

# SOP: Rent Collection and Financial Record-Keeping

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**Purpose:** This SOP details the processes for **rent collection and financial record-keeping**, encompassing rent payment schedules, acceptable payment methods, late payment policies, and procedures for handling delinquent accounts. It also covers accurate documentation of all transactions, maintenance of financial records, reconciliation of accounts, reporting requirements, and compliance with relevant financial regulations to ensure transparency, accountability, and efficient management of rental income.

## 1. Scope

This SOP applies to all rental properties managed by [Company/Property Manager Name]. All staff involved in rent collection and accounting must adhere to the processes described herein.

## 2. Rent Collection Process

### 1. Rent Payment Schedule

- Rent is due on the **first day of each month**, unless otherwise stated in the lease agreement.
- Send payment reminders to tenants 5 days before the due date.

### 2. Accepted Payment Methods

- Bank transfer
- Online payment portal
- Check (payable to [Company Name])
- In-person payment (cash or card at the office, if applicable)

### 3. Collection Procedure

- Record payment upon receipt using the property management system.
- Issue receipts for all payments received.
- Deposit physical payments into the company bank account within 24 hours.

## 3. Late Payment & Delinquency Management

### 1. Late Payment Policy

- Any payment not received within **5 days** of the due date is considered late.
- Apply a late fee as specified in the lease agreement.
- Send a late payment notice to the tenant.

### 2. Handling Delinquent Accounts

- Issue a formal demand letter for overdue rent after 10 days of non-payment.
- Initiate eviction proceedings or legal action after 30 days, if necessary, in compliance with local laws.
- Document all communications and actions taken.

## 4. Financial Record-Keeping

### 1. Transaction Documentation

- Log all incoming payments and outgoing transactions in the accounting software daily.
- Attach copies of receipts, bank deposit slips, and any related documentation.

### 2. Account Reconciliation

- Reconcile bank statements with recorded transactions monthly.
- Investigate and resolve discrepancies immediately.

### 3. Maintenance of Records

- Maintain all financial records, lease agreements, and correspondence for at least **seven years**.
- Store records securely, with electronic backups as necessary.

## 5. Reporting & Compliance

- Generate monthly, quarterly, and annual financial reports for management review.
- Provide required reports to regulatory agencies as needed.
- Stay updated with changes in relevant financial regulations and ensure compliance at all times.

## 6. Roles & Responsibilities

- **Property Manager:** Oversees the rent collection cycle and ensures proper record-keeping.
- **Accounting Staff:** Record transactions, reconcile accounts, and prepare reports.
- **Leasing Agents:** Communicate with tenants regarding rent payment and late notices.

## 7. Review & Updates

This SOP should be reviewed annually and updated as needed to reflect changes in business processes or financial regulations.

**Version:** 1.0    **Date:** [Date]

**Approved by:** [Name/Title]