

MANAGEMENT COMPANY REVIEW

Management Company: _____

Borrower: _____ **Date of Review:** _____

1. General O & M Account Balance: \$ _____ **As of** _____

⇒ Review a minimum of three consecutive months of income & expenditures by examining the complex ledger and checkbook.

⇒ List the months reviewed: _____

⇒ Is the information reasonable and acceptable? YES ___ NO ___ Note any concerns.

⇒ Is the mgmt. fee paid in accordance with the approved mgmt. agreement? YES ___ NO ___

⇒ Is the site manager's salary paid in accordance with the approved budget? YES ___ NO ___

(Review site manager payroll records)

⇒ Are the laundry proceeds being deposited into the O & M account? YES ___ NO ___

⇒ Are any trends noticed? YES ___ NO ___ If yes, please note below.

⇒ Are any costs being prorated to other complexes? YES ___ NO ___

If so, please describe _____

⇒ Are any costs being charged to the complex that should be charged to the management company (i.e. - Area Property Manager)? YES ___ NO ___

If so, please describe _____

NOTES/CONCERNS: _____

2. Reserve Account Balance: \$ _____ **As of** _____

⇒ Compare reserve account tracking sheets to actual reserve account withdrawals.

⇒ Were all withdrawals authorized by Rural Development? YES ___ NO ___

⇒ Is the reserve account established as a supervised bank account? YES ___ NO ___

(review signature card, deposit agreement, and cancelled checks)

⇒ Are monthly deposits being made to the account? YES ___ NO ___

⇒ What is the process for obtaining bids on repairs, capital improvements, etc.? Is this completed by the site manager or management company? _____

NOTES/CONCERNS: _____

3. Insurance Escrow Balance: \$ _____ **As of** _____

⇒ Is this account being funded? YES _____ NO _____

NOTES/CONCERNS: _____

4. Security Deposit Account Balance: \$ _____ **As of** _____

⇒ Is this account established as a separate bank account? YES _____ NO _____

NOTES/CONCERNS: _____

5. Have any other accounts been established for this complex (i.e. – petty cash, certificates of deposit, etc.)? If so, describe and obtain account balances.

Type of Account: _____ Balance: \$ _____ As of _____

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6. Does the aggregate of all accounts for this complex exceed FDIC collateral limits in any one financial institution? YES _____ NO _____

7. Internal Controls: What is the management company's policy for internal controls?

8. Who has access to account funds? _____

A. Are they covered with the Fidelity Bond Coverage/Crime Dishonesty Policy? YES _____ NO _____

SUMMARY OF FINDINGS:

TEAM MEMBERS:
