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Franklin Management Company

Franklin Management Company is headquartered in Virginia and manages 3,000 homes across three states. A large percentage of their residents are unbanked and cannot pay their rent with an eCheck or credit card. By implementing Zego Pay, Franklin Management was able to eliminate paper-based payments and increase efficiency and security in their community offices.

Key benefits

- ✓ **Safety and security**
Fewer money orders in the office reduces the threat of dropbox theft.
- ✓ **Improved operational efficiency**
CashPay replaces money orders and the time consuming processes associated with them.
- ✓ **Resident satisfaction**
Residents are satisfied with the convenience and security of CashPay.



“Our managers are extremely happy with CashPay since the reduction in money orders has saved them a tremendous amount of time each month. Things have become so much more efficient since we implemented CashPay.”

— Allison Treadwell, Office Manager at Franklin Management

The client



Location

Virginia



Total units

3000



Industry

Single Family



Zego solutions

Payments
CashPay



Accounting software

Rent Manager

The challenge

1. Drop box thefts targeting checks and money orders resulted in Franklin Management losing \$40,000.
2. Property Managers were bogged down from the manual data entry associated with checks and money orders.
3. Language barriers resulted in many residents filling out money orders incorrectly - mistakes that property managers had to rectify each month.

Franklin Management was experiencing a host of problems associated with the high volume of money orders they received from residents. Because of language barriers, many of Franklin Management's Spanish speaking residents were filling money orders out incorrectly, or even worse, leaving them blank then placing them in the overnight drop box. Property managers were spending hours contacting residents to find who the blank money orders came from, then manually entering the payment details into their accounting software.

The situation escalated in 2012, when Franklin Management became a victim to a series of drop box thefts in their community. Thieves used wires to fish checks and money orders out of the drop box and stole \$40,000 worth of rent payments – half of which were fraudulently cashed. “We had to contact our entire resident base to let them know there had been a theft,” said Allison Treadwell, Office Manager at Franklin Management. “We asked residents who paid with a money order to provide proof of payment or file a claim for a lost/stolen money order. Most of them didn’t know how to do this, so our property managers spent an extensive amount of time assisting residents with the process. The whole thing was a logistical nightmare, both for us and our residents,” she added. Because an arrest was never made, Franklin Management was forced to claim the funds as a loss.

The theft solidified their need for an alternative solution to money orders. Before researching the options, they decided the top criteria would be a solution that was not only secure, but extremely convenient so residents would be motivated to use it.

The solution

Franklin Management was already using Zego for online payments, and decided to implement the firm’s CashPay solution. With CashPay, residents can pay their rent using cash from any of the 25,000 CheckFreePay® retail locations across the US. Locations include major retailers like Walmart and Kmart, along with supermarket chains and mom and pop stores. Residents visit the location of their choice and present the teller with their cash, collect a receipt, and go home - omitting the step of returning payment back to the community office. Payments are electronically routed to Franklin Management and appear in the property manager’s Zego portal within minutes.

“We liked that residents had so many options for places to make a transaction. Most of our residents already shop at places like Walmart, so they can simply pay rent when they are out running errands, without the extra step of bringing the payment back to our office. And most importantly, it gives them immediate assurance that their payment was received by us, which is critical after our drop box theft,” said Treadwell.

To further increase the convenience of CashPay, Franklin Management decided to use Zego’s optional Affinity card program. Affinity cards function like an insurance ID and display the resident’s unique account number, which is required to process the transaction. Affinity cards also contain bi-lingual instructions on how to make a payment, and a url that will direct residents to the nearest CheckFreePay® location. Instead of locating their account information each time they need to make a payment, residents can simply pull their Affinity card out of their wallet and present it to the CheckFreePay® agent.

The result

1. CashPay reduces the number of money orders Franklin receives each month.
2. Manual data entry and resident money order errors are reduced, saving community managers time.
3. Resident satisfaction improves thanks to the convenience and security offered by CashPay.

CashPay has significantly decreased the number of money orders Franklin Management receives. “Each month, the number of CashPay transactions we receive increases and the number of money orders decreases. Residents have expressed their satisfaction with the convenience and the security of this payment option. It has restored our residents’ confidence in us,” said Treadwell.



Residents aren't the only ones benefiting from CashPay transactions. Community managers now spend less time contacting residents over incorrect money orders.

"Our managers are extremely happy with CashPay too since the reduction in money orders has saved them a tremendous amount of time each month. When we do have residents come in with a money order, our community managers strongly encourage them to use CashPay. Once they understand how it works, we usually don't see them back in the office, and instead see their payment appear in the Zego system. Things have become so much more efficient since we implemented CashPay."

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