and the Property Details screen is used to specify which properties this room applies to.

Optionally, a list of inspectors can be maintained. This is useful for property management companies who have more than one person doing the inspections, and each inspector therefore needs their own separate schedule.

# Property Investment Analysis and Calculators

## Reports

Reports are the best way to analyze the information which has been keyed into RentMaster.

Use the Tabs at the top of the window to select the report group. The list of report available in that group will be shown. Clicking on a report will display a short report description.

After selecting one of the reports, the bottom half of the screen can be used to enter reporting criteria such as transaction date ranges or owner and property selection filters.

If the owner, property or tenant selection boxes are left blank, it is assumed all owners or all properties are to be selected.

The default dates when opening this screen is the current financial year, as defined in the Maintenance/Options menu option.

## Graphs

The graphs are a convenient and easy way to quickly view the progress of certain aspects of your properties without having to analyze raw numbers. The graphs are accessible from the General menu group.

All graphs show monthly values over time. Where applicable, graphs can be by property, by owner or by mortgage, with all graphs selectable by date range.

The more monthly data that is available, the more useful these graphs become, as it shows the trends over time.

## Investment Information

Investment Information is a quick summary of the data for a property or owner, using some standard financial calculations.

After selecting the property or owner, you can select one of the range of financial calculations down the side of the screen. Each has an explanation of how the values are calculated, and what they mean.

Calculations currently available are

Net Return	Total income less total expenses
Gearing Ratio	The percentage ownership of the property by the owner as opposed to the bank
Vacancy Rate	Percentage of time the property has been left vacant
Average Tenancy Term	Average length of the tenancy term.
Interest Cover	This ratio shows the number of times the mortgage interest liability of the property can be covered by profits.
New Return to Cost	Total profit divided by the purchase price of the property
Expense Percentage	Total non-mortgage expenses divided by total income.

The more historical data that is available, the more useful these calculations become, as short-term variations get evened out.

## Additional Calculators

This is a quick summary of the other calculators which are available.

Budget – This calculator allows you to enter your estimated income and expenses by income and expense group, and compare it with the actual values.

Mortgage Calculator – Calculates the expected monthly or fortnightly outgoings for the interest and principal component of a mortgage given the mortgage value, interest rate and duration.

Mortgage Spread – Calculates the expected monthly or fortnightly outgoing of a mortgage showing the impact of a small change in interest rate or mortgage duration.

Mortgage Compare – shows a quick mortgage calculation summary for multiple mortgages side by side so you can easily compare the expected results of varying mortgage packages.

Depreciation Calculator – Calculates the yearly depreciation amount given the item value, and depreciation rate and method used.

# Extra Modules

## FindARentalHome Web Site

The FindARentalHome web site is a web site dedicated to displaying homes that are currently vacant and available for rent. Adding a property to the web site is as simple as pressing a button, and removing it again is just as easy. As a RentMaster customer, you can create your own separate space on the web site where you can promote your own properties and have full control over your space 24 hours a day, 7 days a week. For full details about creating your own web site on FindARentalHome, go to [http://www.rentmaster.co.nz/details\\_web.aspx](http://www.rentmaster.co.nz/details_web.aspx). Your web site can be customized to include your company name and logo etc and you can upload pictures of your properties.

## Work Order

RentMaster Work Order is a facility designed to allow landlords and property managers to keep track of job requests from tenants. This may include a request to fix a leaking roof or a stove which does not work.

Jobs are logged for tracking, with the ability to assign the job to a specific contractor. The contractor could be a plumber or an electrician or garden maintenance contractor etc. The possibilities are endless.

At any time you can run reports to see the status of the work orders as well as the amount of money owing to contractors.

The work order module is accessible from the Tenant menu group.

This function has it's own help menu which has additional information.

## **Mail Merge**

The RentMaster Mail facility is an easy to use mail merge facility for creating form letters for easy distribution to the tenants or property owners.

Template letters can be created which can be used over and over again. These template letters can then be 'Generated' for a specific tenant or group of tenants, with each letter being saved for later reference. The tenants name or address will be automatically inserted into the middle of the letter at the location specified by you. Examples of template letters could be Rent Due letters, Invoices, Receipts, Property Damage letters etc.

Tenant specific letters can also be created, which do not need a template. For property managers, you can also create template letters to send to your property owners.

A full archive history of every letter created can be kept for later reference or for a reprint.

The Main Merge facility is accessible from the Tenant menu group.

## **Profiler**

The RentMaster Profiler is an application which can be used to analyze you personal financial situation. It can then analyze the same situation after the purchase of a hypothetical new rental property. This can be used to determine if you can afford to purchase the new property or not.

When analyzing you current personal position, this tool allows you to enter you current total income, and also total expenses - including rental property transactions. It also asks for your total assets and total liabilities. With these 4 elements calculated, your surplus income and asset backing can be calculated and analyzed with the analysis report.

You can then enter the details about a new hypothetical property which you are considering purchasing. The details of this property include the purchase costs, any required mortgage details, expected additional expenses incurred and additional income received. These numbers can then be analyzed using a series of reports.

The reports generated by this application are based on tax and depreciation rules currently in place in New Zealand. The tax rates can be changed from the Tax Rates menu option.

The RentMaster Profiler is a separate application, and is accessible from the Calculators menu group.

Most screens in the Profiler application have a help button with additional information.