



HERO PM
Property Management Online

Supplement



HERO Payments

The Power Behind Property Managers' Performance™

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Overview

HERO PM offers the most secure, most convenient, most trust accounting compliant, cost effective payment system for online payments from tenants, applicants, and owners.

- Cost-effective: Starts at only 50 cents per transaction. There are no monthly fees nor surcharges.
- Convenient: Automate application and rent payment processing.
- Secure: The most comprehensive security and fraud protection available.
- Compliant: Trust accounting compliant and advanced reporting.
- Controllable: Allow tenants to make payments, or draft the money from them. Block payments during certain periods, during an eviction, or for specific tenants.
- Flexible: Allow payments by ACH, EFT, debit card, and credit card.
- Powerful: The biggest, most powerful online processing system available to the industry.

Options

HERO Payments offers the flexibility to accept payments in the way you want, making it work for all types of property management businesses. You can choose to enable Standard Payments, Pre-Authorized Payments, or both. You choose which tenants to allow or deny.

Standard Payments

- Accept payments for applications, tenant amounts due, and owner amounts due.
- Accept payments via credit card, debit card, EFT/eCheck, and PayPal.
- Accept automatically recurring monthly transactions for tenant amounts due.
- Fees range from 2.9% to less than 1.9% depending on monthly volume, plus 30 cents per transaction. Fees for EFT/eCheck never exceed \$5 per transaction.

Pre-Approved Payments

- Accept payments for tenant amounts due.
- Accept payments via ACH and PayPal.
- Chose to base amount due on tenant lease, or the more flexible tenant payment schedule.
- Tenant pre-approves monthly amount for the term of their lease, which can include a buffer.
- Tenant or property manager may initiate payment, based on your agreement with the tenant.
- Fees are 50 cents per transaction, regardless of volume.

Both Payment Options

- Payments are made through your website or generic portal (if integrated portals are not enabled).
- Choose to enable or disable payments to a specific tenant.
- Choose to enable all tenants during a specified time period (like 1st through 5th) and disable all after.
- Fees and trust amounts are automatically calculated.
- Automatic notification of payments made.
- Full reporting at numerous levels.

System Activation

[Configuration – System Options]

Enable the payment options of your choosing. Also enable the application options you wish to activate, when using the system for online applications.

The screenshot shows the 'System Options' configuration page in the HERO Property Manager Control Panel. The browser address bar shows the URL: controlpanel.heropm.com/CPL/index.mvc?action=CPL.start&newpage=1&attempt=1&processupdates=1. The user is logged in as John Doe. The page contains a list of system options with checkboxes for enabling or disabling various features.

Set your system options below. Be sure to read the appropriate section of the users guide before setting any options. After successfully making a change you will be returned to the configuration options.

<input checked="" type="checkbox"/>	Online Portal	Allow online portal access (remove individual access from profile authorizations)
<input type="checkbox"/>	• Online Unit Docs Hidden	Hide unit/property documents from online portal (allow viewing of docs directly assigned to a client)
<input type="checkbox"/>	• Assign Unmatched Profiles to Generic Agent	When a profile is uploaded without an agent match, assign it to the Generic agent
<input type="checkbox"/>	• Do Not Assign Tenant/Guest Managers	Do not assign tenant/guest managers (agents) based on designated unit manager
<input checked="" type="checkbox"/>	Online Payments	Allow online payments
<input checked="" type="checkbox"/>	• Online Payments: Standard	Allow standard online payments (individual payments by credit card, debit card, eCheck, etc.)
<input checked="" type="checkbox"/>	• Online Payments: Pre-approved	Allow pre-approved online payments (pre-approved ACH rent payments on a lease)
<input checked="" type="checkbox"/>	Online Applications	Allow online rental applications
<input type="checkbox"/>	• Online Apps Deposit	Add security deposit to application fee
<input type="checkbox"/>	• Online Apps Uncharged	Allow apps submitted without application fee payment
<input type="checkbox"/>	• Online Apps Notification	Notify unpaid applications by email
<input type="checkbox"/>	• Online Apps Do Not Screen Unpaid	Prohibit integrated screening of an online app unless it is paid
<input type="checkbox"/>	Online Work Requests	Allow online work requests
<input type="checkbox"/>	• Maintenance Contact Info	Display maintenance contact information on work request form
<input type="checkbox"/>	• Complete on Edit	Default to completing a work order when editing
<input type="checkbox"/>	• Change Date from Reservation	Automatically change the date required on cleaning workorders associated with a reservation
<input type="checkbox"/>	Online Guest Bookings	Allow online reservations by guests
<input type="checkbox"/>	Online Owner Bookings	Allow online reservations by owners
<input type="checkbox"/>	• Online Bookings Uncharged	Allow bookings submitted without reservation payment
<input type="checkbox"/>	• Clean on Checkout	Default to a clean and ready unit on checkout

