

# HOA Management Companies: A Practical Guide for Homeowners Association Boards

**New 2nd Edition—  
100% New and Updated!**

An Exclusive Special Report  
from [HOAleader.com](https://www.HOAleader.com)

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## About HOAleader.com

HOAleader.com's attorney editors and experienced journalists constantly research the latest developments in HOA law affecting homeowner and condominium associations across the U.S. Then we publish plain-English analyses of what those developments mean to you as an HOA leader, and what you need to do now to comply with HOA laws, steer clear of legal trouble, avoid or resolve conflicts within your homeowners association, make HOA management easier, and safeguard your community association's property values and quality of life.

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The screenshot shows the HOAleader.com website. At the top left is the logo "HOAleader.com" with the tagline "THE PRACTICAL GUIDE TO HOMEOWNER ASSOCIATION MANAGEMENT". To the right are navigation buttons: "Join", "Membership" (with a dropdown arrow), "About Us" (with a dropdown arrow), "Contact Us", and "Login". Below the logo are three menu items: "Topics" (with a dropdown arrow), "Resources" (with a dropdown arrow), and "Discussion Forum". A search bar with a magnifying glass icon is on the right. Below the navigation is a sign-up section with the text "HOAleader.com Tip of the Week" and "Receive the latest news and tips delivered directly to your inbox". It includes input fields for "Name" and "Email", and a green button labeled "Send Me FREE Tips". The main content area features a background image of a row of houses. Overlaid on this image is the text "Practical guidance for homeowners association management" and "Plain-English advice, analysis and tools to save time, money and headaches". Below this text are three orange buttons: "Webinars", "Articles", and "Special Reports". At the bottom of the page, there is a white box with the text "Start your free trial to join 8,000+ HOA leaders nationwide who rely on our easy-to-follow guidance."

# A Message from the President

Dear HOA Leader,

The success of your homeowner's association often hinges on the quality of its management. With a strong HOA management company, your community thrives. A weak one can lead to unnecessary struggles. And if your HOA opts to operate without professional management, your board members must become knowledgeable, multitasking experts.

Finding the right HOA management company is no small feat. It requires identifying one that aligns with your community's needs and budget. You want a partner that understands your association's unique lifestyle and offers value without hidden costs or excessive fees. Once you've found potential candidates, it's crucial to ensure the management agreement reflects the promises made during negotiations and safeguards your association from unexpected liabilities.

But what happens if your management company falls short of expectations? Knowing how to address performance issues is just as important as choosing the right partner in the first place. Whether it's renegotiating terms, fostering a better working relationship, or making the tough decision to seek new management, your HOA board must be prepared to act in the best interests of the community.

This special report—a new and updated 2nd edition—provides HOA boards with expert advice on all these critical topics and more with these practical, helpful, and detailed articles:

- 5 Tips for Choosing the Right Management Company
- 8 Must-Have and Cause-for-Pause Clauses in Management Contracts
- 7 Ways to Get Top Service from Your Management Company
- 6 Responsibilities HOA Boards Shouldn't Delegate to a Manager
- How to Be Proactive About HOA Management Fees
- Balancing Act: Benefits, Risks of HOA Companies' Vendor Relationships
- Should You Fire Your HOA Manager? Tips on How to Decide If It's Time
- How To Be Smart and Protect Your Association When Changing Management Companies
- Who Owns Your Condo/HOA Management Software, and Does It Matter?
- What's a Reasonable Time for Your Condo/HOA Manager to Provide Financials?
- Will a Condo/HOA Manager Shortage Affect Your Community? Plus, 4 Things You Can Do to Keep a Good Manager
- Who's On the Hook for Maintaining Condo/HOA Records?
- 9 Tips for Nailing the Process of Hiring Your Next Condo/HOA Manager

All of this comes from HOAleader.com's expert contributors who've devoted their careers to serving and advising associations. Governing documents and state laws vary, but this information will serve as a foundation for your HOA board to work through your relationship with your management company or work without one safely and smartly.

Best regards,



**Matt Humphrey**

Founder/President, Plain-English Media, LLC

Publisher of [HOAleader.com](https://HOAleader.com)

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# 5 Tips for Choosing the Right Management Company

Looking to hire—or replace—your condo or HOA’s [management company](#) but not sure where to start? We’ve got you covered. Follow these tips to help ensure your relationship with the company stands the test of time.

## 1. Look inward.

It all starts with introspection. “Before you even start going down the path of finding a management company, as a board, spend some time having a very honest conversation with yourselves about the essential services for your community,” says [Debra A. Warren, PCAM®, CCAM®, CMCA®](#), San Rafael, Calif.-based vice president of education for property management firm Associa.

Typically, essential services fall into the buckets of maintenance, rules enforcement, accounting, billing, and risk management.

Make sure you’re realistic about the level of service you need, too. “If you know someone needs to be at your community two times a week to properly manage [violations](#) and [maintenance](#), don’t plan for a twice-a-month visit in your request for proposal because you’re setting up your manager to fail,” she says. “And you’re not allowing for the proper amount of resources to go to what is truly essential.”

It’s fine to also create a list of nice-to-haves, but don’t let them derail your essentials. “Don’t try to cut costs at the expense of eliminating an essential service,” Warren says. “You cut costs when you’re dealing with the nice-to-haves.”

## 2. Research companies, with an emphasis on cultural fit.

“A lot of people just say, ‘Let’s get a list, let’s do an RFP, and let’s blast it out and see what comes back,’” says [Elizabeth L. White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm’s national community association industry team. But besides creating more work, “there’s no one-size-fits-all management company,” she says. “Many companies have specialties. Some don’t want to have anything to do with condominiums. Others like to focus on high-rises.”

[Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida, agrees the biggest thing you want to look for is a management company that understands “what make your community tick. Oftentimes, boards focus more on cost and not making sure they find a company that understands their unique needs.”

So how do you find the right management company? Besides online research, such as checking companies’ social media feeds, “go to educational presentations and mingle with other board members,” White says.

Once you “pick a handful of companies you think would possibly be a good fit, talk to other associations that are managed by them,” White says.

And talk to your association attorney, adds [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif., who works with community associations. “The attorney should have a pretty fair perspective on good management companies out there.”

Another tip? Hold pre-interviews, a trend White is starting to see before the formal interview takes place. In that case, the search committee or an individual could reach out to a handful of companies and just have a conversation, she says. “They might ask, ‘Have you ever managed an association like us? How did you approach it?’”

Her bottom line: “I don’t like associations I’m working with to send RFPs unless they’ve done their homework on those particular companies.”

### **3. Create a super-specific RFP.**

One of the biggest mistakes boards make is not doing the work to tailor the RFP to their needs, White says. “Don’t just go online and grab an RFP. Get lots of them. Talk to association legal counsel about what are good components. But don’t just cut and paste an RFP that doesn’t fit your community.”

The RFP process is another opportunity for board members to align on those five or six essential services you identified in step one. One of the biggest challenges for a manager is working with board members who have different expectations, Warren says. Aligning is “the hard part. But if you do the work there, the rest kind of takes care of itself.”

Once you’re in agreement, comprehensively lay out the services you want in your RFP and request a price for each. For example, “are you going to expect a management company to employ on-site employees and pass the cost through to the association? If so, how are you going to compensate the management company for that pass through?” White asks.

