



property bridge

A MoneyGram Company **MoneyGram** 

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## **Best Practices Overview:**

Factors to Consider When Implementing an Electronic Payment System

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## Introduction

It's no surprise that automated and centralized rent collection systems are a growing trend in multifamily. Having residents pay their rent electronically allows properties to streamline business processes, reduce fraud, simplify record keeping, and speed the time it takes deposits to clear. Additionally, these systems allow community managers to focus on sales and customer service during "Rent Week," the time of the month traditionally dedicated to collecting, processing and depositing checks.

Although the business and financial advantages make it well worth the effort, implementing a new payments process can be daunting for organizations both large and small. Fortunately, PropertyBridge has developed proven best practices to help you easily and painlessly address many of the regulatory, technical, logistical and cultural challenges.

The business value of the automated payments solution is largely dependent upon how many residents use the new process post-deployment. As the percentage of staff and residents using the system rises, so do the benefits for the organization. Two questions should be central in your planning process: 1) "How will the new system be received by staff and residents?" and 2) "What are the barriers that would prevent people from using it?"

*The PropertyBridge Mantra: Plan, Measure & Improve*

Even projects with the best intentions can fall short if not well planned. That's why PropertyBridge offers the expertise to recommend a program that will succeed in your specific environment. We work closely with each client to understand their unique business needs, establishing objectives and goals to achieve solid results. And, most importantly, we regularly review progress with each client, identifying both successes and areas of opportunity.

*"Our initial concerns about who should cover the credit card fee were allayed when we looked at how credit cards could improve our relationship with residents, reduce bad-debt, and streamline a number of previously labor-intensive payment processes. The high adoption rates we have achieved thus far are due, in part, to our decision to absorb these fees."*

*--Louise Santana, Vice President of Information Technology, Klingbeil Capital Management*

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## Best Practices

Over the years of developing successful programs with our clients, we have identified many best practices, including the following:

- ***Offer a free way to pay***

Naturally, if residents don't have to pay to use a service, they will be more likely to use it. Many property managers are choosing to absorb all fees rather than charge residents a convenience fee to use the service. They have found that the benefits outweigh the cost. If it is not feasible to absorb all fees, it is important to provide at least one payment type with a no-fee option. ACH is a popular choice.

- ***Provide a broad spectrum of payment options***

Residents are more likely to use the system if they can choose a payment type and method that works for them. Ideally, they will have several payment options (credit card, debit card, ACH, or even at MoneyGram agent locations), the ability to set up recurring payments and various channels to make a payment, i.e. in the community office, online, or over the phone. It is also helpful if community managers have direct access to the system, allowing them to set up, modify and make payments on behalf of residents.

- ***Encourage behavior change***

Residents may initially be hesitant to change a familiar behavior pattern. For certain payment types that require a significant change in behavior, enforcing a policy change may be a necessary approach to ensure high adoption. As an example, to ensure adoption of a new payment option such as paying rent in cash at MoneyGram agent locations, we recommend implementing a policy that money orders will no longer be accepted in community offices.

- ***Utilize check scanning devices***

To capture payment transactions across your entire portfolio, check scanners can be deployed in community offices to cover the balance of transactions that are not completed electronically, i.e. paper checks brought in to leasing offices. Your payments provider can provide a high speed scanner that seamlessly converts paper checks into electronic transactions, with support for both ARC and Check 21 items. Plus, payments can be fully integrated with most existing property management software systems, allowing for more efficient reconciliation and reporting.

- ***Consider your corporate structure and culture***

As with implementing any new technology, it is important to consider how the solution will mesh with your business processes and corporate culture. Any potential issues should be assessed before and during rollout of the new program. If the decision making and management of your organization is fairly centralized, instituting a corporate

policy for electronic payments is the best way to achieve high adoption. If you have a decentralized structure with each property making their own decisions, payments providers can work with you to develop the best approach.

- ***Generate awareness of the program***

Training and marketing, both to community managers and residents, are key components of a successful program. Ask your payments provider if they provide marketing resources to help support the program. A good provider will work with you to identify existing marketing vehicles in communicating with residents and staff, assist in the development of a communications plan for the program, provide content and tips, and even customize flyers, statements stuffers and other communications materials.

- ***Measure success of the program***

An effective measurement program helps you track performance to specific goals and metrics. Your payments provider can work with you to identify program goals driven by your organization's overall business goals, and map those to a measurement strategy. They should also provide ongoing review and recommendations. Data under review may include percentage of electronic transactions overall, transactions by payment type, percentage of recurring versus one-time payments, total dollar volume, number of customer support tickets, etc.

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#### About PropertyBridge, Inc.

PropertyBridge ([www.propertybridge.com](http://www.propertybridge.com)), a MoneyGram Company, is the leading provider of automated payment processing services to real estate owners and managers. The PropertyBridge Payments Platform enables residents to pay rent and other lease-related transactions using an array of payment types, including credit and debit cards, Automated Clearing House (ACH), check scanning (Check 21), and cash payment services at MoneyGram agent locations. PropertyBridge provides management firms with a previously unattainable level of integration and administrative efficiency in key areas of their business. The company collaborates extensively with financial services leaders including Visa USA, MasterCard, Discover Financial Services, American Express, Wells Fargo Bank and First National Bank of Omaha. MoneyGram Inc. acquired PropertyBridge in October 2007.



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