< - Cancel Save Info ->

Configure Convenience Fees and Buffer

[Configuration – System Preferences]

Enter your PayPal account ID (usually your company payments email address). If you do not already have a broker-owned PayPal account, create it by selecting the Create Payment Account link, and following the prompts for “PayPal for business” and “PayPal Payments Standard” (which allows both standard and pre-approved payments). Once your account is created, enter the account ID into your System Preferences.

Set desired convenience fees and pre-approval buffer. **See the section, “Understanding Convenience Fees and Pre-approval Buffer”**

The screenshot shows the 'System Preferences' page in the HERO Property Manager Control Panel. The page title is 'System Preferences' and it includes a warning: 'Set your system preferences here. Be sure to read the appropriate section of the users guide before setting any preferences.' The form contains the following fields and options:

- PayPal ID: [Create Payment Account ->](#)
- PROMAS Manager ID:
- Owner Convenience Fee: (Indicate \$ or %)
- Applicant Convenience Fee: (Indicate \$ or %)
- Tenant Convenience Fee: (Indicate \$ or %)
- Tenant ACH Convenience Fee: (Indicate \$)
- Guest Convenience Fee: (Indicate \$ or %)
- Guest ACH Convenience Fee: (Indicate \$)
- ACH Preapproval Buffer: %
- Short ID:
- Text Inquiry Credits: [Purchase credits ->](#)
- Text Inquiry Alert Level:
- Text Inquiry List Preface:
- Text Inquiry About Preface:
- Text Inquiry About URL:
- Craigslist™ Region: (Region:Sub-region)
- Twitter™ Account: (AccountName:AccountPassword)
- YouTube™ Account: (AccountName:AccountPassword)
- Transitional Buyer™ Account: [Click to learn more](#)
- Default City:

Understanding Convenience Fees and Pre-approval Buffer

The following information is essential for compliance with the system and laws.

Standard Payments (includes applications)

- A convenience fee, as a dollar amount or percentage of the charge, may be added to standard online payments. We recommend a convenience fee never exceed 4% or the transaction fee, whichever is lesser.
- The convenience fee will be added as a part of the total transaction and the payer will be notified of such before making payment.
- Convenience fees are permitted only when payments through the online portal are not your exclusive or primary payment channel. In order to charge a convenience fee, the portal must represent a convenience to the payer, over paying through your primary payment channel (which, for most property managers, is a check mailed or brought in to your office).
- All tenants, guests, owners, or applicants paying through the portal will have the same convenience fee.
- Be aware that in certain cases, charging a percentage may not be permitted.
- Consult your local laws for more information regarding payment convenience fees. It is important to understand the legal differences between convenience fees, checkout fees, and credit card surcharges. For compliance, our systems only permit convenience fees, and only those that are charged exclusively on an alternate payment channel that provides a bona-fide convenience (the online portal), are disclosed prior to completing the transaction, are added to the transaction amount, are not charged by any third-party, and are the same across all card brands and payment methods in the channel. The convenience fee is charged universally on the use of the payment portal, not for any specific type or value of transaction or payment method.
- It is your responsibility to verify that any convenience fee you choose to charge is in compliance with all applicable regulations. If you choose not to charge convenience fees, you may wish to consider negotiating with your owners to share the costs of increased payment convenience, as this represents a savings to the property management company, and an increased likelihood of the owner obtaining and retaining a tenant, who pays their rent on time.