So important are the details that White writes an entire contract for the association to send out *with* their RFP, “so responding companies know, ‘Hey, this is what we want. We’re not just going to look at your form contract that hasn’t been tailored to us.’”

Once proposals start rolling in, compare them against your RFP. “That way, you’re always keeping your association’s essentials in front of you,” Warren says. And come up with a scoring system so you can rank each company on a set of criteria, White adds.

### **4. Delve into pricing beyond the base fee.**

“If you don’t pay attention to pricing, you can really get burned,” White says. “A lot of management companies know they can lead with a lower monthly or base fee. And then they’ll add on additional expenses.”

By coming in low or lower on the base fee, they look competitive. But when you scratch the surface, you might see “you’re paying them maybe two or three times as much as the base fee,” White says.

Having said that, don't be put off by the additional schedule of fees, which is standard. "That's for things like paper, postage, violation letters, collection letters, and other out-of-scope services," van Rooyen notes. Just make sure to do the math to understand the difference between the management fee and extra fees.

Ultimately, White says, "you likely don't want to go with the lowest bidder because typically there's going to be a trade off in terms of services."

## **5. Ask a lot of questions.**

Once you start interviewing firms, make sure to lean into open-ended questions. If you ask, "Do you do that? They'll say, "Yes, we do,"" Warren says. Instead, ask *how* they'll do something. For example, "Tell me about the systems you have for managing our maintenance program, or for [collections](#). How will you make sure we're [complying legally](#) with A, B, and C?" Warren asks.

Then weave the answers you glean into the contract. If you ask how quickly you can expect a response to an [email from the manager](#), "a lot of companies will say, 'Oh, we'll do it within 24 hours,'" White says. "But then you get them under contract and you're having to ping them over and over. Hold them accountable for things they may say in the interview process."

It's also important whom you interview, van Rooyen says. Besides interviewing senior leadership at the management company, talk to the manager who's going to be assigned to the community to make sure that's a good fit.

To really get under the hood, visit the management company's office, Warren adds. "If you can go without making an appointment, that's going to tell you what you need to know about how they run their business. What's the vibe? What's the energy? Is it a clean and organized place where you want your records to exist?"

Ultimately, you're looking for honesty, White says. If the management levels with you and says, "'Well, we're not as strong in this particular area,' maybe you don't discredit them for that. You may appreciate the fact they're telling you that up front."

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# 8 Must-Have and Cause-for-Pause Clauses in Management Contracts

You've gotten bids from [management companies](#), interviewed them, burrowed into the nitty gritty on the services you need, and you're ready to hire the best. Now, you want to make sure the [contract with the management company](#) reflects everything you've discussed and doesn't include any surprises.

To do so, involve your attorney. And never sign a contract as is, says [Elizabeth White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm's national community association industry team. "Even in a 'fair' contract, provisions will lean toward protecting the management company."

So, what are some contract clauses you should expect, and which might cause you to raise an eyebrow? Let's start with some must-haves.

## 1. Indemnification.

Your association could be sued for anything from slip-and-falls to maintenance snafus, resulting in hefty [monetary penalties](#). You don't want to be responsible for an incident that's a result of management company negligence. That's why an indemnification clause is paramount, and "one of the most negotiated clauses in a contract," White says. In fact, she notes, the contract negotiation often comes down to the indemnification clause.

For her clients, White likes to see the "management company agree to indemnify, defend, and hold harmless the association in the event the association is put into harm's way for misdeeds, failure to act, or negligence by the management company."

Likewise, the management company will require reciprocal indemnification from the association. From there, "you have to negotiate what you're going to hold the management company harmless for," she says, "and whether what's good for the goose is good for gander."

"Negotiations might also get into whether the management company will indemnify you for simple or gross negligence," she says. If the management company will only indemnify for gross negligence and acts of fraud and embezzlement, then you need to look at your [insurance coverage](#), because that's "a pretty high standard," she says. Can you cover your exposure? Will you be able to insure for that?

For [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida, dual, gross negligence indemnification is his bottom line. His contract language holds management harmless except for cases of the agent's own gross negligence or willful misconduct. "We should be held accountable for that," he says.

## 2. Sufficient insurance.

Indemnification is only as good as the ability of the indemnifying party to back it up, says White. "You want to place requirements on the management company that they will maintain a certain amount of insurance, name the association as an additional insured, and cover X, Y, and Z."

In turn, the management company will require the association to provide insurance, resulting in mutual insurance clauses, she says.

Involve your insurance broker when you review and negotiate the insurance clause to make sure you've got coverage for whatever you agree to, White says. "If I see a gap, sometimes I end up getting the insurance brokers for both parties on the phone and ask, 'How can we bridge that?'"

## 3. A detailed scope of work.

The scope of services should "include everything under the sun," says attorney [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif., who works with community associations. "Clearly enumerate in writing what management's going to do," he says, and whether those tasks are built into the management services or will incur an additional charge.

For example, when it comes to [meetings](#), Koochek recommends you cover such topics as: How many meetings will management attend per month? Will they be virtual? In person? How many hours are allocated for each meeting? What's the hourly rate for meetings that go over a certain number of hours or past a certain time?

White agrees the roster--and degree--of services should be unambiguous. "Are they going to oversee contracts? At what level are they going to oversee them? If the management company says they'll do day-to-day management of the community, what does that mean?" she asks.

"A lot of associations try to stay away from detail, but I like to see that in the contract," she says. "If there's a problem down the road, we've got something contractually to rely on as opposed to saying, 'Well, we think that X, Y, and Z should have been included.'"

## 4. Fiduciary duty.

Whether your state requires certain [fiduciary duties](#) of managers and management companies, White recommends explicitly including that responsibility in the contract.

"In Virginia, as part of the licensing law, there's a statute that says managers and management companies have a fiduciary duty when they're managing money," she says. "Well, I want them to have a fiduciary duty across the board. So, I include in our contracts that they have a fiduciary duty in delivering their services and in everything they do for the association."

And that duty extends to confidentiality, she adds. "You don't want a gossipy manager."

## 5. Management company licensing.

In states where licensing is required for management companies and managers, make sure the contract provides they “maintain their license in full force and effect throughout the term of the contract,” White says. “And if they lose their license, they notify you immediately and you have the ability to terminate.”

In fact, consider requiring an automatic termination provision in your contract if they lose their license or it’s suspended, says White. In Virginia, it’s unlawful for an association to contract with an unlicensed manager or management company. Since a company would typically lose its license for something egregious like embezzlement, White advises that if you’re in a licensing state, you check companies’ license status with the state licensing board before even sending out an RFP.

“I recently did that after a client got pretty far along and had sent me a management contract. I was like, ‘I’m pretty sure that management company got reprimanded.’ And sure enough, their license had been revoked. But that was pretty late in the game to be finding out that information.”

White also advises that the management company include its license number in the contract—which is required in Virginia—on the first page.

Besides these must-have clauses, the experts also weighed in about contract language that might give you pause:

## 6. Term and termination.

“A lot of management contracts lack clarity on termination,” says Koochek. “It’s unclear whether it’s really a one-year contract. A lot of them renew on a year-to-year basis. But if you terminate three months into the second year of the contract, are you responsible to pay out the rest of the year,” or through the 30- or 60-day notice period? “You need to be patronizingly clear how payments will occur through the date of termination,” he adds.

Adding to the lack of clarity, “the term and termination language may not all be in one place in the contract,” says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa. “The termination clause may reference other clauses in the contract.” Among the places it could be mentioned is in the introductory paragraph with the party names and contract effective date, Koochek notes. So, it’s important to “make sure the termination language all lines up and you’re clear,” Warren says.

Finally, Koochek recommends a clear out: that your contract state either party can terminate with or without cause, rather than rely on a cure period. Many “management companies will do that especially after the first year. That’s the safest route to go to avoid arguments. If you’re going to reserve the right to get out of something, just have the right to get out of it.”

## 7. Dispute resolution language.

When it comes to clauses about arbitration and mediation, make sure your lawyer weighs in on the pros and cons. While it might be valuable to the management company, it may not be the right alternative for your association, says Koochek.

“Some people think it’s a more cost-effective process. It may not be,” he says. “There are issues with evidence. There are issues with being able to appeal a decision you don’t like. So, [dispute resolution](#) provisions should be reviewed carefully.”

## 8. Pricing and fees.

Most HOA management contracts have an exhibit A or schedule of fees, listing all the billables—like preparing newsletters and disclosure packets--outside of the monthly base management fees. You want to review it carefully, Koochek says, “because it’s not like it’s optional stuff.”

A fee White is seeing a lot now is for each of the various steps in the [collection process](#)—calling the attorney to write the letter, sending the owner to collections. “Before you know it, you may be trying to collect on an account that’s pretty small, but the add-on fees dwarf the amount that’s actually owed.”

There could be [legal reasons](#) to question fees, too. White says a law in Virginia “speaks to the *association* collecting a fee for preparing disclosure packets for prospective owners and sets out what that fee might be. “It doesn’t say anything about the management company directly collecting a fee. You really need to look at nuances in pricing,” she says.

You also want to make sure some fees aren’t built into the management fee, because “it’s better to pay some things incrementally and only as needed,” notes Warren. That could include postage and copies especially now when more documents are delivered electronically.

Ultimately, it’s up to boards to drill down into the list of charges, ask questions, and negotiate, experts say.

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# 7 Ways to Get Top Service from Your Management Company

Ensuring top-notch service starts even before a [management company](#) sets foot on your property. Doing research on firms and checking references are critical first steps for a successful engagement, says attorney [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif., who works with community associations. Once they're on board, these seven practices can take your relationship to the next level.

## 1. Create a culture of accountability.

"It's amazing how many times managers just fail to [communicate to the board](#)," says [Elizabeth White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm's national community association industry team. So, establish your expectations right out of the box—in the contract if possible--and hold managers to a high standard. For instance, expect a manager's report at board meetings, she says. "The report should be detailed so you know what's transpired in the community in the last month or quarter, depending on how frequently you meet."

Also expect the manager to present trackable information. "We want to know what our [collections](#) run rate is," White says. "And have them keep a log of the homeowners who have contacted them and how long it took the manager to get back to them." Some boards even ask to see copies of those contacts, she says, "particularly when they're getting complaints."

## 2. Designate a single point of contact for the manager.

"When board member one tells the manager, 'Do it this way,' board member two says, 'Do it another way,' and board member three kind of agrees with both one and two, the manager becomes a deer in the headlights," says [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida. That's why he advocates for "a clause in the contract identifying who the point of contact is between the management company and the association."

## 3. Schedule calls with the manager's boss.

White recommends you negotiate upfront for a regular call at some set interval with the management company's senior leadership. The manager should also attend. "Now you've got a line of communication to the company. It creates a sense of urgency," she says, and an opportunity to address what's working and what could be improved. "When we get that accountability with the manager's higher up, we're seeing direct improvement."

#### **4. Incentivize.**

Management companies “absolutely” do not want to agree to penalties, such as withholding a percentage of their fee, White observes, for fear a board might unreasonably impose them. Plus, “psychological studies say it’s not the best way to bring out the best in people,” she adds.

Rather, White is seeing associations offer “excellence incentives,” especially in communities with direct employees. But she’s also seen other associations asking, “How can we get better service *and* consequently deliver better service to our members?”

To incentivize, determine frequency—annually or more often—and performance indicators, White says. The latter is where a solid contract with a specific scope of services comes in. “When do they have to deliver the monthly financial report? What goes into the board package? All those types of things could be used as a report card for bonuses,” White says.

#### **5. Stay ahead of potential property problems.**

It’s important for the manager to conduct a periodic general inspection or walkthrough of the [common areas](#), an activity which should be stipulated in the contract, says Koochek. “I hear from a lot of associations that the manager doesn’t really do that, then I look at the contract and it’s in the contract that they’re supposed to.”

Expect the manager to create a written report of the findings, too, he says. For instance, the manager might point out issues that could lead to liabilities like slip and falls, or whether a pipe is dripping water and costing the association money.

#### **6. Run the association like a business.**

There is no end of to-dos, so it’s important to “invest time in planning,” says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa. “What are your important events, what projects do you want to complete for the year, what’s your meeting schedule, when do vendor contracts renew? Get all these essentials on the plan and then let the manager work the plan.”

Van Rooyen agrees. “Set up goals and treat it like a business: In Q1, here are the projects we want to do. In Q2, here are the projects we want to do. Map out your lifecycle for the year.” Fall is good time to plan for the year ahead, he adds.

There will always be one-off tasks and unexpected situations, but they “become a lot easier to manage when everything is mapped out,” he says. “Ultimately, you’re going to get a higher level of service because the manager knows where they need to execute and when.”

## **7. Have empathy for the manager.**

Many associations are part of a portfolio. The manager juggles as many as seven or eight properties. "So, there may be times when the manager says, 'Hey, I'm working on a big painting project at another community, and I can't start your project for the next 30 days,'" van Rooyen says. "Have a realistic expectation that most likely your association is not your manager's only property."

Likewise, it's important to "use as much restraint as you can in adding more to the list of things to do," Warren says. "Those extra little things are going to distract from the main priorities. Answering requests from homeowners, processing collections and violation letters, and handling the property management itself, like sending out RFPs--all of those things are the real work."

Don't forget that your management company has experience in this field. Sometimes homeowners think they're more knowledgeable than they are about how associations operate, Koochek notes. That, coupled with more "toxicity" in society since the pandemic has created more "situations where there are accusations flying around about the management company. Associations have a responsibility to provide a hostile-free work environment."

"Being a community manager is a really tough job," Warren says. "Have an open mind and a generous spirit, and just know that 95% of the time your manager really wants to do a good job for you," she says.

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# 6 Responsibilities HOA Boards Shouldn't Delegate to a Manager

Because your [management company](#) is a helpmate and facilitator, it can be tempting to punt decision-making to the manager. But “the buck stops with the board,” says [Elizabeth White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm’s national community association industry team. “You actually have the legal and ethical obligation to oversee the manger.” Here are six responsibilities you shouldn’t allow your manager to control.

