Management Fees Setup

The instructions in this article relate to **Management Fees Setup.** The icon may be located on your *StrataMax Desktop* or found using the *StrataMax Search*.

Management Fees Setup function is for managing fixed fee arrangements. If a building's management fees, disbursements, or any other regular charges have been agreed to in the Management Agreement, then they can be entered in **Management Fees Setup** in StrataMax to automate the invoicing of these items during the management fee process.

Management Fees Report can be used to report Management Fees based on specific fields.

Be sure to check out the *Management Fees & Disbursements* video on our video page as well.

Management Fees Setup

For StrataMax to automate the invoicing of management fees and recoveries, the management fees need to be added to **Management Fees Setup**. However, before doing that, the building must be imported as a debtor into *GLMax* via **Import Buildings as Debtors**. Then the invoice codes need to be created in **Edit Invoice List** and then linked to an income code in *GLMax*. And finally, then linking the *GLMax* income code to the StrataMax expense code in the building in the **Invoice Link Manager**.

The timing of the management fee process needs to be considered - whether the management fees are charged in advanced or in arrears. It is recommended that this is done as part of the *End of Month process* for convenience, either <u>directly</u> before or after running **Month End Rollover**. **Process Management Fees** can also be configured to process automatically, using the *Auto-Process Management Fees* setting, based on the *Next Invoice Date*.
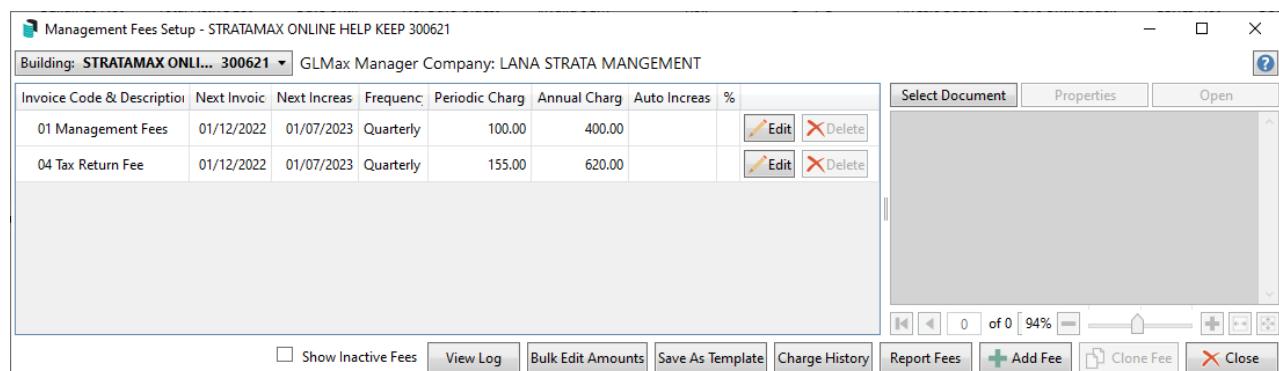
It is recommended to restrict permissions in **Security Setup** for the appropriate users and user groups to ensure management fees are not set up or changed incorrectly; the permission is 'Make Changes to Management Fees'. The permission 'View Management Fees' allows users to view fees that have been set up, but not add, edit, delete, or process a bulk edit amount.

Adding Management Fees for a Building

Before proceeding with the below steps, the building must be imported as a debtor into *GLMax* via **Import Buildings as Debtors**. Then the invoice codes need to be created in **Edit Invoice List** and then linked to an income code in *GLMax*. And finally, then linking the *GLMax* income code to the StrataMax expense code in the building in the **Invoice Link Manager**.

1. Search or select **Management Fees Setup**.
2. To attach the building's management agreement, click the *Select Document* button in the top right, then locate it in **DocMax**, and click the *Select Document* button in the DocMax ribbon at the top. This will apply a *Category* of 'Management Fee Contracts' (this is a system *Category* and cannot be deleted from DocMax).
3. If *Management Fee Templates* have been previously saved...
    - Clicking the *Load from Template* button, selecting the template, and click *OK*.
    - Edit each fee by clicking the *Edit* button for each (go to step 5.).
4. Click the *Add Fee* button.
5. Select the *Invoice Code* drop-down to choose an item to charge.
6. The *Building Expense A/C* will automatically populate, but the expense can be changed if required.
7. Select the *Frequency*.
8. Enter the *Amount* (inclusive of GST); if entering the amount based on per period figure select per period or if entering based on the annual amount select Annual.
9. Tick the *Charge per lot* box if this amount is to be charged per lot.
    - the *Annual Amount* will automatically calculate based on the *Period Amount* and the number of *Active Lots*.
10. Enter the *Effective Dates* fields; *Start* and *Next Charge,* which can be the same if required.
    - This validation does not affect management fee processing, only the timing for when the next charge occurs.
11. A *Termination Date* can be entered; when entered the screen will indicate the number of charges remaining. When the final invoice is created via **Process Management Fees** the Management Fee item will be marked Inactive. A *Termination Date* would be the end of the management agreement, and although the field is not mandatory, this date is used for the **Dashboard** item 'Management Fee Expiry'.
    - A *Termination Date* will not automatically create a pro rata for the final charge; this must be

manually created if necessary.