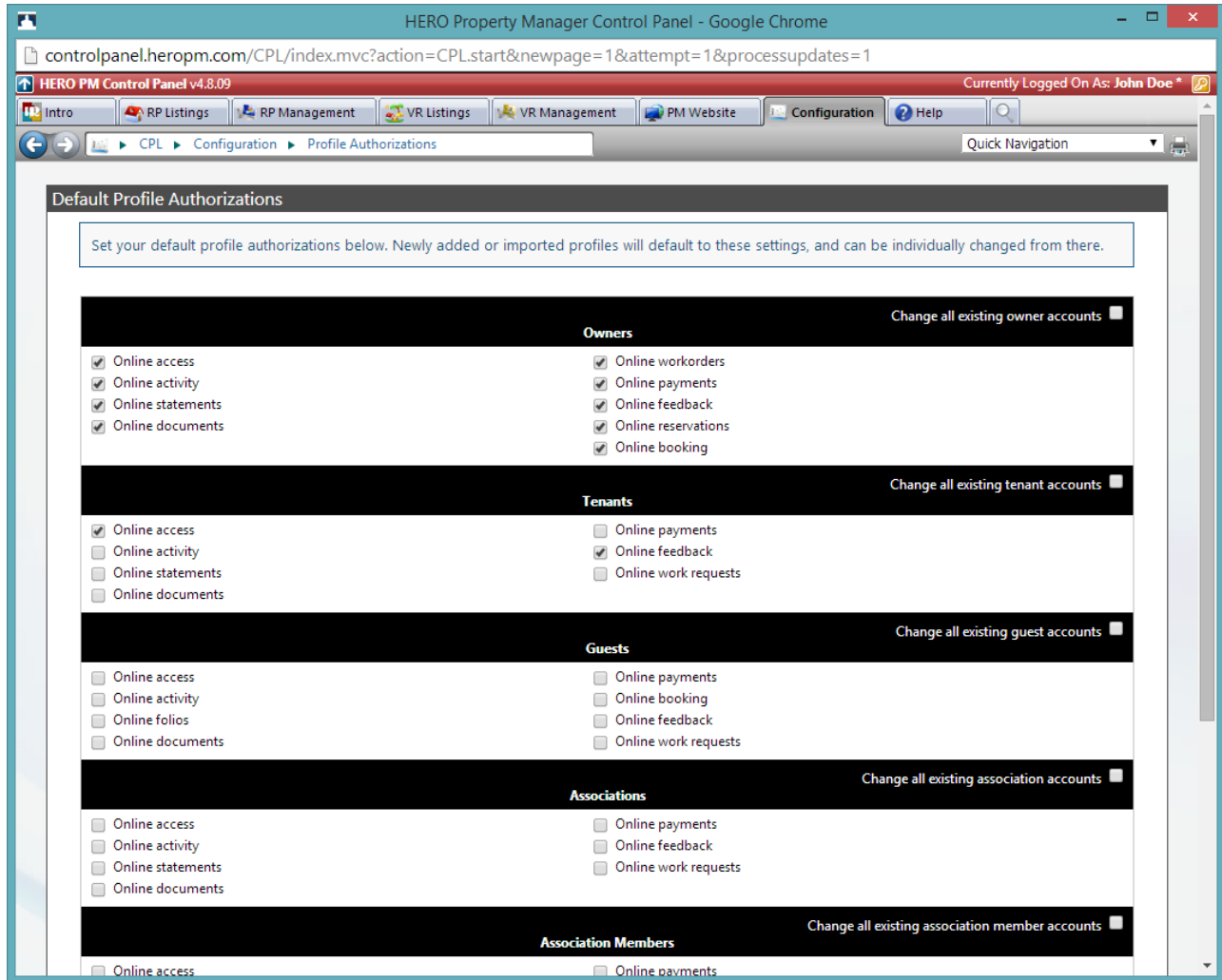
Pre-approved Payments

- A convenience fee, as a dollar amount, may be added to Pre-approved online tenant and guest payments. The fee must not exceed \$1. This is a nationally accepted standard that our system complies with.
- The convenience fee will be added as a part of the total transaction and the payer will be notified of such before making payment.
- All tenants or guests paying through the portal will have the same convenience fee.
- A buffer, as a percentage, may be added for pre-approvals. This requires the tenant to authorize payments up to X% greater than the current amount due (at the time of the authorization). When using scheduled payments, this allows you to add late fees or other fees that the tenant owes, in accordance with their lease. Without a pre-approval buffer, the tenant may only pay the exact amount of their monthly rent. The pre-approval buffer must not exceed 10%.

Setup Tenant, Guest, and Owner Portals

[Configuration – RP/VR Preferences – Default Profile Authorizations]

Enable Online Payments option for Tenant, Guest, and Owner Portals as needed. You may also set Online Payments option individually from each profile.



Setup Applications

Application setup is covered in full in another document. Here are the essentials you need to know:

- You must customize your application to ask the questions you want asked. Applications should be attorney-reviewed before allowing applicants to apply due to the sensitivity of Fair Housing law.
- Applicants will apply for the rental directly from your listing. The application fee is configured in each listing.
- The individual application fee takes precedence over the standard application fee, charging the fee to each individual who applies.
- If you have the same application fee for all rentals, configure it in your listing defaults.
- To update the application fee on all (or a batch of) existing listings, ask your Master Administrator to change it from Bulk Update Listings.
- You can choose to be notified of applications even if payment is not successful, allowing you to contact the applicant to arrange alternate payment. All applications, whether paid or unpaid, are recorded for you.

Understanding Amounts Due

Amounts due vary by the payment system being used and the payer type.

Application Payments

- Application amount due is determined by the application fee on the listing being applied for. Individual application fees take precedence over Standard application fees.