## 1. Supervising finances.

“The overarching north star is that the board is responsible for adopting the budget, understanding the finances, and [reviewing the financials](#),” says attorney [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif., who works with community associations. “Management is there to assist in the preparation, the administrative aspects, accounting, and running estimates. But at the end of the day, you can’t delegate adoption of the [budget](#). The board has to make an informed decision. That’s the number one way to protect itself.”

Protection also means having “checks and balances” in place to safeguard the association’s money, White says. “We’ve had cases in Virginia where managers and management companies have drained the association’s [reserve accounts](#). Even when the board is watching, if somebody’s really determined, they can usually get to it.”

“So, if any money moves, who has to come to the board or to the finance committee to move it and how will that work? Perhaps it’s joint signatures particularly on checks above X amount or for money transfers above X amount,” she says. “The management company can’t move any money from financial institution to institution and can’t renew a CD or an investment for the reserves without going to the board. I encourage our associations to make sure the management company isn’t selecting the bank, too.

“At a minimum,” she adds, “look at the financials and ask for a ledger that shows all of the checks. Make sure that you have access to the association’s electronic banking. And make sure you have a fidelity bond in place,” which protects HOAs from financial losses such as fraud or theft.

## 2. Adopting rules and policies.

Managers shouldn’t do anything that’s the purview of the board per the [governing documents](#). “Don’t delegate adopting [rules and regulations](#); don’t delegate amending your documents. It’s great for the manger to recommend things, but the board needs to consider those, vet those, and then adopt them,” White says.

“There are some bad policies that managers put out there because they think it will make their life easier,” White adds. That’s why, “this needs to be a board function.”

### 3. Disciplining and fining owners.

Hearings with owners, suspension of amenities, or [monetary fines](#) for [violations](#) are a function of the board, Koochek says, a role that's required in California. "Management might send out a violation letter or even facilitate some of the hearings, but it's ultimately the board that needs to be meeting, reviewing, and undertaking that process and then ultimately making those decisions."

That also means the board should independently investigate potential disciplinary issues, advises [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida. Say the manager reports that a property is deteriorating. "Don't just take the manager's word," van Rooyen says. "When you make a commitment to be on the board, there's a responsibility to double check to make sure this property is ready to be fined and doesn't meet the standard of the association."

### 4. Owning meetings (and decisions).

"It's a [board of directors' meeting](#), not a manager's meeting," van Rooyen emphasizes. "The manager can help keep you on schedule and present agenda items, but it should really be up to the board to understand the agenda item and explain it to the membership."

"Oftentimes, I see the board asking the manager to run the whole meeting," he adds. And even make the decisions. For instance, the board might ask the manager to pick between three proposals. "They want us to be the tiebreaker," he says, "They reason, 'We should just trust the manager.' But that puts us in a tough position because if the board goes with number one and something goes wrong, inevitably they're going to come back and say *you* recommended that."

"We can't legally be the tiebreaker because we have no [voting ability](#). So, we just have to say, 'Look we've had good experiences with so and so. We don't know this one. And this one came highly recommended,'" van Rooyen says. "The board has a responsibility to review the information, speak to references, and even speak to the companies themselves in advance of the meeting."

### 5. Signing contracts.

Just as you should expect the management company to disclose any vendor relationships it has—you don't want the manager to pick contractors, much less sign those [contracts](#). "Boards will often say, 'There are so many contracts. Why do we have to look at them all?' Well, first, that's part of your fiduciary duty," White says. "And second, it allows the board to ask the manager questions about disclosures: 'What's your relationship with this proposed contractor? Are you going to be getting any type of kick-back fee?'"

The bottom-line is that “you should have a contract-signing policy, and that means that all contracts go to the board of directors for signature,” she says. “If the manager needs to go to Staples to get more printer ink, that’s OK,” she says. “But if you’re talking about a new landscape contract that’s going to cost six figures, that needs to go to the board.”

## **6. Being the only point of contact with owners.**

Board members shouldn’t delegate all responsibilities for interacting with and [providing information](#) to the owners, says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa. “The manager can really help, but board members who stay connected to the homeowners, are open to listening and sharing information, and are transparent are always the better board members. Stay involved.”

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# How to Be Proactive About HOA Management Fees

When you spring for a ticket to see your favorite band, you can expect to pony up a convenience fee. When you buy a plane ticket, your total is always more than the quoted fare. It's the same with [management companies](#). Under pressure to keep their base fee low, they may try to make up revenue with additional charges, says [Elizabeth White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm's national community association industry team.

The extra fees aren't unusual, but you want to make sure you don't pay more than you need to. That means ensuring no surprises from the get-go and knowing where you can set limits.

## **Clarify fee limits at the contract stage.**

Rather than assuming fees are set in stone, consider where there's room for negotiation. For instance, management companies sometimes charge a one-time set-up fee based on the number of homes or units in the association, says attorney [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif. "Waiving that fee could be an incentive to you for bringing them on."

Or perhaps there's flexibility on web hosting, he adds. Management companies sometimes maintain a portal for the association where owners can log in to access documents and see their account. "Some associations may not want it," he says.

Contract review is also the time to control for any automatic increases. For instance, it's standard for management to bake in an annual fee increase. Make sure that's capped by tying it to the consumer price index or some other mechanism, Koochek says.

## **Know what justifies additional labor costs and what doesn't.**

"It's become somewhat of a common practice to pay the manager extra for participating in meetings that exceed a predetermined length," says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa. "Understand what those additional labor costs are so you're not surprised as you make requests of the manager."

Certain types of projects might also trigger labor fees depending on their scope and cost. If the pool pump breaks, "the manager's not sitting there watching the pool company do its work, so why should the company charge a fee for that?" says [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida.

“But if you’re resealing the parking area and the manager has to be on site to ensure that vehicles have moved and to answer homeowner questions, the manager could spend three to four hours while the project is starting,” he says. “That’s a reasonable fee because it’s outside the normal recurring scope,” which typically includes tasks like janitorial work, pest control, and landscaping.

Van Rooyen’s contract “states that any project over \$20,000 incurs a percentage fee or an hourly rate as agreed on between the agent and association.”

### **Ask to see the receipts.**

It’s not uncommon for management companies to draw down from your account for fees “without going through you,” White says.

“But there needs to be an accounting for fees, even if they’re completely in accordance with the schedule you agree on,” she says. “If you say you’re going to pay the management company an extra \$500 a month to do the newsletter, you want to see what those expenses are.” And your treasurer or finance committee should regularly pore over the ledgers.

Ultimately, it all goes back to the [contract](#), experts say. If the contract gives the manager too much latitude to charge a fee, the board should negotiate language requiring prior board approval for those fees, van Rooyen says. “Boards will most likely find the management company won’t push back on that.”

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# Balancing Act: Benefits, Risks of HOA Companies' Vendor Relationships

It can be handy for a management company to offer [maintenance or landscaping services](#). After all, that's one less [contract to manage](#). But are you missing out on potential savings through a competitive bid process? And did the management company disclose its relationship with the service provider to you?

It's not uncommon for [management companies](#) to maintain preferred relationships with or own other businesses. They offer these services to associations as a convenience and as a way to generate additional revenue in the competitive property management marketplace.

But tread carefully to avoid [conflicts of interest](#), especially as management companies "continue to enhance the types of services they provide," says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa.

