



**Housing Kitsap**  
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## **RENT COLLECTION POLICY**

### **POLICY STATEMENT**

This policy clarifies Kitsap County Consolidated Housing Authority dba Housing Kitsap (HK)'s policy and procedures for the collection of rent and other charges; late charges and return check assessment; and rent collection processing, reconciliation, and monitoring. Collection of tenant charges is important to the viability of all Housing Kitsap communities and programs. Without a high and timely tenant rent collection rate, a communities or programs will not cash flow. As a result of poor cash flow, the Housing Kitsap must reduce costs which may result in inadequate maintenance and the accelerated deterioration of the property. It addresses how residents must pay their monthly rent, how and when late charges are applied and the consequences of late payment or non-payment of rent due.

This policy is consistent with the guidance of HUD's PHA Financial Management, the Revised Code of Washington (RCW) Residential Landlord-Tenant Act Chapter 59.18 and HK policies and procedures. HK is committed to enforcing this policy in compliance with Fair Housing Laws and the Affirmatively Furthering Fair Housing Act (AFFH).

It is the policy of Housing Kitsap to actively pursue timely and full collection of tenant charges due. Collection of tenant charges will be used to support the communities and programs from which the charge occurred. Cash will not be accepted as a form of payment. This policy applies to all programs and communities owned and managed by Housing Kitsap for which tenant charges are collected.

### **RENT COLLECTION GOALS**

The rent collection policy is designed to achieve the following goals:

- Maintain HK resident accounts at a delinquency rate no more than 3%.
- Clarify the housing agency's policy concerning rent collection for HK residents and staff.
- Establish procedures for Repayment Agreements and retroactive rent charges.
- Streamline and simplify HKC's eviction and legal process.

### **RENT COLLECTION PROCEDURES**

The following rent collection procedures are described below.

- Collection of rent and other tenant charges,
- Late payment of rent and return check charges,
- Rent collection processing, and
- Rent collection monitoring and reconciliation.



This institution is an equal opportunity provider and employer.

Housing Kitsap welcomes qualified tenants without regard to race, color, national origin, creed, religion, sex, marital status, familial status, disability or due to ownership of a service animal. Housing Kitsap provides reasonable accommodations to persons with disabilities. If you need this document in an alternate format, please contact Housing Kitsap Section 504 Coordinator, Freddy Linares at (360) 535-6128 or 2244 NW Bucklin Hill Road, Silverdale, WA 98383.



## COLLECTION OF RENT AND OTHER TENANT CHARGES

The following procedures will be used for the collection of rent and other tenant charges.

- The initial payment (rent and security deposit) that the tenant makes when moving into the unit is to be made at the community management office and must be made with a cashier's check or money order.
- Subsequent rent payments, and other charges if applicable, are due and payable in advance, without notice, on the first day of each month.
- All payments must be made by check, money order, or certified cashier check. No cash payments will be accepted. A sign will be listed for public viewing at each site where a payment can be made indicating "No Cash Payments Will Be Accepted".

## RENT DUE DATE

Rent is due on the first of each month. Housing Kitsap allows a four-day grace period (without penalty) as outlined in the lease agreement. **There are no exceptions to this policy.**

Rent not received by the opening of business on the sixth (6<sup>th</sup>) of the month either paid in person or via the rent drop box will be considered delinquent.

The following is a timeline for our collection process which may be changed due to holidays or weekends without notice:

<b>1st</b>	<b>First of the Month RENT IS DUE</b>
<b>2nd</b>	Second of the Month / First (1 <sup>st</sup> ) DAY OF GRACE PERIOD
<b>3rd</b>	Third of the Month / Second (2 <sup>nd</sup> ) DAY OF GRACE PERIOD
<b>4th</b>	Fourth of the Month / Third (3 <sup>rd</sup> ) DAY OF GRACE PERIOD
<b>5th</b>	Fifth of the Month / Fourth (4 <sup>th</sup> ) DAY OF GRACE PERIOD
<b>6th</b>	<b>Sixth of the Month LATE FEES BEGIN</b> <b>30 Day Notice-to-Vacate (NTV) issued.</b>

## RENT COLLECTION PROCESSING

Rent and other tenant payments will be processed based on the following procedures.

- Rents and other tenant payments must be paid at the community's management office or the main office for the Public Housing program.
- A staff person shall use the HK Rent Receipt Form when a receipt is request by the resident. Rent drop boxes will be checked daily.
- The payments received must be entered into the software system the same day they are received.
- It is the responsibility of the Property Manager to complete the deposit daily when payments have been received.
- A daily deposit slip must be completed listing all payment receipts and amounts.
  - Payments are entered into the property management software.
  - Payments are scanned into the bank using the check scanner.
  - The beginning and ending payment receipt number should be listed on the deposit slip.
  - Payment receipts should be deposited with no skips in receipt numbers.



- Deposits must be separated between tenant receivable collections and other revenues such as laundry money or vendor refunds.
- The amount of the daily deposit slip must match the amount entered into the software system for the day.
- A daily rent collection report will be printed from the software system that matches the bank deposit and will be attached to the deposit slip.
- A copy of all deposits made at the property will be submitted to the finance department daily so that the finance department can confirm the accuracy and timeliness of deposits.
- The PHA will deposit all payments received on the same business day. That is, the PHA will not delay depositing a check at the request of a tenant, until funds are available.

### **RENT COLLECTION RECONCILIATION AND MONITORING**

The PHA will follow the rent collection reconciliation and monitoring procedures outlined below.

- During the monthly reconciliation process, total cash receipts reported in the software system will be compared to the actual deposits for accuracy and completeness. If the amounts do not match, the general ledger accountant will research the discrepancies and reconcile the two amounts.
- The Senior Accountant shall review the bank reconciliation to determine whether deposits from the project managers are made timely. Issues, if any, will be reported to the Finance Director
- As part of the monitoring process, a past due report will be printed from the software system and the Property Manager / Regional Director will review outstanding balances to ensure that all rents have been posted and that outstanding balances have been addressed.

### **APPLICATION OF TENANT PAYMENT**

Payments received from tenant shall be applied to the tenant's account balance per RCW 59.18.283.

Housing Kitsap must apply payments to the tenants account in the following order of priority:

1. Rent
2. Late Payments
3. Damages
4. Other Fees, Including Attorneys' Fees

If two or more charges exist from the above four listed causes, payment shall be applied to the oldest debt first.

### **APPLICATION OF CREDIT BALANCES**

Credit balances will be applied against future rent charges as they become due and payable.

### **LATE PAYMENT OF RENT AND RETURN CHECK CHARGES**

Late charges and return check charges will be processed based on the procedures outlined below. Additionally, the PHA's Admissions and Occupancy Plan (ACOP) provides the amount that will be assessed for late payment of rent and checks returned because of insufficient funds for the Public Housing program.



By opening of business on the 6th day of the month, any tenant who has not paid their rent shall be considered delinquent and will be assessed a property specific late fee. Partial payment of rent will also result in a late fee charge. The amount of late fee assessed to the tenant must be in full accordance with the signed lease.

- For **Viewmont East Apartments** and **Heritage Apartments**, there is a flat \$5.00 late fee on the 6th day of the month plus \$1.00 per day the rent remains unpaid ending the last day of the month. Late fees will not exceed \$30.00 per month.
- For **Conifer Woods Apartments, Golden Tides II, Golden Tides III, Kingston Ridge Apartments, Liberty Bay, Madrona Manor, Orchard Bluff Mobile Home Park, Park Place Apartments** and **Port Orchard Vista** there is a Flat Late Fee of \$50.00.
- For the **Public Housing** program, there is a flat \$20.00 late fee on the 6th day of the month. This fee is due no sooner than two weeks after Tenant receives the Authority's written notice of the charge.
- For **Finch Place Apartments, Fjord Manor Apartments, Fjord Vista II Apartments, Rhododendron Apartments**, and **Windsong Apartments**, there is a late fee \$10.00 or 5% of the Tenant Contribution, whichever is greater charged after the 10th of the month.

### **NON-SUFFICIENT FUNDS (NSF) FEE**

The Non-Sufficient Funds (NSF) fee assessed to the tenant by HK will be the amount HK is charged by the bank. For Viewmont East Apartments and Heritage Apartments, the Non-Sufficient Funds (NSF) fee is only allowable the 2nd time a check is not honored by the bank.

If the tenant fails to pay the full amount of rent due for the month by the 10<sup>th</sup> of the month, a 30-Day Notice to Pay Rent or Vacate will be issued to the tenant demanding that payment be made in full or the surrender of the premises at the expiration of the 30 days.

A charge will be assessed for checks returned for insufficient funds and the tenant will not be allowed to pay by personal check for a period of 6 months. A second occurrence of the tenant submitting an invalid check will result in the tenant being denied the privilege of paying by personal check for 1 year; a third invalid check during the term of the resident's tenancy will deny a tenant the privilege of paying by check indefinitely. If the check is not honored by the close of business on the 10<sup>th</sup> day of the month, the rent will be considered unpaid, and the tenant is subject to late charge fees. This policy applies to the entire term of the residency at any Housing Kitsap community.

This policy does not reset at any point during the household's residency with Housing Kitsap. The date of the last NSF would be the date used to apply the term outlined above.

### **SECURITY DEPOSIT PAYMENT**

Security deposit payments must be paid in full at time of move in. A security deposit will be collected as designated by the community program and as indicated by the lease agreement. Per RCW 59.18 if



the household is unable to pay the full amount at move in, HK will offer a repayment or installment plan. The security deposit will not be decreased at any time during the tenancy. The security deposit is determined by the property/program of the community.

### **TRANSFERRING OF SECURITY AND PET DEPOSITS**

Security and pet deposits will only be transferred when the transfer is result of an approved Reasonable Accommodation request.

### **MOVING FROM ONE HOUSING KITSAP OWNED PROPERTY TO A DIFFERENT HOUSING KITSAP OWNED PROPERTY**

Deposits or credits will not be transferred between properties.

### **CHANGES TO HOUSEHOLD COMPOSITION / ROOMMATE RELEASE**

When changes to the household composition occurs and an adult household member is released from the lease agreement by a remaining adult household member, the vacating household member/roommate relinquishes all rights to possessions of the apartment and interest in any deposits held in trust to the remaining household member. The remaining adult household members will be fully financially responsible for the term of their residency.

### **PET DEPOSIT**

All pet deposits shall be \$300.00 for the first pet and \$50.00 for the second pet with a limit of two pets. The deposit shall be paid in full upon the addition of a dog or cat to the unit. The deposit is established to cover the potential costs to clean, repair or replace any furnishings or fixtures which may be soiled or damaged by the pet, or to correct any damage done to any part of the unit/dwelling, building or grounds. Deductions for needed repairs and maintenance due to pet damage will apply before any refund is calculated during the move-out accounting process. Animals permitted by Reasonable Accommodation are exempted from the Pet Deposit requirement but may be subject to the above cleaning fees if noted on inspections.

### **OTHER (RETROACTIVE) RENT**

Tenants will be required to repay HK if they were charged less rent than required by HUD's rent formula. Retro-active rent will be charged as far back as five (5) years and the repayment agreement monthly payment amounts plus the tenants' Total Tenant Payment (TTP) will not exceed 40% of the families monthly adjusted income. The full amount of retro-rent is due and payable on the first day of the month following the month in which the retro-rent amount is determined, and the tenant notified.

### **REFUSAL TO COMPLETE RECERTIFICATION RENT CONSEQUENCES**

The HK will charge the rent for the appropriate program and bedroom size if the lease expires without the tenant completing the recertification process. Tenants will be notified, in writing per the appropriate program's requirement, of this rent charge in the late recertification notice.

- For **Viewmont East Apartments** and **Heritage Apartments**, the rent equals Contract Rent for the unit.



- For **Conifer Woods Apartments, Golden Tides II, Golden Tides III, Kingston Ridge Apartments, Liberty Bay, Madrona Manor, Park Place Apartments and Port Orchard Vista**; the rent does not change but can lead to termination of the tenancy.
- For the **Public Housing** program; the rent equals Fair Market Rent (FMR) for the unit.
- For **Finch Place Apartments, Fjord Manor Apartments, Fjord Vista II Apartments, Rhododendron Apartments, and Windsong Apartments**, the rent equals the Note Rate Rent for the unit.