Owner Standard Payments

- Owners can pay any amount due, for any reason, at any time.
- Typically owner payments are used for cases where the owner does not have enough reserve to pay for an emergency repair.
- You contact the owner to inform them that they need to make a payment to cover the expense, and they log in to their portal, enter the amount, the description (which you provide to them), and make the payment.

Tenant Standard Payments

- The tenant can only pay the amount due, with the following exceptions:
 - If no money is due, they can pay any amount, which you can record as advanced rent or an open credit according to your agreement with them.
 - If the tenant sets up a monthly automatically recurring payment (auto-pay), it will be for the amount due according to their lease. This can be configured from the Rent Amount field in the tenant's profile.
- The amount due is determined by their statement. Because of this, you should upload statements prior to the end of the month, after rents have been posted but before tenants would normally pay rent.
- If no statement amount due is present, the rent amount determines the amount due.

Tenant Pre-approved Payments

- The tenant pre-approves the maximum amount of a single payment, and a payment can be repeated at most once per month, until the end of the lease (no more than 18 months).
- Due to security protections, a tenant may not authorize more than \$10,000 per month nor more than \$40,000 per lease.
- The amount due for each month is determined by the tenant's lease payment schedule, where a payment schedule exists.
- Where a payment schedule does not exist, the amount due is the Rent Amount per the tenant's lease, which can be configured from the Rent Amount field in the tenant's profile.
- For this reason, we advise setting up a payment schedule for each lease. This allows you to increase or decrease amounts due based on applied credits and fees that may vary (up to the pre-approval buffer amount).
- A tenant can have an unlimited number of concurrent leases.

Guest Standard Payments

- Guest amounts due come from the payment schedule on their reservation.
- You can adjust the payment schedule from the reservation.
- A guest can have an unlimited number of concurrent reservations.

Adding Tenants, Leases, and Payment Schedules

[RP Management – Tenants – Add a Tenant] [RP Management – Tenants – Lookup Tenant]

If you import tenants from your accounting software, tenants do not need to be added manually. They are already added for you.