12. Select the *Auto Increase* drop-down if required and choose the required option:
    - *No Auto Increase* will result in no increase.
    - *Highest Of CPI OR Percent* will allow the system to apply whichever percentage is higher, either what is set in the **Process Mgmt Fees** menu in GLMax, in Config (See *Process Mgmt Fee Configuration* for more info), or what you type into the *Fixed Percentage* box.
    - CPI will use the percent figure that has been set in the Process Mgmt Fees menu in GLMax, in the Config. See *Process Mgmt Fee Configuration* for more info. **The CPI rate should be reviewed and adjusted as CPI rates are released.** This is completed in ***Process Management Fees*** in GLMax. Timing for updates are especially important if you are also using Auto-Process Management Fees.
    - *Percent* will display a *Fixed Percentage* box for you to type in the required figure.

13. Enter the *Next Increase* date.

14. Tick the *Pro-rata increase* box if the next time the fee is charged, the increase fee should be calculated on a daily basis.

15. Remove the tick from the *Active* box if the fee should not be charged; this may be used during initial building setup.

16. Click the *Save* button.

Ensure the increase date is accurate. In the example below the management fee will increase on the invoice for 1st of January 2026. Prior to this, 12 months of the original set management fee would have charged if charging monthly or 4 quarters if charging quarterly.

If there was no pro-rata required but the management fees were to increase from the 1st of January invoice, enter the next increase as 1st of January.

Clone Fee

When this button is clicked, the system will clone the following information from the selected fee:

- Frequency
- Start Date
- Next Charge Date
- Termination date (if there is one in original setup being selected)

1. Search or select **Management Fees Setup**.
2. Select the existing fee you would like to copy/clone, then click the *Clone Fee* button.
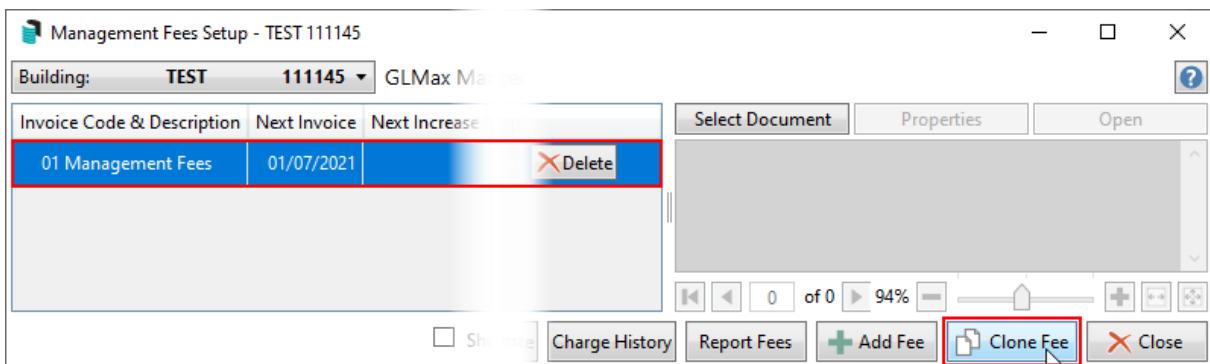
3. Populate the reset of the details required (as per instructions above) then click *Save*.

Save as Template & Load from Template

Templates can be used if management fees are charged in a consistent way across buildings. This helps save time setting up what is to be charged for, but amounts and dates can still be edited.

Once management fees have been set up, the template can be saved that will include all information entered into **Management Fees Setup**; when using the *Load from Template* button, all fields can be edited as required. The *Load from Template* button is only visible if there are no existing management fees set up already in the selected building and when used additional fees can be entered if required.

Save as Template

1. Enter all the management fees as required.
2. Click on *Save as Template*.
3. Enter a name for the template; the name is stored in the list of templates.
4. Click *Save*.

Load from Template

1. Click the *Load from Template* button.
2. Select the required template and click OK; this will enter all the management fees included in that template.
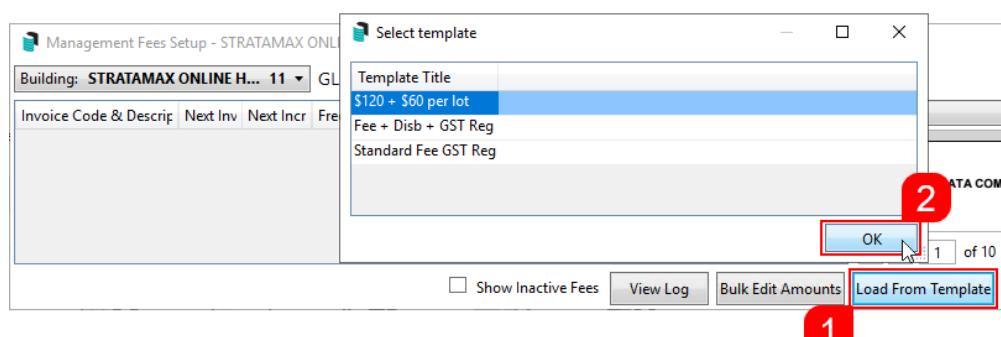
3. Edit each management fee entry as required.

The *Load from Template* button is only visible if there are no existing management fees set up already in the selected building.

Edit Management Fees

Management fees can be edited, except however if fees have previously been charged (in *Process Management Fees*). In which case the *Next Charge* date cannot be edited and you will first need to remove the tick from the *Active* box and then *Save,* and then set up a new fee; this ensures a clear audit log is available in the *View Log* screen.

1. Search or select **Management Fees Setup**.
2. Click the *Edit* button next to the required fee.
3. Edit the required fields.
4. Click on *Save*.

Delete Management Fees

Management fees can be deleted, but only if fees have not been previously been charged (in *Process Management Fees*); if a charged fee should no longer be charged, it is recommended to set the fee as *Not Active*.

1. Search or select **Management Fees Setup.**
2. Click the *Delete* button next to the required fee.

Set a Fee to Not Active

Fees that should no longer be charged must have the tick in the *Active* box removed. To view *Inactive Active* fees in the **Management Fee Setup** menu, tick the *Show Inactive Fees* box.

1. Search or select **Management Fees Setup**.
2. Click the *Edit* button next to the required fee
3. Remove the tick from the *Active* box.
4. Click *Save*.

Management Fees that are entered with a *Termination Date* will automatically be marked Inactive when the final fee is processed. Inactive Fees can be marked Active again if required by ticking *Show Inactive Fees* and editing the required Management Fee item and ticking *Active*.

View Log

To review changes made in **Management Fee Setup**, click the *View Log* button. This will show when fees were added, edited and deleted.

Bulk Edit Amounts

The *Bulk Edit Amounts* button is used to edit fee amounts across selected buildings, based on finding the *Invoice Code* and *Frequency*. To update fee amounts across selected buildings follow the below steps:

1. Search or select **Management Fees Setup**.
2. Click the *Bulk Edit Amounts* button.
3. Select the *Invoice Code* to edit.
4. Select the *Frequency*.
5. Select whether the amount is being changed based on *Set Periodic Amount* or *Increase Periodic Amount By Percent*.
6. Enter the *Amount* or *Percentage*.
7. Tick the *Reverse charges from* box and enter the required date if the amount should have been updated in the past. If this is ticked, previous charges will be reversed and reprocessed at the updated amount in the current financial year.
8. Click the *Proceed* button.
9. Tag the required buildings (the building list will display only buildings that match the *Invoice Code* & *Frequency*); the list will display *Original* and *Updated* periodic amounts.
10. Click *OK.*
    - Once processed a message will confirm the number of updated records. The *Charge History* will show *Reversed* invoices.

Charge History

Historical charges can be displayed in *Charge History* including StrataMax and GLMax *Transaction References*. Any reversals will be displayed and the *Status* will be 'Cancelled.'

Invoice Date	Invoice Code	Frequency	Amount	Status	BCMax Transaction Reference	GLMax Transaction Reference
01/08/2020	01 Management Fees	Monthly	160.00	Processed	D0000016	M0000068
15/06/2020	02 BAS Preparation	Quarterly	150.00	Cancelled	D0000015 *(Reversed -)*	M0000061 *(Reversed -)*
01/07/2020	01 Management Fees	Monthly	160.00	Processed	D0000014	M0000060
01/06/2020	01 Management Fees	Monthly	160.00	Processed	D0000011	M0000030
01/05/2020	01 Management Fees	Monthly	160.00	Processed	D0000010	M0000025
01/04/2020	01 Management Fees	Monthly	160.00	Processed	D0000009	M0000018
15/03/2020	02 BAS Preparation	Quarterly	150.00	Cancelled	D0000008 *(Reversed -)*	M0000016 *(Reversed -)*
01/03/2020	02 BAS Preparation	Quarterly	150.00	Cancelled	D0000003 *(Reversed -)*	M0000006 *(Reversed -)*
01/03/2020	01 Management Fees	Monthly	160.00	Processed	D0000002	M0000005

Report Fees

To report the management fees setup in the selected building click the *Report Fees* button. The report will include *Active* & *Non Active* fees, however, *Non Active* fees will show a *Next Invoice Amount* of $0.

To report management fees setup in multiple buildings and include particular fields use the **Management Fees Report**.