## OTHER CHARGES

All additional charges for maintenance and repair, special services, excess consumption utility charges, and additional (special) extermination charges, late fees, insufficient funds fees, or other charges will be due and payable in accordance with the following schedule:

### Maintenance or Repair Charges

Charges for maintenance and repairs are due and payable the first day of the second (2<sup>nd</sup>) month following the month in which the charges are billed. The tenant will be charged for all charges, other than for normal or ordinary wear and tear, for the repair of damages to the dwelling unit or to the development (including damages to development buildings, facilities, or common areas) caused by the Tenant, a member of the household, or a guest. A determination of costs will be made based on time and materials required for the repairs. A work order or statement with the identified charges will be provided to the tenant for each charge.

### Extermination Charges

Treatments for any infestation will be the responsibility of the tenant. The tenant shall be provided instruction in the prevention of further infestation and the unit shall be treated and cleared by the PMP (Pest Management Professional). Extermination charges are due and payable the first day of the second (2<sup>nd</sup>) month following the month in which the services or costs are incurred.

*NOTE: In cases of tenant caused damages resulting in an insurance claim, the tenant shall be charged the deductible cost that is applicable to the current HK insurance carrier.*

### Excess Utility Consumption Charges

Excess utility consumption charges are due and payable the first day of the second (2<sup>nd</sup>) month following the month in which the HK calculates the billing. Notification will be sent to the tenant as to the amount due. For **Viewmont East Apartments and Heritage Apartments**, excess utility consumption charges are not permitted.

## NOTICE PROCEDURE FOR NONPAYMENT

When payment in full is not received, a 30-Day Notice of Termination shall be mailed to the Tenant on the 10<sup>th</sup> day of the month, or the next business day as may be applicable because of holidays or



weekends. Notices will be by first class mail, or by hand delivery to the tenant's address who is delinquent with their payment.

**LEGAL PROCESS FOR NON-PAYMENT OF RENT**

Upon expiration of the 30-Day Notice to Pay Rent or Vacate the Premises, commonly referred to as a 30-Day Notice, the tenant will be offered a repayment agreement. If the tenant refuses to enter into a repayment agreement, Housing Kitsap may refer the delinquent tenant's file to the attorney to begin processing an Unlawful Detainer lawsuit in accordance with program specific regulations and Washington State Landlord-Tenant Law.

**PAYMENT AGREEMENT POLICY**

When a tenant owes money to the Housing Authority and is unable to pay the balance by the due date, the tenant may request that the Housing Authority allow them to enter into a repayment agreement. The repayment agreement amount must be specific to the amount the tenant can pay and the amount must be agreed upon by the tenant and Housing Kitsap.

**Each repayment agreement must be established using the following:**  
*(Excluding Public Housing, Viewmont East, and Heritage Apartments  
due to a regulatory difference in RPA formulas)*

<b>AMOUNT OWED</b>	<b>LENGTH OF REPAYMENT</b>
\$0-\$100	Within 30 days
\$101-\$500	Within 90 days
\$501-\$1,000	Within 6 months
\$1,001-\$2,000	Within 12 months
\$2,001 & Above	Talk to Supervisor

This repayment agreement does not apply to debts incurred during the COVID-19 pandemic which required to be offered an Unpaid Rent Repayment Agreements per RCW 59.18.630. The COVID-19 pandemic is defined as March 1, 2020 – April 30, 2023, which is and six months following the end of the public health emergency. Housing Kitsap must offer the tenant a reasonable schedule for repayment of the unpaid rent that does not exceed monthly payments equal to one-third of the monthly rental charges during the period of accrued debt.

**DEBTS OWED**

All Public Housing and Project Based Rental Assisted tenants leaving HK owing money shall be reported in the EIV system of HUD under DEBTS OWED. The account shall be turned over to the Credit Bureau when no payments have been received in a 30-day period. Any DEBT OWED to a Housing Authority that remains unpaid may prevent future participation in a rental assistance program administered by a Housing Authority.

**COLLECTION AGENCIES/CREDIT BUREAU REPORTING**

When a tenant vacates the unit owing HK monies for rent, damages, or other move out expenses, HK will send a deposit disposition letter informing the former tenant of the balance owed. The former



tenant will have thirty (30) days to make payment or payment arrangements. If the former tenant fails to pay as agreed or fails to enter a repayment agreement, HK will refer overdue vacated tenant accounts to a collection agency. This agency will attempt to obtain payments through billing, phone calls, court action, and/or reporting to credit bureaus.