To manually add a tenant:

- Select **[RP Management – Tenants – Add a Tenant]**.
- Enter all tenant information, including Rent Amount (monthly rent due per lease).
- Ensure that Online Access and Online Payments are authorized.

The screenshot displays the 'HERO Property Manager Control Panel' in Google Chrome. The browser address bar shows the URL: `controlpanel.heropm.com/CPL/index.mvc?action=CPL.start&processupdates=1&attempt=logon`. The page title is 'HERO PM Control Panel v4.8.09' and the user is logged in as 'John Doe'. The navigation menu includes 'Intro', 'RP Listings', 'RP Management', 'VR Listings', 'VR Management', 'PM Website', 'Configuration', and 'Help'. The breadcrumb trail is 'CPL > RPM > Tenants > Lookup'. The main content area is titled 'Tenant Edit' and contains the following fields:

- Status: Active
- Class: Tenant
- Tenant ID: [Empty field]
- Name (First, Last): [Two empty input fields]
- Contact: [Empty input field]
- Salutation: [Empty input field]
- Address: [Two empty input fields]
- City, State, Zip: [Three empty input fields]
- Phone 1 (Primary): [Empty input field]
- Phone 2 (Secondary): [Empty input field]
- Phone 3 (Primary Cell): [Empty input field]
- Phone 4 (Secondary Cell): [Empty input field]
- Other Phone Numbers: Click to show more phone numbers
- Fax: [Empty input field]
- Email: [Empty input field]
- Source: [Empty input field]
- Managing Agent: Unassigned
- Authorization: Online access, Online payments, Online activity, Online feedback, Online statements, Online work requests, Online documents
- Account Verification: [Empty input field]
- Online Activity: [Empty input field]

If you use only Standard Payments, you do not need to enter a Lease. However, you may still find it beneficial for tracking purposes.

To manually add a Lease (and, optionally, a payment schedule):

- Select **[RP Management – Tenants – Lookup Tenant]**.
- Locate the tenant to add the lease to. From their menu icon on the left, select View/Edit Lease.
- Select Add Lease.
- Add all lease information.
- If you have previously uploaded scanned copies of paper lease documents (lease and/or addenda), attach them to the lease by selecting them from the drop-down list.
- To add a payment schedule (allowing you to adjust monthly amount due for pre-approved payments, and easily track payments completed from the lease) select the Add Schedule Payments button and adjust the start date as needed.
- If you add a lease without a payment schedule, and wish to change it to a lease with scheduled payments, you must delete the lease and add it again, with the payment schedule.

The screenshot shows a web browser window titled "HERO Property Manager Control Panel - Google Chrome". The address bar shows the URL: `controlpanel.heropm.com/CPL/index.mvc?action=CPL.start&processupdates=1&attempt=logon`. The user is logged in as "John Doe". The navigation menu includes: Intro, RP Listings, RP Management, VR Listings, VR Management, PM Website, Configuration, and Help. The breadcrumb trail is: CPL > RPM > Leases > Add. The main content area is titled "Lease Add" and contains a warning box: "Enter the lease information exactly as it appears in the lease contract with the tenant. Entering lease information here that is not exactly as the tenant understands can be a serious violation." Below the warning box is a form with the following fields:

- Lease ID:
- Unit ID:
- Description:
- Name on Lease:
- Lease Status:
- Tenant ID:
- Name (First, Last):
- Contact:
- Address:
- City, State, Zip:
- Rent: \$
- Total Rent: \$
- Rent Components:
- Term:
- Lease Start:
- Lease End:
- Security Deposit: \$
- Lease Payment: PayPal account not connected
PayPal preapproval not initiated

Receiving Payments

[RP Management – Payments – Process Pre-approved Payments]

In most cases, the **tenants will pay their rent due through their portal**, on or before the due date or the late date. You will receive email notification for each payment made.

For pre-approved payments, some property managers enter into an agreement to draft the money from the tenant's account on the due date, or the late date, if not paid sooner by the tenant. The system provides you with the flexibility to use this option.

