

CAS Knowledge Checks



CERTIFIED APARTMENT
SUPPLIER[®]



Knowledge Check

1. What information do you need in order to complete a financial analysis on a property?
 - The Income Statement
2. When doing an financial analysis, why do you need to identify the GPR first?
 - All other income & expenses are measured and evaluated as a percentage of GPR
3. What are the three primary types of income you will look for/calculate?
 - Effective Gross Income (EGI)
 - Net Operating Income (NOI)
 - Cash Flow (CF) .



Knowledge Check

4. What is a Chart of Accounts?

A list of accounts to which revenue and expenses are posted and show up on the General Ledger

5. What is used to *generate* an Income Statement?

Entries in the General Ledger .



Knowledge Check

6. List some benefits of minimizing financial loss.
 - Increases the financial success of a property
 - Improves property performance
 - Makes your job easier

7. What are the main types of financial loss you should work to prevent?
 - Vacancy loss
 - Offline and nonrevenue units
 - Bad debt
 - Concessions and discounts .





Knowledge Check

8. During the rent collection process, what things should you consider before occupancy?

- The screening process
- Rent collection policy
- Inclusion of the policy in the lease, orientation materials, etc.

9. During the rent collection process, what is the purpose of resident communication efforts?

To facilitate the rent collection process

10. Why would you want to create a buffer for rent collection?

- To help you remain on good terms with residents
- To ensure timely and complete payments .





Knowledge Check: Manage Expenses

11. What are some characteristics of Variable Expenses?

- Vary as conditions change
- Many are associated with occupancy

12. What are Capital Expenses?

Costs for large improvements that have an economic useful life beyond one year

13. Describe a Cost Benefit Analysis.

Process of weighing a potential expense against a potential benefit .





Knowledge Check: Budgets

14. What is the most important thing to keep in mind when developing a budget?

The owner's property objectives and investment goals

15. What are the steps to the budget development process?

- Identify goals
- Gather Information
- Assign numerical values .





Knowledge Check: Budgets

16. When would you develop Rehab or Renovation budget?

When a property is being rehabbed or undergoing retrofitting/modernization

17. What are the three tips to developing budgets covered today?

- Be prepared
- Use historical numbers
- Seek input .





Knowledge Check: Managing Budgets

18. What is Extrapolation/Annualization?

Estimating future information by extending known information

19. How do you analyze variances?

- Compare budget to actual numbers
- Look at events on the property or in your submarket or region .



Knowledge Check: Managing Budgets

20. Are increased expenses favorable or unfavorable variances?

Unfavorable

21. Once you've analyzed and can explain variances, what should you do next?

Determine what, if any, action to take .





Knowledge Check: Performance Measurement

22. What is the benefit to the investor resulting from an investment?

Return; the financial benefit

23. What is the purpose of measuring performance?

Shows if goals are met and drives investment decisions

24. If a down payment is \$200,000 and the cash flow generated is \$20,000, what is the Cash-on-Cash Return?

10%





Knowledge Check : Performance Measurement

25. Does a lower cap rate indicate lower or higher value?

Higher value

26. What type of property valuation approach would you use if there are several similar properties in the area that have recently sold?

Sales Comparison Approach

27. If you increase the NOI by \$24,000 and the cap rate is 6%, how much value are you adding to the property?

\$400,000





Knowledge Check: Perform a Property Evaluation

28. What attributes affect the value of a property?

- Supply and Demand
- Highest and Best Use
- External Influences

29. What determines Cap Rates?

The market and quality of the property; can be as low as 5% and as high as 12% .



Knowledge Check: Resident Rights



20. When entering an apartment unit, how can you limit liability?

Strictly follow your right of entry policies



21. You may enter an apartment unit without notice in case of emergency. List some emergency examples.

✓ Smoke pouring out of windows

✓ Water leaking out of unit

✓ Gunshots

✓ Screaming

✓ Smell of gas





Knowledge Check: Resident Rights



22. What are some reasons law enforcement or government officials may want entry to an apartment unit?

- ✓ Random building inspection
- ✓ Suspected safety or health violation
- ✓ Serving an arrest warrant
- ✓ The pursuit of fleeing criminals

23. Regarding satellite dishes and TV antennas, what has the Federal Communications Commission (FCC) ruled?

Apartment residents may not be unreasonably restricted from installing an individual satellite dish or antenna .



Knowledge Check: Resident Safety



24. What is negligence?

An unreasonable response to a foreseeable risk



25. When preventing danger, what should you encourage residents to do?

✓ Understand personal responsibility for safety

✓ Inform management of dangerous situations



26. What are your disclosure responsibilities regarding a tenant who has a sex offense conviction?

It depends on the specific state regulations; seek legal counsel





Knowledge Check: Resident Safety



27. If a resident is injured through criminal activity, can they sue the apartment manager? Why or why not?

Yes; you can be liable if you acted unreasonably in the face of foreseeable risk

28. What is Megan's Law?

A law requiring authorities to notify communities of the whereabouts of convicted sex offenders

29. What does that Virginia Graeme Baker Pool & Spa Safety Act require?

All public pools and spas MUST use anti-entrapment devices .



Knowledge Check: Contractor Agreements



30. When should you hire a contractor?

- ✓ Your normal staff cannot do the task
- ✓ It is more cost effective
- ✓ You need required documentation

31. Can your property be held liable for the actions of a contractor?

Yes; legally, contractors may be viewed as extensions of the property management team

32. What are the four Bid Process Elements?

- ✓ Performance Security
- ✓ Insurance Certificates
- ✓ Awarding a Bid
- ✓ Bidder Disqualification



Knowledge Check: Contractor Agreements



33. In which section of a contract is the type of work that will be performed and the time frame for the work?

Scope of Work



34. What is performance security?

A form of security deposit that ensures the successful bidder will perform according to all contract requirements



35. What should be included in a bid invitation?

- ✓ The specifications for the procurement
- ✓ Terms and conditions
- ✓ Specifications defining goods or services
- ✓ Formally numbered specifications





Knowledge Check: Contractor Agreements



36. What is a lien waiver?

A signed and notarized document that waives all claims against the property or the management company



37. What releases one party from liability for claims asserted by another party?

General Waiver of Release .





Knowledge Check: CAM's Role and Responsibilities

1. What are the three property assets to protect through risk management?

- Property
- People
- Community Goodwill

2. What areas should a risk management process address?

- Identify potential risks in operations
- Analyze the frequency and severity of past/ potential losses
- Eliminate or reduce risks
- Build financial protection to cover non-eliminated risks
- Create risk management policies and procedures



Knowledge Check: Minimize Risk to Physical Property

3. List **three** types of financial risk.

Fraud

Theft

Embezzlement

4. What is the most common risk management strategy?

Finance the risk

5. When minimizing financial risk, what are **three** areas to consider?

- Income, Fees, and Cash
- Physical Property
- Records and Screening



Knowledge Check: Minimize Risk to Residents

6. What are the three highest liability areas?

- Property Hazards
- Environmental Hazards
- Crime Deterrence

7. What are your responsibilities to provide habitability?

- Repair and maintenance to reduce safety hazards
- Maintaining required housing habitability

8. What must all public pools and spas have?

Anti-entrapment devices



Knowledge Check: Minimize Risk to Residents

9. When/how can you communicate to residents about their safety?

- During the lease signing meeting
- With notice letters when serious incidents occur
- During resident meetings
- In the community newsletter

10. List two federal environmental governing agencies.

- Environmental Protection Agency (EPA)
- Occupational Safety & Health Administration (OSHA)



Knowledge Check: Minimize Risk to Employees

11. What are the six areas of focus for OSHA that employers are required to comply with?

- Hazard Communication Standard
- Lockout/Tagout Standard
- Bloodborne Pathogens
- Personal Protective Equipment (PPE)
- Electrical Safety-Related Work-Practice
- OSHA Record Keeping

12. The maintenance technician was using hazardous chemicals during his shift. What should he do at the end of his shift?

Empty and clean the container



Knowledge Check: Minimize Risk to Employees

13. What is a Safety Data Sheet (SDS)?

A document that describes the health and physical hazards associated with a particular chemical or material

14. What are the written requirements for the PPE standard?

The standard does not require a written program, but does require a written assessment and documentation of exposures

15. Why is it important for managers to be informed of the OSHA regulations and perform regular inspections to ensure compliance?

To comply with regulations when an OSHA inspection is performed and help you avoid any fines or possible injury claims



Knowledge Check: Emergency Plans

16. What is the goal of emergency planning?

To minimize impact to residents, staff and business operations

17. What are the three major impacted entities in an emergency?

- People
- Property
- Business

18. What is the purpose of an emergency drill?

To ensure that all aspects of the evacuation can be fully executed



Knowledge Check: Emergency Plans

19. What are the components of an emergency plan?

- Prevention
- Detection
- Communication
- Evacuation
- Containment/Mitigation
- Recovery
- Public Relations

20. In relation to emergency planning, what are the three components of a business?

- Equipment
- Supplies
- Infrastructure



Knowledge Check: Prevent and Control Loss

21. What is loss control?

Doing everything you can to mitigate the impact of the loss once it occurs

22. What is loss prevention?

Loss prevention is being proactive in preventing losses

23. Third party insurance involves what three parties?

- The policyholder
- The insurance company
- Third party to the insurance contract, the claimant against the policyholder



Knowledge Check: Prevent and Control Loss

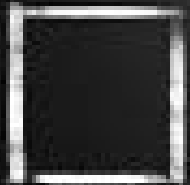
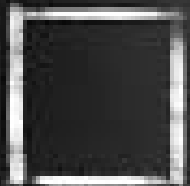
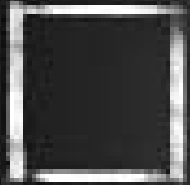
24. What is an incident?

An incident includes all accidents, crimes, reported losses and resident losses at a property

25. What are three things covered by General Liability insurance? Please provide an example of each.

- Bodily injury
- Property damage
- Personal injuries





Knowledge Check: Building Relationships with Residents

1. Name the key steps to building relationships:

- Express a genuine interest
- Be open and friendly
- Create physical rapport
- Be an active listener
- Seek agreement

2. ___% of today's renters are ethnic minorities and ___% were born outside the United States.

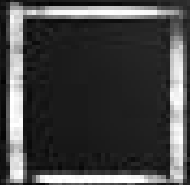
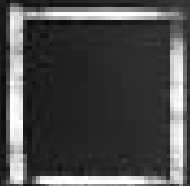
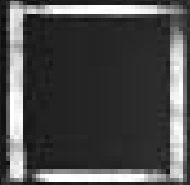
- 45%
- 20%



Knowledge Check: Building Relationships with Residents

3. Name the generations in the marketplace:

- Veterans
- Baby Boomers
- Generation X
- Millennials or Generation Y
- iGen or Generation Z .





Knowledge Check: Application and Screening Process

4. You should explain to an applicant that the information collected is used for _____.

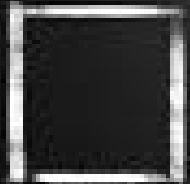
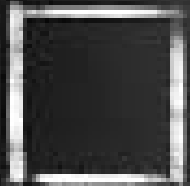
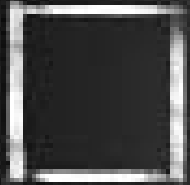
Qualification purposes

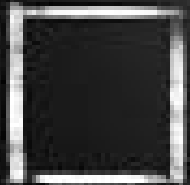
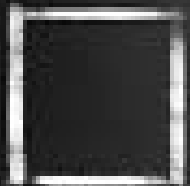
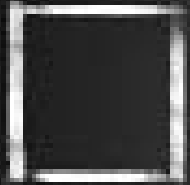
5. What laws govern the screening process?

