

## RECEIVE A PAYMENT

### RULES WHEN TAKING A PAYMENT

- **Always ask the tenant if we have their current telephone number, work number, and address.** If not, give them a change of address form right then and there. If the payment is by mail, check the preprinted address on the check and the return address on the envelope. If it is different than what is in your file, mail the tenant a change of address with a return envelope. Note the new address in your computer, but don't change it yet. File the envelope (or copy of the check) in the tenant file. If you go to lien, be sure to serve this unverified address in addition to the address on file.
- **Always print two copies of the receipt: one for the tenant and one for a daily file.** The daily file copy should be placed in a daily folder and thrown out after you have closed the day out and done your backup. By keeping one copy until the end of the day, if you should have a system failure and need to restore to the beginning of the day, this will enable you to re-enter all of your day's transactions accurately. Until your computer system is back up and running, write out a hand receipt with three copies (leave one in the Receipt Book, give one to the tenant, and file one in the tenant's file). All receipts should be signed or initialed by the employee.
- **If a tenant wants to pay by credit card over the phone** make sure to fax them a Credit Card Authorization (see example) form for them to fill in, sign, and fax back. Avoid running their credit card without getting this form signed. This could result in a charge back and not only will you not have the rent, but you will be charged a fee by your merchant account.
- **If any one-time discount was given** (including rent or fees waived), be sure to log these on your Promo Log (see sample attached).

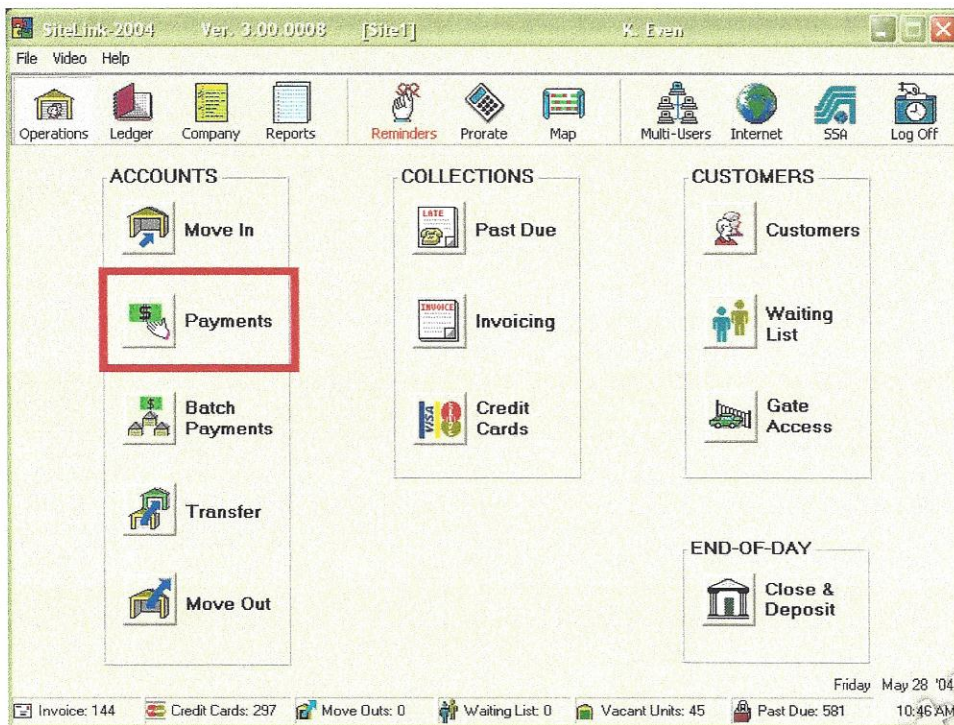


**Note: This should be done as soon as the payment is made. Do NOT wait until the end of the week or month and try to recreate it.**

- **Remove the Overlock** if the tenant is paying cash on a delinquent account.  
Good rules to live by:
  - ✓ **Never** take a check to settle a lien unit or NSF account.
  - ✓ **Never** take a check or credit card on a move-out.
  - ✓ **Never** take a partial payment on a lien unit without getting a disclaimer signed by the tenant acknowledging that the lien will continue.