Users must have a Special Authorization enabled to draft from a tenant's account. Only the master administrator can set this for an user, from [Configuration – Users and Agents - Edit]. Only trusted users who can verifying tenants and payments should have this enabled.

To draft the payment from the tenant's account:

- Select **[RP Management – Payments – Process Pre-approved Payments]**.
- Select the Process button beside each payment to be processed.
- A short payment report will display when the payment is successfully processed.

Once the payment has been processed:

- The summary will display inline on the payment processing screen.
- The tenant's scheduled payments will be updated with the COMPLETED status and payment key for this payment.
- The Payment Report/Export will include the completed payment.
- Your PayPal account will show the payment and details.
- The tenant will receive email confirmation.
- The tenant's account in their portal will be updated with the successful payment.
- The tenant's PayPal account will show the payment made and details.

The Process button may not be available if:

- The payment is not yet due.
- The lease is no longer active (completed, expired, terminated, etc.)
- The tenant is not pre-authorized.
- The amount due (per the scheduled payment) exceeds the pre-authorized amount.
- Or a number of other rare situations that will cause an invalid payment.

The screenshot shows a web browser window titled "HERO Property Manager Control Panel - Google Chrome". The address bar contains the URL: `controlpanel.heropm.com/CPL/index.mvc?action=CPL.start&processupdates=1&attempt=logon`. The page header includes "HERO PM Control Panel v4.8.09" and "Currently Logged On As: John Doe". A navigation menu contains links for "Intro", "RP Listings", "RP Management", "VR Listings", "VR Management", "PM Website", "Configuration", and "Help". The breadcrumb trail is "CPL > RPM > Online Payments > Process Scheduled Payments".

The main content area is titled "Process Scheduled Payments" and features a table with the following data:

Amount	Due Date	Type	Description	Status	Process
\$1250	2014-05-01	L	John Doe		<input type="button" value="Process \$1250"/>

Below the table, a status message reads: "1 scheduled payments available to be processed".

Processing Payments Received

[RP Management – Payments - Export Rent Payments]

It is important that you understand your local laws regarding depositing rent payments into trust accounts to determine the schedule at which you process payments received. All payments are made directly into a broker-owned escrow account, but this is not designated as a trust account. Payments must be applied to tenant accounts and moved into trust accounts on a regular basis (at least monthly, but more often as determined by your local laws).

Processing payments received involves three automated processes and two manual processes. The automated processes:

- Provide the Property Manager with the actual amount to be accounted for as trust funds.
- Allow export into a Lockbox CSV file so payments can be automatically applied in your accounting software.
- Record payments as exported for confirmation and reconciliation.

You must manually:

- Update your accounting software with the amount paid. This can be automated with the Lockbox file generated during the processing.
- Transfer rent amounts from your payment escrow account to your trust account.

To process payments received:

- Select **[RP Management – Payments - Export Rent Payments]**.
- Check or uncheck the payments to be included in this export. Normally all payments will be included, except:
 - Payments that you do not wish to receive, and wish to refund without ever recording.
 - Payments that will be processed into an alternate trust account, in cases where you process rents into multiple trust accounts. In this case, you will repeat the export once for each trust account.
- Note the amount of trust funds, and log into your account with PayPal to transfer this amount into your trust account.
- Select Export Selected to process the selected payments and create the Lockbox File of payments.
- If you are automatically processing payments received into your accounting software, save the Lockbox file to your computer, then log in to your accounting software and import the lockbox file to your software. This will automatically apply all payments made to the appropriate tenant.

HERO Property Manager Control Panel - Google Chrome

controlpanel.heropm.com/CPL/index.mvc?action=CPL.start&processupdates=1&attempt=logon

HERO PM Control Panel v4.8.09

Currently Logged On As: John Doe

Intro RP Listings RP Management VR Listings VR Management PM Website Configuration Help

CPL RPM Online Payments Export

Quick Navigation

Online Payment Export

Be sure payments have been transferred to the appropriate (trust) account before creating the payment export file.