- Fair Credit Reporting Act (FCRA)
- Fair & Accurate Credit Transaction Act (FACTA)

6. What are the steps of the screening process?

- Screen application
- Investigate info on application
- Reviews application and approve or deny
- Notify prospect of approval or denial .





Knowledge Check: Application and Screening Process

7. What is reviewed during a credit screening?

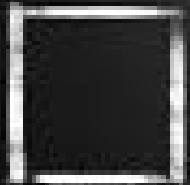
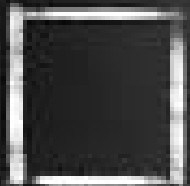
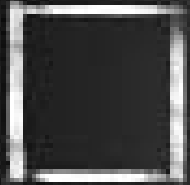
- Debt to income ratio
- Rent to income ratio
- Acceptable accounts ratio
- FICO score

8. You must provide notification within ____ hours of the application date.

72

9. Regardless of approval or denial, how should you contact an applicant?

With a telephone call .



Knowledge Check: New Resident Education

10. Name some of the basic elements of the lease.

- Identity of all parties
- Name of community
- Description of premises
- Duration of lease term
- Rent amount
- Payment terms
- Community policies, rules guidelines, & regulations
- Rights & responsibilities of each party

11. List items to discuss during new resident orientation.

- When and how to pay rent
- Location and use of amenities
- Resident referral program
- Service request procedures
- Community policies
- Emergencies .



Knowledge Check: Ongoing Resident Communication

12. What is included in a move-in packet?

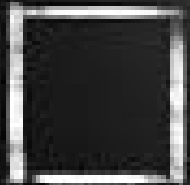
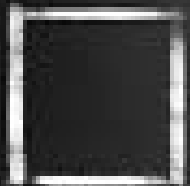
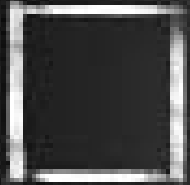
- Lease paperwork
- Community policies
- A community convenience list
- Keys
- Welcome letter

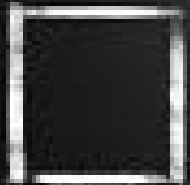
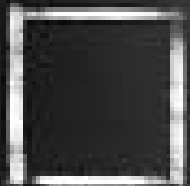
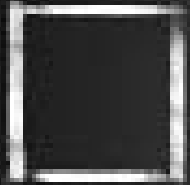
13. When should you schedule an appointment to meet with maintenance?

During the new resident orientation

14. Where should you provide a list of the staff with contact information and a calendar of events?

In the resident newsletter .





Knowledge Check: Ongoing Resident Communication

15. What are some keys to communicating the rent collection policy?

- A clear rent collection policy in writing
- Make rent payment a habit
- Make rent payment convenient
- Notify before late or NSF fees
- Be consistent and firm

16. What should you do if you suspect or hear of criminal activity?

- Respond quickly
- Avoid confrontation
- Contact local law enforcement
- Document all incidents .



Knowledge Check: Move Out Procedures

17. When does resident retention begin?

The day the resident moves into the community

18. When is a resident considered moved out?

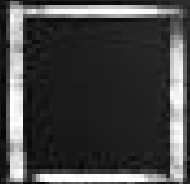
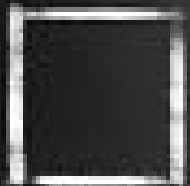
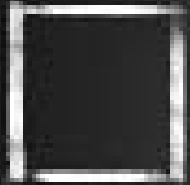
When all keys are returned

19. What should you do when you receive a move-out notice?

Send a letter thanking a resident for their residency and advising of move-out requirements

20. What are the fundamental actions you should take during a move-out inspection?

- Use the move-in/move-out checklist
- Photograph damages
- Charge reasonable deductions
- Do not remove any items left behind .





Knowledge Check: Move Out Procedures

21. What are some legal reasons to terminate a lease?

- Violation of rental agreement
- Providing false information on the rental application or lease

22. What is a holdover?

When a resident does not leave at the expiration of their lease term

23. What are the three types of eviction notices?

- Pay Rent or Quit
- Cure or Quit
- Unconditional Quit .

