



U.S. Department of Housing and Urban Development  
Los Angeles Field Office, Region IX  
611 West 6<sup>th</sup> Street, Suite 800  
Los Angeles, CA 90017-3101

MEMORANDUM FOR: Multifamily Owners and Agents,  
Los Angeles Field Office Jurisdiction Only

FROM: *Valli Sears-Jones*  
Valli Sears-Jones, Director of Asset Management

SUBJECT: Management Fee Schedule-**Effective: August 1, 2011**

The Los Angeles Multifamily Hub is issuing the attached Management Fee Schedule for elderly and family projects, in compliance with the requirements of the Management Agent Handbook, 4381.5 Rev.-2.

The base rate per unit per month has been increased to \$52.00. Add-on fees for specific conditions that require extra time and effort on the part of the management agent have been increased. A new add-on fee for group homes is now included. These add-on fees must be justified, documented and approved by the Multifamily Project Manager, in addition, add-on fees may not be applied for conditions that are addressing short-term problems or services.

The maximum cap for management fees is increased to \$78.00 per unit per month. The allowable bookkeeping fees for services performed as part of a centralized bookkeeping system are now set at \$9.50 per unit. The cost of these bookkeeping fees is treated as a project expense and should not be included on the Management Certification as a special fee.

If you have any questions regarding the Management Fee Schedule, please contact your HUD Project Manager.

Attachments:

(Attachment 1)

<b>MANAGEMENT FEE SCHEDULE LOS ANGELES HUB (INCLUDING SAN DIEGO OFFICE) (EFFECTIVE AUGUST 1, 2011)</b>
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<b>MANAGEMENT FEE (S)</b>	
<b>BASIC RATE UNIT PER MONTH</b>	<b>\$52.00</b>

<b>ADD-ON</b>	
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<b>SECTION 8</b>	
Project Based Section 8 Properties	\$5.00

<b>UNIT SIZE</b>	
30 or fewer units in a property	\$5.00
Group Homes	\$7.00
<b>PROJECT SIZE</b>	
Larger Size Units 2.5 plus bedrooms	\$3.00

(Formula Definition:

Total # of bedrooms divided by total # of project units = Average # of bedrooms.)

<b>OWNERSHIP</b>	
Non Cooperative Properties	\$3.00
Cooperative Properties	\$6.00

<b>SCATTERED SITES</b>	
Two to Four Sites	\$3.00
Five or more Sites	\$5.00

<b>SPECIAL CLIENTELE</b>	
Section 202 Disabled/811's	\$7.00

<b>ADVERSE NEIGHBORHOOD/HIGH CRIME</b>	
Adverse Neighborhood/High Crime	\$7.00

(Troubled project status *requires* consulting with Project Managers to determine if project qualifies.)

<b>NEIGHBORHOOD NETWORKS</b>	
HUD approved Neighborhood Network Business Plan	\$1.00

<b>MAXIMUM CAP PER UNIT PER MONTH</b>	<b>\$78.00</b>
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## **BOOKKEEPING FEES**

### **Allowable Bookkeeping Fees:**

The allowable bookkeeping fee for centralized services chargeable to each project is set at \$9.50 per unit. If the costs exceed the allowable threshold, we will require a narrative justification with supporting documents.

### **Bookkeeping Expenses Treated as a Project Expense**

The cost of bookkeeping services performed as part of a centralized bookkeeping system is treated as a project expense and should not be listed in the Management Certification as a special fee. When a management firm utilizes a centralized accounting system and/or a computerized accounting system, a portion of these costs may be billed to the project as an operating expense. Such expenses are paid out of project funds based on actual costs attributable to the project. The costs, however, should not exceed the actual cost the project would incur if a bookkeeper were on site.

### **Allowable Expenses for Centralized Bookkeeping:**

Here is a breakdown of possible costs attributable to bookkeeping fees.

1. Maintaining payroll records;
2. Maintaining rent roll to include rent receipts;
3. Maintaining Monthly Accounting Reports to include tenant delinquency reports, excess income reports, etc.;
4. Reviewing vendor's invoices for payment processing;
5. Ordering goods and services, issuing purchase orders to include reviewing vendor prices to obtain best available rates;
6. Tracking, reviewing, and adjusting balances of Monthly Subsidy Billings;
7. Allocating project costs for hardware, software and technical support for activities relating to centralized bookkeeping services;
8. Maintaining accounting books and records, e.g., General Journals, General Ledgers, and other records and reports relating to centralized bookkeeping services, including bank reconciliation.