Standard Payments

No transactions found

Preapproved ACH Payments

Include	Date	Client	Payment ID	Transaction ID	Status	Payment for	Amount Paid [Trust monies]	Fee
<input checked="" type="checkbox"/>	2014-05-09	DOEJOH	LS_DOEJOH.1399689457	AP-34R34098NB528671G	COMPLETED	John Doe	\$1250 [\$1250]	None

Total to transfer: \$1250.00

<- Cancel Export Selected ->

Frequently Asked Questions

1) Why does the system integrate with PayPal?

The HERO Payments system is designed for universal integration with any payment processor. However, in interviews with dozens upon dozens of payment processors, we have found only one who can provide the following to our standards:

- Compliance for broker control of funds.
- Compliance for trust accounting.
- Security and fraud protection.
- Payment flexibility.

We understand that there are other payment processors that property managers use, and we have evaluated most of these and requested evidence of compliance. To date, we have not found any other processors that meets most states' requirements, let alone our standards.

We continue to evaluate payment processors on a regular basis, and will add other options when we discover those that meet the standard.

2) Why are there multiple set up and processing steps?

These steps give you the flexibility you've asked for, while providing the compliance that you need. There are certainly solutions that have fewer steps, but they do so at the cost of flexibility and compliance. HERO Payments has carefully developed the process to keep you from landing in a pickle.

Once you complete the set up (usually about 20-30 minutes), you never have to do so again.

Each month you can expect to spend 5-15 total minutes on processing rent payments. Compare this with the time spent processing checks and money orders, and you'll see that HERO Payments represents a massive time and cost savings to the property manager.

3) Why can't I edit my payment account ID at will, and why can't anyone in my office draft ACH payments without requiring master administrator authorization?

HERO Payments has carefully evaluated common ways that employees embezzle money from their property management company, and is regularly in communication with auditors to discover tricks that people are using. To the best of our knowledge, HERO Payments is the only solution for the property management industry that has active embezzlement deterrent technology. While this represents a very minor inconvenience to the one-person office, it is a much appreciated protection for offices that have employees or contract help. There are numerous other controls built into the system that work behind the scenes to keep you protected.

4) Can I get in trouble with my Department of Real Estate for accepting online payments?

That's a trick question! Yes, you can easily get in trouble with the department, if you do not follow

the rules you learned in real estate school and the system as outlined by HERO Payments. If you follow the rules, you can be assured that the system will also follow the rules and not do things that are defined as no-no's. We have been extremely cautious to consider rules, bulletins, and notices from various states into the system. We've all heard of the property managers who have been in serious trouble for the way their system handled money, including electronic payments, but HERO members are not among them.

5) What happens when I'm evicting a tenant for non-payment and they make a small payment online? Doesn't that thwart the eviction process?

Yes, it does, and it happens all the time with other payment solutions. However, with HERO Payments, you have two controls that prevent this from ever being an issue:

- The tenant can only ever pay the amount due, or the amount of their full rent.
- For each tenant, you have a No Payment checkbox that prevents them from being able to make any online payment. If you use PROMAS, changing a tenant's status to Evicted and publishing will set this automatically.

6) If a tenant owes late fees, doesn't the fact they pay online allow them to avoid paying these?

With many payment systems, the tenant can enter any amount they wish to pay. Many tenants will pay only the amount of rent, knowing that if you accept the payment (which many payment systems do automatically), you'll have trouble evicting them for non-payment. Other payment systems require you to enter the monthly rent and only allow the tenant to pay that amount, without consideration of the fact they may owe additional fees.

HERO Payments is different. A tenant can only pay the amount they owe. When using standard payments with PROMAS, simply publishing will update the amount due to include the late fees. When using pre-approved payments with a payment schedule, you can add the late fees to the next payment due. Further, HERO Payments allows you to instantly return any payment, with no penalty and no fees, before it is recorded into your books or trust account, protecting you from wily tenants trying to frustrate the legal process.

7) What payment methods can I accept?

Standard Payments:

- Visa
- Mastercard
- American Express
- Discover
- eCheck
- PayPal

Pre-approved Payments:

- ACH
- PayPal