New Hampshire Housing Management Fee Policy

The Management Fee is paid by the Owner to the Management Agent each month out of project income. The fee is based upon a percentage of rent collected during the month including income from other sources except interest income. The maximum allowable fee is 6% for age-restricted and 8% for non-age restricted housing on rents collected. Unique problems or special circumstances may influence the Authority to raise the allowable management fee. The management fee may not have a COLA percent added to the fee annually. All requests to amend the approved Management Fee must be submitted to the Authority for approval prior to any contract changes executed between the Owner and Management Agent.

Services Covered by the Management Fee

The Management Fee reimburses the Agent for his/her expertise since he/she is responsible for assuring that tenants are properly selected and certified, that rents are properly computed and collected and for establishing a control system for operating the project on a sound fiscal and physical basis in conformity with Authority requirements. The Agent is responsible for monitoring project operations by visiting the project and analyzing employee performance, thus assuring that on-site personnel are adequately supervised and trained and that the requirements of the management plan are implemented.

In addition, the following expenses are covered by the Management Fee:

- Costs of providing Quarterly Operating Reports, Budget Projections, Subsidy Vouchers (including special claims if Section 8), Utility Consumption Summaries (when applicable). Report on Program Utilization and other reports as may be required by the Owner or NHHFA with respect to the financial, physical, or operational condition of the project.
- Fidelity bond for Agent and Agent’s staff.
- Training costs incurred for supervisory staff (i.e., occupancy, maintenance, and regional supervisors).
- Travel for above named personnel.

A complete description of the duties, responsibilities and required services of the Management Agent is contained in the NHHFA Management Agreement which is executed, with the approval of the Authority, prior to permanent closing or initial rent-up, whichever occurs first. Other expenses covered by the management fee can be found in the HUD Handbook, 4381.5 which New Hampshire Housing uses as a guide for Agents.
**Services Not Covered by the Management Fee:**

There are certain management related expenses which would not be covered by the Management Fee but from the property’s operating account. Generally, after initial rent-up, all expenses incurred for “front line,” day-to-day management tasks, and oversight of a supportive services program are chargeable to the project operating account. Front line activities include, but are not limited to taking applications, screening applicants, certifying, and recertifying tenants, TRACS related expenses (if applicable), maintaining the project and positive control over project income and expenses. Costs associated with front line activities are chargeable to the project operating account regardless of whether the staff work out of the Agent’s office or at the project site. The Management Fee includes the cost of providing operating reports, however, when a management firm utilizes a central office accounting system and/or computer system, a portion of these costs may be charged to the project as an operating expense. The costs, however, should equate to no more than the actual costs of having a bookkeeper present on-site. If a Management Agent has an in-house computer operation, the costs chargeable to the project may not exceed the costs incurred if an on-line service company were utilized.

Any payments made to the Management Agent over and above the Authority approved fee will be considered as part of the Owner's annual distribution and, therefore, will be subject to the regulations pertaining to annual return on equity.

If you have any questions concerning what expenses are covered in the Management Fee, check with your Asset Manager for clarification.