



Policies Regarding Rent Receivables

Rent collection is a critical function of property management. Supportive housing operators must adopt a clear rent collection policy, have it in writing, and apply it uniformly and consistently. Management must be consistent in application of rent collection policies to prevent the possibility of tenants falling behind in their payments and to assure that cash and non-cash receipts are appropriately safeguarded. Projects receiving support from the HUD homeless assistance grants should note that HUD does not require rent payments by tenants but, if the project decides to institute rent payments, it requires that policies be uniformly applied to all tenants. Fiscal and Property Management should have specific processes and procedures in place to ensure control of the rent collection process. The following should be considered:

- Written schedule and procedures for collection of tenant rent
- Written schedule and procedures for subsidy application and treatment
- Written process for non-payment/delinquent cases
- Easily accessible reports on individual payment history
- Written procedures for the deposit of checks
- Early identification of problems of non-payment of rent
- Clear communication mechanisms between Property Management, Fiscal, and Supportive Services staff

Supportive housing projects generally adopt a somewhat different response to rent collection problems than typical housing projects. Although it is critical that the importance of on-time rental payments be stressed to tenants, it is also understood that tenants of supportive housing have a number of unique problems that can impede their ability to meet their rental obligations. These can include family crises, medical emergencies, or relapse to addictive behavior patterns. Although there is a fundamental requirement that tenants meet their rental obligations, supportive housing projects will often seek recourse through counseling or referral for supportive services or money management prior to commencing eviction. Well-run projects, however, will not shy from exercising sanctions when they are required.

Note: This document is included within the *Housing Operations* section of CSH's *Toolkit for Developing and Operating Supportive Housing*, which is available at www.csh.org/toolkit2. This document has been adapted from the HUD-funded curriculum *Financial Management and HUD Compliance*, which is available at www.csh.org/training.