## Protect Yourself

Preferred or affiliated relationships are mostly a non-starter for [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida. "We work with a preferred bank because it integrates with our management software," he says. "Outside of that, we don't have any other affiliated relationships because I never want to be beholden to one vendor."

Van Rooyen explains: "I was on this call and this regional manager was saying, 'We're under pressure from our corporate office that we're not pushing our preferred vendors,' and I cringed. There shouldn't be pressure from the corporate level to push certain vendors. Ultimately, vendors should be the board's independent decision."

To that end, experts say, it's incumbent on boards to make sure the companies they're considering hiring disclose any relationships. "In California, those disclosures have to be in the contract," notes attorney [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif., who works with community management associations.

He also advises checking your [governing documents](#), which may impose additional responsibilities on the board to [protect against potential conflicts of interest](#). "Sometimes the documents might require you get a certain number of bids for projects that are over X amount of dollars or over a certain percentage of the budget," says Koochek.

## Don't Discount Affiliate Relationships Outright

On the other hand, affiliated relationships "aren't necessarily a bad thing," Warren says. "If the company has a maintenance division or a maintenance company, they have a vested interest in keeping the association members happy and in doing a good job because they don't want to put their primary contract at risk."

What's important, she says, is that "any affiliated relationships be [communicated in writing](#) on an annual basis so the board can evaluate whether the service is a benefit to them or not." By asking for this information annually, Warren says, you also ensure that new board members are aware of any relationships that exist.

### **Conflicts on the Board Side**

Conflicts of interest don't arise only from the management company. Board members can find themselves in sticky positions, too.

"If board members aren't educated on [what their responsibilities are](#) and what they should disclose, they may not think twice about referring an insurance contract to their close friend or referring a landscape project to their brother's landscape company," Warren says.

Other scenarios to watch for: a vendor offers to take a board member with whom they have a long-standing relationship on vacation. Or the landscaping company offers to put extra landscape materials in the board president's yard. "Some things aren't done intentionally but they create a perception that things aren't being done above board," Warren says.

The bottom-line HOA managers and attorneys say: Boards must know and act [in accordance with governing documents](#), call for full disclosure of vendor relationships, and keep vendor selection objectively in the hands of the full board.

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# Should You Fire Your HOA Manager?

## Tips on How to Decide If It's Time

Transitions from one [management company](#) to another are costly and disruptive for an association, says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa. "I absolutely do not endorse changing management companies every year. It's going to take a company a year before they go through one complete cycle of your business to understand all the different maintenance complexities and things. The longer you stay with a management company, the more institutional knowledge they have and the more experience they have about how things operate there."

"It's practical to have a two- or three-year agreement, provided you have the ability to terminate the agreement for cause," she says. "So, the goal is to minimize changing companies."

Of course, there are situations in which it's in your best interest to cut your losses. Read on for the dealbreakers, as well as some ways to correct situations before they spiral.

### **What's an Egregious Offense?**

"If they do something illegal, immoral, or unethical, that's the time," Warren says.

That includes financial mismanagement. "There are stories of management companies that have commingled funds of different associations together or have borrowed money from associations with the intent of paying it back. But it's still not their money to borrow," Warren says.

Another problem: If the management company loses its license or lets it expire in a state where licensure is required and doesn't share that development with the client, Warren says.

To the list of no-no's [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida, adds: "high turnover of employees where service is suffering, dishonesty, collusion with vendors or homeowner factions, or lack of timely communication and responsiveness."

### **Give the Management Company a Chance to Turn Things Around**

Firing shouldn't be about just making a mistake, Warren cautions. "You want to give managers an opportunity to make course corrections along the way."

That's why [ongoing dialogue](#) is important. "You want to treat it like any other valued relationship and have regular conversations with the management company when essential services aren't being met," she says.

"I can't fix what I don't know is broken," adds van Rooyen. "Give me a fair opportunity to try. And always try to be clear and concise about what your concerns are." If a problem is going to get resolved, van Rooyen estimates boards should expect to see improvement one to two weeks after a raising an issue.

Due diligence is as important as dialogue. When homeowners complain about management, assess the validity of claims. "You could get complaints from your homeowners even when the manager is doing their job because you've got some homeowners who don't like the fact the manager is doing the job," says [Elizabeth White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm's national community association industry team. The board could also be "relying on disinformation or lack of information."

But if the manager is falling down on the job, "get to their boss sooner than later," advises White.

"Let's say it's time for the board to get proposals for treating the decks, replacing some of the landscaping, and adjusting the lights in the carports. It's the end of May and these proposals aren't yet received," Warren says. "Instead of continuing to ask for them, go to the manager's supervisor and say, 'We're concerned this isn't where it needs to be for these projects to be completed by September.' That gives them the opportunity to get into action."

Or perhaps the person assigned to your account is just not the right fit, White says. "Some of my associations have gone through one or two managers before they found the right fit for their community. So don't just say, 'We've got to get rid of this management company.'"

It's when you see patterns repeating, "when they stop listening, and they aren't providing you with those essential services, then it's time to look somewhere else," Warren says.

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# How To Be Smart and Protect Your Association When Changing Management Companies

Realistically, at some point, you'll switch [HOA management companies](#). The process can be disruptive and time-consuming, so weigh the effort it might take to resolve current problems against the work involved in the transition. But if it's time for new blood, here are six ways to proceed with eyes wide open.

**1. Begin with the end in mind.** Although switching management companies marks the end of a relationship, it's a process you want to plan for at the beginning of your engagement. That's why your [contract](#) should cover a host of factors about transfer.

Among the questions [Elizabeth White](#), counsel at the law firm of Sands Anderson PC in Williamsburg, Va., where she leads the firm's national community association industry team, likes to see addressed in the contract: What [exit fees](#) will they charge you? Will they charge you for getting your records back? In what form will you receive information about the owners' accounts, including past due records? Format is important because you want an orderly hand off to the new company, she says.

The contract should also stipulate when you'll get records. Some contracts "are vague in terms of providing clear timelines for turnover of records," says [Cyrus Koochek](#), a partner with Swedelson Gottlieb in Santa Monica, Calif., who works with community associations. "The contract should say, 'Upon termination, records will be turned over within X amount of days,' because first and foremost the new management company is going to have to build out the accounting and financials and be ready to collect [assessments](#). We've seen a lot of delays on that to the point where my firm has had to get involved and even send letters."

The contract should also allow enough time for the full transition. Ample time is 60 or 90 days, says [Debra A. Warren](#), PCAM®, CCAM®, CMCA®, San Rafael, Calif.-based vice president of education for property management firm Associa. "If someone tells you they can manage a transition in 15 working days, that's not realistic to do in a smooth and professional way."

**2. Have a conversation with your current company about the transition.** By the date of the required termination notice--so you give the company the maximum amount of time to comply--tell them you're not going to renew, you're working to find a new management company, thank them for their service, and ask how you can work together to make the process go smoothly, White says. "Don't burn bridges. You never know when you might find the grass isn't greener" and come back to this company, she says.

### **3. Set expectations with homeowners that there will be periods of discomfort.**

Let homeowners know “there’s going to be a delay in [communication](#). There are going to be things that may have been in progress that may come to a halt because of the transition,” says [Brad van Rooyen](#), founder and senior member of Tampa, Fla.-based HomeRiver Group, and its national specialist for community association management, overseeing more than 230 associations throughout Florida. “You’re not only protecting the association, you’re protecting the board’s integrity.”