# TAKING A PAYMENT IN SITELINK



1. Select the unit you will be applying the payment to.

Unit Type: Phase 1 - A/C  
Rent: 104.94  
Unit Size: 5x10

Billing Type: FOM, Monthly  
Overlocked: No

Tenant: SAM ROSENSTEIN  
15913 DOUBLE EAGLE TRAIL  
DELRAY BEACH, FL 33434  
Phone: 561-496-1941

Payment Amount: 0.00  
Payment Method: [Dropdown]

Received From: ROSENSTEIN, SAM  
Payment Memo: [Text Area]

Note: Existing Credit: 0.00  
This Period's Late Fee #1: 10.00 [Waive]  
Late Fee #2: 0.00 [Waive]  
Late Fee #3: 0.00 [Waive]

Chg Date	End Date	Description	Amount	Tax	Balance	Payment
05/01/04		Invoice Fee	2.00	0.00	2.00	0.00
05/11/04		Late Fee	10.00	0.00	10.00	0.00
05/01/04	05/31/04	Rent	99.00		104.94	0.00

Unapplied: 0.00

Buttons: Add POS, Del Charge, Add Charge, Add Credit, OK, Cancel

2. Enter in the amount  
3. Choose payment type  
4. Hit OK



## DELINQUENT ACCOUNTS

Mini Storage is a retail business, and your business is selling storage space. It is exactly the same as if you worked at Wal-Mart in the appliance department. Instead of selling Wal-Mart's inventory, you're selling storage inventory: some air-conditioned, some upstairs and less desirable, and some are top of the line. Unlike a tangible product (like an appliance) that the consumer can see and take with him, he leaves behind his tangible property with his purchase (our storage space). Oftentimes the consumer forgets that he is even buying a product from us and, since he already owns the product he is storing, he evolves to thinking that he has no obligation to us. As a result, the control of delinquencies begins at the **point of sale**.

For instance, the payment of rent is not due at the "beginning of the month," but rather it is "due on the first." Yet the perception of our customer is that it is due by the time the late fee kicks in. If a tenant knows up-front that we enforce a strict "pay on time" policy and that you are not allowed to waive late fees, he will be more understanding when he gets charged one and you refuse to waive it. There are many philosophies with respect to late fees. Some minis operate on the 95/5 rule: that is, you should maintain 95% occupancy with 5% delinquents. Most conscientious managers can operate with a much higher delinquency with the result of substantially increasing the monthly income of the facility. The key is aggressive collections. If you allow your delinquencies to get too high and then don't collect, your bad debt write-off will not only make you look bad, but will hurt the overall performance of your site. A good medium range is 5% delinquents for a strong manager.

**A GOOD MEDIUM RANGE FOR  
DELINQUENCIES IS 5% OF GROSS  
INCOME BASED UPON ACTUAL UNITS  
RENTED**

A lot of factors can and will affect that percentage: location and the demographics of your community are primary ones. Generally low income areas suffer from a high delinquency, while a more affluent area may pay more promptly even with little effort from the manager. We believe that the manager can successfully manage the optimum mix of 10% with aggressive collection efforts. Obviously the ultimate hammer is your ability to sell the unit through the lien sale statutes of your state.

Lien laws vary between the states. Florida is one of the most liberal statutes, which allows a facility to attach a lien after 5 days; others require 30 days. Many states allow the service of a single Foreclosure Notice with 14 days' response time to cure the default. Still others require the service of two such notices over a fixed period of time. Attached you will find the lien statutes for your state and **it is your responsibility to know the law**. However, we have adopted a Lien Policy that employs the most stringent guidelines imposed by any state (that we are aware of). We do this, not because we are necessarily obligated to follow this procedure, but because we have a greater chance of recovery the more we communicate with a tenant. Our goal, therefore, is NOT TO SELL a tenant's goods, but to COLLECT AND EARN LATE FEES. Thus, we following the following timetable: