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Company

The Multifamily Money Movement Playbook

Revenue & expense strategies to boost cash
flow across your properties



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Mastering multifamily money movement

The success of any multifamily portfolio depends on efficient money movement and consistent cash flow. In property management, money movement refers to the flow of funds into and out of a property. For a multifamily community, incoming funds include revenue such as property charges, application fees, and rent payments. Outgoing funds encompass expenses such as utility charges, operating costs, and security deposit refunds. Each and every transaction impacts your portfolio's bottom line. This means that delays in cash flow such as late fees, Non-Sufficient Fund (NSF) returns, and chargebacks are counterproductive to a rental property's financial health. In order for a property to ensure sustained success, it's crucial to streamline money movement and keep cash flowing efficiently.

In this ebook, we share vital money movement strategies to open up your revenue and expense streams. Learn how automating payments saves time, reduces risk of fraud and errors, and drives consistent cash flow – ensuring your multifamily portfolio remains profitable in today's rental market. To set the stage, let's first identify the roadblocks that interrupt funds from moving smoothly throughout your operations. In the next section, we explore the most common money movement challenges and the impact they have on your business growth.



Inefficient money management delays cash flow

In today's competitive market, multifamily companies are already aware that automation technology significantly streamlines operations. Automated processes remove manual lift from on-site teams, boost net operating income (NOI), and help to improve the resident experience. Despite this, many companies still process their funds using in-house methods. The outcomes of manual management include less bandwidth for staff, higher operating costs, and unhappy residents, to name a few. One of the most significant impacts of manual management, however, is inconsistent, delayed cash flow. Disruptions in cash flow stem from outdated and ineffective handling of payment operations. To understand which areas of your business can benefit from automation, it's essential to first identify **common cash flow disruptions** across both revenue and expense streams. Below, we share how hiccups in payment processing ultimately slows money movement across your business.

Cash flow disruptions delay incoming revenue

Revenue slowdowns often result from a variety of causes tied to ineffective workflows. In the table below, we cover which revenue disruptions we commonly see most. These disruptions emerge from outdated practices such as in-house payment processing, unsecured payments, inadequate bank authentication checkpoints, and poor resident communication.

Disruption	Impact to cash flow
Non-Sufficient Fund (NSF) & rent returns	Invalid, insufficient, or closed bank accounts lead to NSF and rent returns – blocking crucial incoming funds and delaying revenue past expected deadlines.
Chargebacks	Chargebacks, or reverse payments initiated by the resident, result in unexpected income loss & slow-to-resolve payment disputes.
Late rent payments	Late rental payments by residents delay property income, postpone timely availability of funds, and negatively impact consistent billing cycles.
Unsecured payments	Unsecured payments are at risk of theft or fraud, resulting in potential revenue loss; manual collection methods also inherently slow down receivables.

Non-sufficient fund (NSF) returns happen when a resident's bank account lacks enough funds to cover a charged payment. The transaction remains uncompleted (return code R01), and a fee is usually passed to the resident from their bank. Other types of **rent payment returns** – R02, R03, and R04 – occur when a transaction halts due to bank errors such as closed or nonexistent accounts. Each of these payment return types are frustrating roadblocks in the rent payment receivables process. Whether a resident charges their payment to an incorrect bank account or accidentally forgets to check their balance for adequate funds, these returns interfere with the crucial inflow of rent profits.

Chargebacks are another cash flow speedbump that operators frequently encounter. These are reverse payments initiated by a resident or prospect through their bank. One common situation we see at multifamily properties is the reversal of application fee charges. Prospective renters are sometimes unaware that, even if they are denied a lease or ultimately choose not to live at a community, the application fee is usually non-refundable. They then mistakenly, or intentionally, dispute the payment when seeing the charge on their bank statement.

Late payments and unsecured payments are additional money movement disrupters. Late payments derive from preventable reasons that we cover further in this guide. Unsecured payments refer to unprotected transaction methods, such as checks, that are vulnerable to errors, theft, or fraud. There are many touchpoints along an unsecured payment flow that leave funds at risk. When handled manually, unsecured payments also take longer processing times – meaning your business ultimately receives those earnings later rather than sooner.

We covered which revenue blockers commonly slow down income and impact long-term financial health. In the next section, we showcase how poor management disrupts cash flow for the flip side of financial operations: expenses.

Poor expense management adds financial strain

Expense management is a vital function of any business. In a property management company, operating expenses go toward crucial sources such as staff payroll and vendor contracts. When we asked our most active customers which area of expense operations they had experienced the most money movement challenges, the answer was clear: security deposit refunds and utility accounts payable.

Disruption	Impact to cash flow
Slow security deposit refund process	Ineffective deposit refund processes delay move outs, slow the return of funds to residents, and tie up money.
Late utility invoice payments	Late utility supplier payments interrupt smooth billing cycles and may result in non-compliance penalties or late fees.
Poor utility expense recoupment	Insufficient recoupment strategies create gaps between resident reimbursement & utility expenses, leading to financial strain.

Security deposit refunds are an integral part of the move out process. However, traditional resident payout methods are manual and sluggish. On-site staff face a slew of barriers when turning over refunds without the support of automation. These barriers include costly, laborious paper payment processing; insufficient resident communication; non-secure and delayed payment delivery; and more. The negative results of processing payouts manually can include delayed refunds, stolen or lost checks in the mail, cumbersome move out experiences for staff and residents, and higher operating costs.

Poor utility expense management is another complex roadblock to consistent money movement. Maintaining regular utility billing cycles is crucial to a rental property's sustained financial health. The overall process – from receiving invoices to generating bills and paying charges on time – sounds straightforward. However, slowdowns can crop up at any time; especially if utility expenses are handled manually. Delaying one sequence in the process disrupts the whole cycle. When traditional utility expense management steps lag too far behind, it can be difficult to get ahead of payments. This is detrimental to consistent cash flow and can impact future planning and financial decisions.

Now that we understand common revenue and expense disruptions seen across multifamily portfolios, we can tackle the solutions that free up funds and drive cash flow. Read the next section to learn how automation technology and proactive planning contribute to stable, cost-effective money movement.





How to sustainably accelerate funds across your properties

Property management revenue encompasses all incoming funds. From rent payments to deposits and fees, these finances drive profits and grow your business. With this in mind, it's important to ensure that the journey of revenue into your properties is seamless, quick, and reliable. In this section, we share how digital solutions help to protect and drive consistent incoming cash flow.

Optimize & protect your vital revenue streams

Thwart NSF and rent returns with real-time bank authentication

Payment returns occur as the result of bank errors such as insufficient balances and closed, invalid, or nonexistent accounts. The payment goes back to square one and the resident must correct their details or come up with the funds another way. These returns are frustrating delays for property owners expecting on-time income. Particularly in the case of rent, which accounts for the largest portion of multifamily profits, frequent NSF and rent returns seriously impact long-term revenue reliability and the overall bottom line. These interruptions are also costly in other ways. NSF returns alone can amount to thousands of dollars for portfolios of all sizes. Not to mention the strain on staff incurred during rent week, when bank returns and NSF charges lead to a build up of resident phone calls and disputes.

Fortunately, there are digital solutions available to prevent disruptive NSF and rent returns. Introducing bank authentication checkpoints along the rent collection process is a simple yet effective way to mitigate unwanted returns. This can be done by adopting a reliable payment system that includes compliant and secure real-time bank verifications. These integrations ensure that a resident's bank account is valid at the moment payment is being made. To further safeguard against errors, automated rent reminders are a great way to nudge residents about upcoming payments due. With the heads-up on rent, residents are more likely to double-check their account balances and payment details. These proactive revenue protection measures help prevent bank errors early, ensuring secure profits while maximizing ROI for your portfolio.

Defend against chargebacks with verified payments and expert support

Chargebacks occur when residents voluntarily dispute charges through their financial institution. The funds are then reversed, leaving operators pulled into time-consuming payment resolution. While we often see chargebacks for payments such as

application fees, other types of disputes are not uncommon. Residents may file chargeback claims after instances of duplicate payments, forgetting to cancel their auto-pay, or even by attempting to receive security deposit refunds quicker. No matter the reason, chargebacks disrupt revenue flow and impact your financial performance. Luckily, chargebacks are avoidable when property managers leverage the [right strategies](#).

Clear, transparent resident communication is a vital first step in preventing chargebacks. For example, if your property doesn't clearly communicate that application fees are non-refundable (regardless of lease acceptance), prospective renters may later mistakenly dispute that charge. Any time you bill a prospect or resident, you should clearly and transparently lay out the payment terms. This is a simple fix to prevent future confusion and disputes.

Another way to deter chargebacks is to require verified payments. Verified payments like cash and money orders cannot be charged back because they are not tied to a bank account. Luckily, encouraging verified payments doesn't mean eliminating digital pay methods. Paper payments can be reliably converted into [secure digital payments](#) through a trustworthy rent payment processor. These systems enable residents to pay with traditional paper methods while operators receive the payment digitally. This end-to-end collection solution ensures convenience for residents and security for you.

Finally, working with a team of experts can help to prevent and combat reverse payments. Some third party payment processors offer [chargeback support services](#) such as health audits, best practice documentation, and real-time balance verification. In the event of a reverse payment claim, some vendors even provide chargeback defense. These teams fight on your behalf against reverse payments. No funds are taken back until the case is resolved, potentially earning you significant savings in chargeback recovery.

Enlist rent reminders and flexible payments to deter pay delinquency

Late payments are an all-too-frequent roadblock to streamlined money movement. “Late rent payments” and “manually processing rent payments” are among the most frequently shared complaints we hear from multifamily professionals. Fortunately, modern technology mitigates the headache of dealing with repeated late payments. Resident communication, satisfaction, and transparency are all vital in encouraging on-time rents. Automated rent reminders, for example, do wonders in lowering pay delinquency rates. [Community apps](#) are a great way to schedule property-wide rent reminders and enable residents to check and verify payment details ahead of deadlines. Rent reminders are also great at deterring other cash flow disruptions we’ve discussed. For example, a resident who is aware of upcoming payments due may remember to cancel their auto-pay, potentially preventing a future chargeback down the road.

These days, prioritizing the [resident pay experience](#) is necessary to encourage on-time rent payments. Offering flexible payment plans, such as allowing residents to [pay rent in installments](#), is an excellent way to serve both residents and your financial flow. That way, you receive consistent and expected revenue while your resident pays at terms that are comfortable for them. Other ways to prioritize the resident experience is offering [multiple payment options](#). Affording renters the flexibility to choose their preferred payment method – whether that be [cash](#), [checks](#), money orders, debit or credit cards, or [ACH payments](#) – makes it easier for them to pay, and more likely for you to receive on-time funds. Each of these solutions benefit both your team and your residents, keeping revenue rolling without disruption.



Mitigate risk of theft and fraud with digital payment security measures

Manually processed unsecured payments slow down income streams and introduce security risks to your portfolio. One example of unsecured payments are mailed checks that can be lost or stolen in the mail, or paid fraudulently. These vulnerable payment types are time consuming and costly to process, further delaying timely income flow. In today's modern multifamily industry, more property managers are choosing secure digital payment methods over unsafe manual transactions.

Robust digital payment platforms are a great win-win solution to benefit both you and your residents. Reliable payment partners can quickly and securely convert paper payments like checks, cash, and money orders into electronic transactions for you. This accommodates resident pay preference while securing the receivables journey. Automated digital rent collection also mitigates the errors and time cost associated with manual management, fast tracking your revenue. A streamlined end-to-end receivables process is vital towards maintaining healthy cash flow in today's modern rental landscape.

Strengthening revenue channels isn't the only way properties can optimize money movement. Streamlining expenses together with revenue is the best formula to enhance your portfolio's long-term economy. In the next section, read how digital tools can help your team level up their expense management strategies and ultimately adhere to vital payment deadlines.

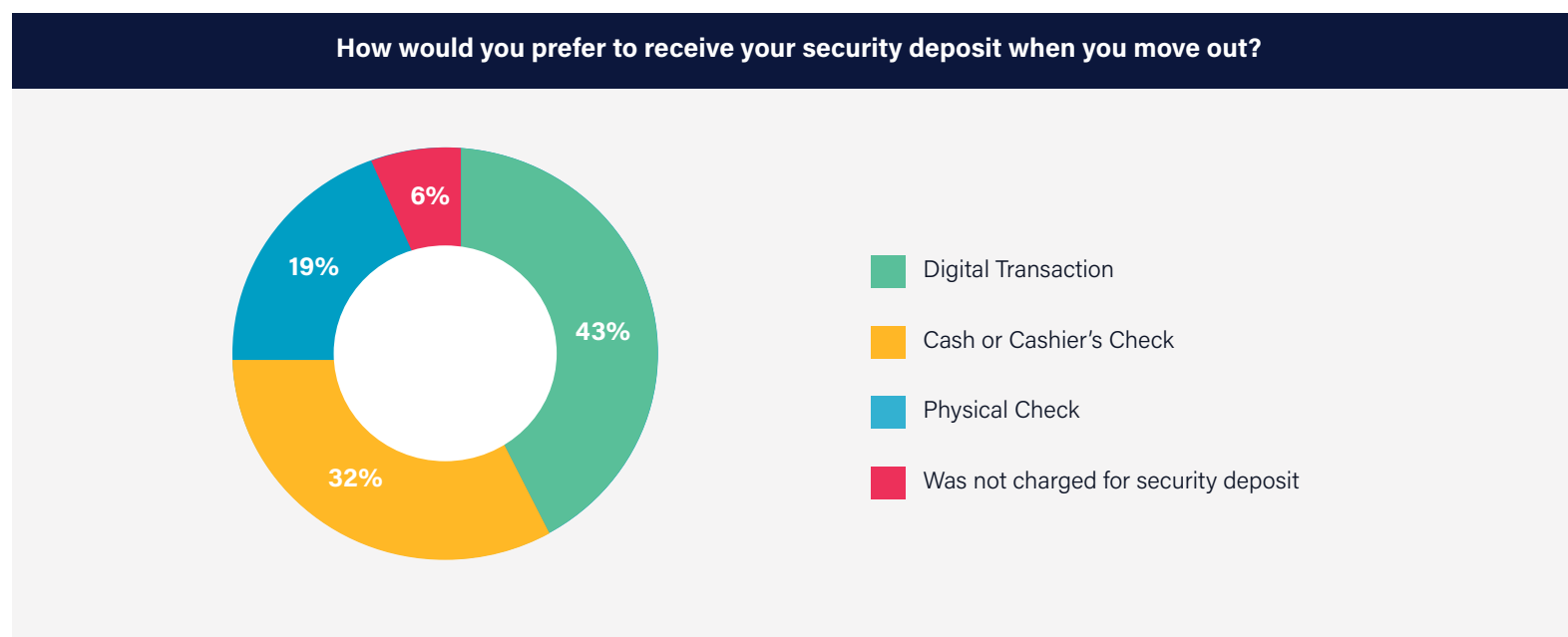
Keep crucial expense payments on schedule

Expenses are outgoing costs used to maintain and operate rental communities. Two of the most frustrating areas of expense management are security deposit refunds and utility accounts payable. Both of these operations are complex and time consuming, resulting in lengthy processing timelines and out-payment delays. Luckily, there are a number of digital solutions available to owners and operators that simplify and speed up these cumbersome workflows.

Automate security deposit refunds for seamless move outs

The traditional lift associated with move outs is costly and time consuming. Operators are tasked with compiling final charges, turning over units, and securing new residents on a tight schedule. One of the most challenging move out responsibilities for operators is processing security deposit refunds. This is partially because many states require security deposits to be returned within 15 or 30 days of move out, giving operators a narrow window to distribute payouts on time.

Within that timeframe, additional challenges further complicate the deposit refund process. The traditional method of returning security deposits is through paper payments. However, mailed refunds are vulnerable to becoming lost or stolen en route, and snail mail results in slow payout turnarounds. This can result in a frustrating wait for residents, who may expect to receive their refunds even sooner than state deadlines in order to pay fees or deposit on their next unit. In fact, renter expectations are a core challenge in the security deposit refund process. Modern residents expect to receive their returns quickly and conveniently. In a recent survey of 1,000+ renters, we found that across four different payout options, 43% of respondents preferred to receive their security deposit refund as a digital transaction.



To meet expectations and maintain efficient cash flow, implementing a swift, reliable security deposit refund platform is crucial. A sophisticated payment software automates the most time-intensive touchpoints of the payouts journey. These include notifying the resident of their incoming refund, allowing residents to select their own payout method, and electronically sending the payment without delay.

Digital solutions can even allow staff to track the status of refunds after payment is sent. Automated security deposit refunds are ideal because they streamline and secure the entire process for on-site teams, freeing up staff time and eliminating traditional slowdowns. Meanwhile, residents are left with a seamless move out experience and quick security deposit payout resolution. All these benefits together contribute to on-time payouts, happy residents, and an uninterrupted expense flow for your business.

Leverage digital tools to stay ahead of utility expense disruptions

Managing utility expenses remains one of the most challenging and time consuming operations for rental properties. Timely payment of utility invoices to suppliers is crucial in order to avoid penalties for non-compliance and late fees. With all the steps needed to sustain a smooth billing cycle, it's all too easy for one delay to interrupt the entire process. Unfortunately, disruptions can arise from anywhere. Utility providers may send out invoices close to payment deadlines. This forces operators to take shortcuts in calculating usage and billing residents in order to stay on schedule. The outcome? Your property may still end up paying suppliers late – incurring penalties – or may tangle the process in other ways through hasty calculations, non-compliance, or resident disputes.

To avoid costly disruptions in utility expense outflows, look towards technology to digitize key areas of your utility management. Automation tools can receive invoices on your behalf, generate accurate bills for residents, and pay suppliers directly and on time. That way, expenses don't get backed up in the tangle of late invoices and last-minute calculations. Even better, expert utility support can assist with generating pre-bill estimations to combat situations such as late utility invoices from suppliers. Pre-bill solutions proactively estimate resident charges based on historical usage and invoice data, enabling on-site staff to get ahead of late invoices. Property staff can then make quick and easy adjustments once the invoice is received and prior to resident billing. This helpful service helps staff stay one step ahead in the utility accounts payable relay. Overall, utility management automation is a valuable driver of quick expense resolutions and consistent, streamlined billing cycles.

Maximize recoupment to maintain low-waste expense streams

In addition to non-compliance and late penalties, inefficient utility management is vulnerable to significant revenue losses. This is because improper processes result in hasty calculations, billing errors, and gaps between usage and resident charges.

As a result, properties may foot the cost that cannot be reimbursed via resident billing. This impacts cash flow by incurring unexpected or inflated costs that could have been avoided. In this way, ineffective utility management can significantly drain operating expenses and negatively affect your long term financial health.

The key to ensuring your property does not overpay for utilities is by maximizing recoupment. That said, how can your business prioritize accurate calculations and auditing efforts without further straining staff resources? Digital utility expense management platforms can accurately calculate usage and generate resident bills for you. Reliable automation solutions do this through robust data intelligence – matching resident usage to occupancy data – and identify maximum cost recovery solutions for each invoice. These automations even work to recover utility costs during vacancy periods. By identifying areas for maximum recoupment, technology eliminates the risk of unrecovered utility costs – improving NOI and making strides towards financial health and your bottom line. In addition, some solutions even offer submeter health reports, quickly identifying and notifying you of anomalies in usage. Tools like these enable your team to make corrections before issues become costly.

By adhering to important payment deadlines, automating complicated expense workflows, and prioritizing recoupment opportunities, owners and operators can stay ahead of expenses and keep cash flowing seamlessly.



Drive long-term financial growth with smarter money movement

As we've explored, streamlining both revenue collection and expense management reduces financial bottlenecks and drives consistent cash flow. These strategies mitigate disruptions that negatively impact financial cycles such as delayed rent payments, cumbersome security deposit refunds, and in-house utility expense management. Thanks to strategies like payment automation, real-time bank authentication, and proactive billing, multifamily professionals can future-proof their portfolios and maintain a competitive edge in today's modern rental market.

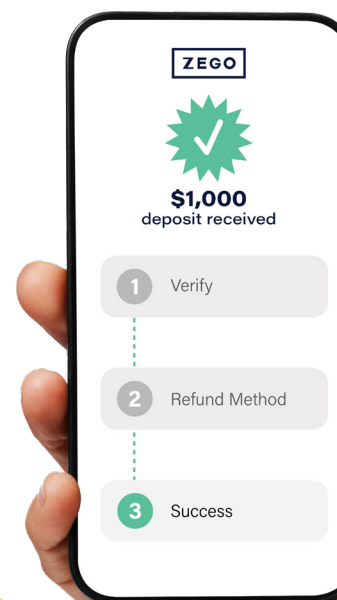
Streamline security deposit refunds with Zego Resident Payouts

Receiving and returning security deposits can be one of property managers' most burdensome monthly tasks. In fact, multifamily professionals rank “facilitating a smooth move-in & out” as one of today’s top challenges in managing the resident experience.

Eliminate slowdowns in your move out operations and delight residents by automating the security deposit refund process with [Zego Resident Payouts](#)! Resident Payouts speeds up security deposit refunds, lifting compliance and accounting headaches off your team. The entire process is complete in three simple steps:

1. Initiate the payout by entering key details. (We'll notify the resident for you.)
2. The resident chooses their method of payment – check, ACH, or Rapid Pay.
3. Done! You can view status updates via the Resident Payouts Dashboard.

Enjoy faster payout resolutions, easier communication and logistics, and happier residents. End the slow paper shuffle once and for all! [Schedule a demo](#) with a Zego Pay expert to learn how Resident Payouts can help to accelerate cash flow at your properties.





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Zego is a property management automation company that simplifies cumbersome yet critical workflows for managers and associations. Our modern platform accelerates NOI growth and mitigates risk, helping clients to scale resources, build trust, and make data-backed decisions. From payments and utility management to resident engagement, Zego's automated workflows seamlessly integrate with leading property management systems giving users real-time and accurate information at their fingertips.

Since its inception in 2003, Zego (a Global Payments company) has evolved from a leading payments provider to a comprehensive property management automation platform. With more than 350 employees, Zego serves 7,000 residential real estate companies and over 15 million units nationwide. Learn more about what makes Zego one of the best workflow automation platforms for property management at gozego.com.

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