**4. Search for the new company on a parallel track.** Sixty days is a short period of time to find a new management company, White notes. “So hopefully you’ve already got your RFPs out. A lot of management contracts go on the calendar year, which is the worst time to be trying to onboard new management companies and get a transfer of documentation.”

**5. Expect a transition plan with specific activities and deadlines.** The new company should identify the first activities that have to happen and backdate from there, Warren says. “One of the most important is making sure the billing goes out on time to [get the assessments in](#) so the association can pay the vendors. By a certain date, the company needs to get all owner information into the new system so that 15 days prior to the first day of the month, the new coupon books or monthly statements are delivered along with the welcome letter. If we don’t get that stuff out on time, then starting on the first day of the month, someone’s phone is going to be ringing.”

**6. Identify a board liaison to be the primary point of contact for the outgoing and incoming companies.** “This person’s only job is to monitor the plan,” Warren says. “If the new company doesn’t receive something by the date that’s identified in the plan, then the liaison can contact the outgoing company and try to facilitate things. Most companies are pretty good about cooperating with one another. It’s just part of the business.”

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# Who Owns Your Condo/HOA Management Software, and Does It Matter?

You probably know that the software programs your manager use to run your community are owned by or leased by your [community management company](#). But did you know that you need to ask some questions about what happens with your community's data to ensure you're protecting your homeowners?

## The Basics of Your Data and Your Manager's Platform

It's always important to remember that your community likely has a say in how its data is used. And that's key because much of the information generated in running your community is your data.

"If you hire a management company and you're using their software or management platform, they own or license that platform," explains [Julie McGhee Howard](#), co-founder and managing partner of NowackHoward LLC in Atlanta, who at any given time represents hundreds of condos and HOAs throughout Georgia. "But the data is the association's data."

If you switch management companies, there should be no angst over your right to retain that data or the transfer of your data. "The management company is the agent who's responsible for [maintaining the corporate records](#), if that's what's delegated to them," says Howard. "If you switch companies, there's not an obligation to transfer the platform, just the data."

[Brad van Rooyen](#), CPMS, the founder and senior member of Florida-based HomeRiver Group and its national specialist for community association management, which oversees more than 230 associations throughout Florida, agrees. "The association owns the data that's pulled into the software, but they don't own the software," he says.

"It's no different than us using QuickBooks," adds van Rooyen. "Unless you're self-managed, the management company owns the license to the software that's being used to manage your community. We're using that software to run our back office, while the data belongs to the association. We can export the data to excel, CSV files, or PDF files, but the management company will always be licensing the software."

## What to Ask About Use of Your Data

But because the data generated in managing your community can contain private or sensitive information—like your [owners' payment history](#) or their [violation history](#)—use of the data should be something you discuss and include in any management [contract](#). We've [reported](#) on aspects of this topic, but the issue is becoming more and more timely given how companies across many industries are working to monetize data.

“There are cases I’m aware of where association data is resold to third parties,” says van Rooyen. “If you don’t address that possibility in your management agreement now, before you sign a new agreement, find out whether your manager is required to notify you before doing that.

“In our licenses for the platforms we use, the software company has to notify us and give us an opt out,” he notes. “We’re very protective of who has access to the homeowners’ data. That’s also true internally at our company. To protect the data of the clients we serve, if you’re in a lower-level position at our company, you don’t get to see some information.

“So boards need to understand: Does the software their manager uses have any kind of third-party agreement where the management company can sell the data?” advises van Rooyen. “How secure is the software? What kind of authentications protect the data in there?

“It’s OK if the management company owns the system,” says van Rooyen. “Most don’t charge an additional cost for it; it’s already built into the management fee. They might charge more for a mobile app or a dedicated homeowner portal. We don’t. We see it as a value-add; it makes our job easier.”

### **Be Sure Your Contract Covers Data**

The issue of use of your data should be treated as you’d treat any other variable in an agreement you’re considering entering into.

“Like any major change or contract, a management contract should be reviewed by an attorney so it can be examined for issues like who’s managing the data, what’s the risk management for data breaches, and whether there’s insurance in case of a breach,” reports [Todd J. Billy](#), CCAL, an attorney at Sandberg Phoenix in St. Louis, who is licensed in Missouri and Illinois and has more than 1,000 active condo and HOA clients.

“If anyone is going to be mining your community’s data, that would be part of what you need to cover in the contract,” he says. “Inherently, there’s nothing wrong with a company using information that’s publicly available, and it’s not hard to tie a record owner to an address. But if a client asked me, I’d recommend the board say no to allowing a third party to sell payment history data.”

Howard agrees. “If management companies were monetizing the data, that’s something associations should address in their contract,” she states. “That depends on what that means precisely. If they’re selling owner information, I’d be asking a lot of questions.”

Also ensure the ease of getting your data back. “Whether it’s a management company or a law office, if you’re using a third-party’s online platform or service, it should be easy in and easy out,” explains Billy. “When you’re no longer going to use that software problem, you should get your data back.”

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# What's a Reasonable Time for Your Condo/HOA Manager to Provide Financials?

An [HOAleader.com reader asks](#): "Right now, our contract states we're to receive the prior month's financials by the 20<sup>th</sup> of the following month. For example, the financials for September won't get to us until October 20. That seems like a LONG time. Having worked in a business setting, the turnaround was always less than 10 days."

Our experts are unanimous—totally reasonable! Here's their reasoning.

## The Contract Should Address This

Let's start with whether there's a [contractual obligation](#) here. Our reader says the contract requires financials be provided by the management company by a certain date. That's common.

"It's a contractual requirement between the manager and the association," says [David Firmin](#), managing partner at Altitude Community Law PC in Lakewood, Colo., with satellite offices in Loveland, Colorado Springs, Durango, and Frisco. "In my experience, they're usually provided to the board at the first board meeting following the close of the month. That's a management company commitment that's usually in the contract. Quite frankly, often the accountants get them queued up based on the date of the meeting at which they're due."

Agreed, says Leah K. Burton, CCAL, a member at Steptoe & Johnson in Collin County, Texas, who represents hundreds of communities throughout Texas. "This all comes down to what's in your management agreement," she explains. "The standard term I've seen will have that a manager will give the board financials by the 15<sup>th</sup> or 20<sup>th</sup> of the following month. Or if it's not specified, technically the manager has the month to get the financials to the board."

## What's Happening Behind the Scenes

It's important to remember that, when it comes to generating your community's financials, managers aren't just printing reports.

[Marshal Granor](#), CCAL, managing partner at Granor & Granor PC in Horsham, Pa., is not only a community association lawyer but also the former owner of a [community association management company](#). And he's pretty sympathetic to a turnaround of less than three weeks.

"Twenty days is great," says Granor. "The manager doesn't just hit send in QuickBooks and hand over a report. Financial information actually needs to be reconciled against the bank statement, which traditionally takes several days to be received."

"Then any discrepancies have to be researched and addressed," he says. "Many financial reports to the board have explanations of overages, which someone has to write and include. So to me, 20 days is just fine.

"I owned and operated a community association management company for six years or so," says Granor. "It's a very hard business. We'd get the bank statements—and that used to be by mail, with some downloaded—around the 5<sup>th</sup> or 6<sup>th</sup> of the month. Our in-house bookkeeper had 100 associations worth of bank statements to reconcile. They'd hand them to our chief financial officer to review. If everything was OK, they'd create the financial reports and get them out to associations."

Those are important factors to remember, agrees [David C. Swedelson](#), the principal at Swedelson & Gottlieb, a law firm that represents associations through California. "I think most management companies do it this way, meaning they don't get the financial statements out until the 20<sup>th</sup> of the next month. I think 20 days is reasonable.

"They have other clients," he adds. "I'm a board member—this is the third time in my life being on an association board—and I've constantly heard management saying they can't deliver the financial statements earlier because they don't have the backup."

And don't forget, management companies are businesses like any other, with the challenges all businesses face. "We did our very best to get them out by the 15<sup>th</sup> or 20<sup>th</sup> of each month, though sometimes that wasn't possible based on holidays, vacations, and sick times," says Granor. "If you get them by the end of the month, that's reasonable."

### **Is There Really a Problem?**

Granor wonders what the true problem here is. "For most associations today, there's a portal you can go into and see every check that's been made and every deposit," he says. "I'm the treasurer of an association, and I have that kind of access. So it's not a problem to not have a formal report if I need to know something on the 15<sup>th</sup> of the month."

And Granor isn't the only director or officer at his association who has that kind of access. "We have a five-person board in our community of 171 townhomes and apartment-style condos," he says. "The entire board has this access. Homeowners have more limited access, but they also have 24/7 access to financial information, to contracts, and to [monthly financial reports](#) as soon as the manager posts them."

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# Will a Condo/HOA Manager Shortage Affect Your Community? Plus, 4 Things You Can Do to Keep a Good Manager

It may shock you to learn that people entering the workforce today aren't crazy about jobs that require them to attend evening meetings and deal with angry people. Who could have predicted that?

We're kidding, sort of. It turns out that communities in Canada [are struggling](#) to find good managers. Many of our experts say that's also true in the United States. Here's what you need to know to ensure you don't run into an unexpected and prolonged search for a [qualified manager](#).

## Management Industry Shifts

"We're all experiencing the same thing as those communities in Canada," says [Zuly Maribona](#), LCAM, the Bonita Springs, Fla.-based senior vice president and partner at KW Property Management who oversees the company's southwest Florida, Jacksonville, Orlando, Tampa, and North Carolina operations. "It's true in Southwest Florida and in other markets in the state.

"In Southwest Florida specifically, we at management companies are seeing somewhat of a shortage in finding candidates," she adds. "Whether it's salary driven or something else, it's becoming very competitive here. But I think management companies are seeing [staffing shortages](#) everywhere. With the competitive nature of the employee market and the more communities that are built, the more competitive it becomes.

"Also, if a community is looking for a lifestyle manager, it's looking for a manager skilled at higher levels with leadership and project management skills," says Maribona. "And those candidates are looking for more money. They're saying, 'Pay me what I'm worth.' That's one side of the issue.

"On the flip side, with condos and the challenges that have arisen after the [condo collapse in Surfside](#), I've seen some managers—not a lot, but more—looking for jobs outside the industry," she says. "They're saying, 'I'd like to work remotely rather than dealing with the everyday property management environment.'"

[Alex Noland](#), CCAL, founder of Noland Law PC in San Francisco, which represents 200-plus community associations throughout California, has seen [rising costs](#) factor into manager-search challenges, too. "In California, there are some associations that [directly hire their general manager](#) if they have one on site, and they're usually employees of the management company," he says. "In San Francisco, there's a manager shortage because of COVID-19, because of people having changed jobs and moved away, and because of remote work.

"Finding managers, especially portfolio managers, meaning those who manage many communities at once, is always a big challenge," adds Noland. "That's especially true in big cities like San Francisco where it's very expensive."

"When you have a general manager who works on site, I do think that it seems the search process is taking longer," he notes. "For some of the bigger projects and the luxury projects, they're bringing managers in from out of state. For high-end or bigger communities where managers aren't from California, I'm seeing salaries above \$200,000. Those types of communities may have to pay more to get a qualified manager."

"If you're a community in Modesto, Calif., your general manager's salary won't be that much," says Noland. "But if you're in San Francisco, Los Angeles, Chicago, or New York, if you want to have a pool of candidates, you're going to have to pay for it."

### **It's Hard to be a Manager**

The squeeze also exists on the east coast. "In my area, clients and property management companies are both struggling to find qualified people," reports [Janet Oulousian Aronson](#), a partner at Marcus Errico Emmer & Brooks in Braintree, Mass., who is licensed in that state, in addition to Rhode Island and New Hampshire. "I've always said that I don't know what's going to happen. I think the industry is going to change a bit."

"Young people aren't interested in killing themselves, working day and night at night meetings, not for the money they get paid," she adds.

Maribona agrees that evening work gives potential managers pause. "I don't think it helps for quality of life," she says. "Would it be good for communities to schedule meetings during the day? Sure. But is that a practical approach? No. Plenty of properties have working board members, and evenings are when those people have to have meetings."

Aronson says some property managers are pivoting to deal with the challenge. "The larger property managers are trying to compartmentalize the business, where the property manager deals with operational issues, and the administration and finance is handled by someone else," she explains. "Property managers are also putting into our contracts that [board meetings have to be by Zoom](#). And they've reduced the number of meetings they'll attend to two a year. Also, retired property managers are coming back on a part-time basis."

### **Is Licensing a Contributor?**

In an interesting twist, [Elina Gilbert](#), a shareholder at Altitude Community Law in Lakewood, Colo., who has specialized in community association law for 23 years, says her area *isn't* experiencing this crunch as much as it had in the past.

"It's a little bit better here now," she says. "We used to have manager licensing, and then management companies had a hard time getting qualified people. Our legislators decided to sunset the licensing requirements about three or four years ago, and there are now more management companies getting brand new people and training them from the ground up."

Has the elimination of the licensing requirement affected the quality of managers in the state? "I feel like when we had manager licensing, managers would memorize what they

needed to pass the test,” says Gilbert. “I’m not sure of the quality today, but it’s easier now to get people in and trained.”

## How You Can Keep a Good Manager

If communities are increasingly going to be competing for the most qualified managers, what can you do to be a community that managers **want** to manage? Here are four things:

- 1. Let your manager do their job.** “Higher-level decision making is for the board, and day-to-day operations are for your management team,” says Maribona. “So allow your management team to be empowered to execute with things like approved spending amounts and templates managers can use.

“Hold us to account, of course,” she adds. “But don’t micromanage managers because you’ll end up with a manager who’s afraid to make the smallest decisions because they’re waiting for your board to give the OK.”

- 2. Seek common ground.** “This is our biggest hurdle,” says Maribona. “Board members need to work together. Too often, with board politics, board members make management their casualty of war. That’s a huge one.

“Boards need to stand united when they make decisions—and they need to make decisions,” she adds. “Often there’s paralysis when it comes to decisions and that hurts the manager. Then there’s the hero syndrome, where all the board members have 100 items they want to tackle, and they all think their ideas are important. They don’t prioritize. We can’t start everything and finish nothing.”

- 3. Be patient.** “Boards’ expectations have to be adjusted,” says Aronson. “I’ve seen some boards that are constantly emailing their manager and their lawyers, too. I get it if it’s an emergency. But perhaps your board can come up with a way to identify issues as tier 1, tier 2, and tier 3, with tier 2 and 3 issues able to be handled at a later time.

“If a manager is managing, say, five properties, they might have one day a week total for each community,” she notes. “Contact with the manager can’t be constant because they’re getting that from five different boards. If you find a property manager you like, you shouldn’t burn them out. Try to be respectful. Or if you want that constant-contact ability, be ready to pay more.”

- 4. Remember that you get what you pay for—and we mean no disrespect to any managers when we say this.** Noland agrees that a firehose of emails and requests can be overwhelming and isn’t helpful in building a good relationship with your manager.

“I have boards who complain all the time that they’re not getting the service they want from their manager,” he notes. “And I’m like, ‘You’re paying for a portfolio manager who manages five other properties. You’re getting one-fifth of their time. You can get more, but you’ll have to pay more.’”

“What it boils down to, especially in urban environments,” he notes, “is that you’re going to have to pay more to get a good manager or to have your manager stay with you.”

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# Who's On the Hook for Maintaining Condo/HOA Records?

An [HOAleader reader asks](#): "Who's responsible for maintaining HOA records—the property management company or board members? What if there's a change in the [property management company](#) and the previous property management company didn't transfer many records? And what if the previous property management company had the same problem with records not being transferred?"

I understand that the attorney contracted by the current property management company was going to write a demand letter. But it's unclear if that happened. Months have passed, and it seems like nothing is being done."

Here, we answer our reader's first question—who's responsible. We then offer tips for ensuring that you don't get stuck without the records you should have.

## It's Your Job, But You Can Delegate

Let's first start with good news. Diane Amaral, an association manager at Alpharetta, Ga.-based Homeowner Management Services Inc., who personally manages a portfolio of eight HOAs, says in her experience, managers do a good job of transferring community records.

"That loss of records hasn't happened to me as a property manager," she explains. "We have a very large checklist we have to go through during the transition process. That's all part of the contract."

So, whose job is [recordkeeping](#)? "It's the board's responsibility," says Amaral. "But they delegate it to their professional property management company."

[Christopher J. Shields](#), a partner at Pavese Law Firm in Fort Myers, Fla., who has represented associations for close to 40 years, agrees. "It's the captain of the ship, meaning the party ultimately responsible is the association," he states. "Then who's responsible for the association? It's the board. Board members have been elected to [administer and operate](#) the association's affairs.

"Those directors can hire a managing agent to whom they'll assign the job of handling the day-to-day activities," says Shields. "And frequently, the responsibility of maintaining those records is assigned to the manager. Ultimately, it's the board's responsibility, and you can't assume someone else will do it."

Amaral has seen boards try to be the lead in recordkeeping, and it's not usually very effective. "I know a lot of boards that want to do that," she says. "The problem is that boards change over all the time. Typically, they change at least once a year, but almost

always, a board member also leaves midstream for personal reasons—they don't have time to be on the board, they decided to move, and so on.

"So, we tell boards it's not their job to keep those records," adds Amaral. "That's what the property management company is for. When associations leave one company and go to another, there's an entire transition process between the two management companies."

The answer also depends on the type of records that are at issue. "There's a distinction between archived records and current records that are a necessity for that fiscal year," explains [Jeff Vollmer](#), a partner at Makower Abbate Guerra Wegner Vollmer PLLC, whose firm advises nearly 2,000 association clients throughout Michigan. "A lot of this issue will depend on the management agreement. What were the defined responsibilities of the management company for keeping each type of records? There's generally boilerplate language that defines their role in keeping those records.

"Your management company will be keeping track and can effectively transition records to a new management company," he adds. "If the new company isn't getting a response, then it's time for outreach to the association's attorney to facilitate the transition for those documents."

Amaral agrees. "If a board is having this problem, they need to contact the previous management company and remind them that they're under contract to transfer those items," she says. "If need be, they should go to their attorney. They can light a fire under the company by saying, 'Why are you dragging your feet?' That transition is very important."

## **How You Can Easily Boost Recordkeeping**

While Amaral's experience is that most managers handle the transition from one company to the next professionally, that's not always been the case for Shields' clients.

"Let's assume you had an association that had a 20-year existence," he explains. "It's not unusual to see several different management companies, where the boards go through almost one each year. You could see in year eight they'll have the eighth company, but that company may never have received the records from the seventh."

He's also seen individual board members, without ill intent, lose records. "I've seen it where immediately after turnover, a new president will take all the documents with building plans, easements, sewer lines, electrical lines, and so on and put them in their guest bedroom closet," recalls Shields. "Then the person dies or moves. And who knows what happens with those records? It could take three to five years before you trace things, and that person has since left this earth. It's a real problem."

You can take simple steps to prevent the loss of some records. "I tell clients all the time, no matter how satisfied you are with your current management company, you want to make sure that, when you leave it, you should maintain good graces with them," advises Shields. "There's a fumble that can occur, and just like in a football game, that can change the course of events.

“The management company that’s been discharged or not renewed has the unhappy task of putting together all the records and turning them over to the new agent,” he says. “And you can imagine how little effort goes into that.”

That’s why Shields advises that clients try to store records when it’s feasible. “One thing boards can do is to [digitize their records and have multiple copies](#),” he says. “If someone gets hit by a bus, there’s a duplicate source.

“I also think it’s important that the board take an inventory of the records,” says Shields. “When they get records from a management company, they should inventory them and then turn them over to the new company. They often don’t want to do the heavy lifting, but that’s part of their job as board members.”

While it’s not practical for you as a board to duplicate the work you’re paying your management company to do when it comes to maintaining records, Vollmer agrees there are relatively easy steps you can take to ensure that you have access to many records if there’s a delay or logjam in accessing records from a management company.

“From a practical perspective, we advise our clients that board members should have separate [email addresses](#) for the directors, particularly ones that are different from their personal or business email addresses,” says Vollmer. “You’re ensuring that only those communications relating to the association are going into those inboxes so you can archive that information and so that it’s not intertwining personal and business information.

“Also, if you can, it’s helpful to have your secretary save all the transmissions from your management company,” he says. “The secretary can drop them into the cloud or a folder so that you have access to as much as possible.”

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# 9 Tips for Nailing the Process of Hiring Your Next Condo/HOA Manager

When you're ready to begin the search for a new manager—or even your first manager—it can feel overwhelming. Often, bids aren't apples to apples. Price matters, but how much weight should it carry? Your personal connection with the manager is important, but how permanent will it be?

Take a deep breath. Our experts say these 9 actions should help you clarify the process—and your ultimate decision.

- 1. Start with a request for proposal—but be sure it's carefully crafted.** “A lot of my clients use RFPs because they have specific things they're concerned about,” says [Marshal Granor](#), CCAL, managing partner at Granor & Granor PC in Horsham, Pa., who is not only a community association lawyer but is also the former owner of a [community association management company](#). “That's especially true with transition boards interviewing their first manager.”

It's OK to search online for [examples](#), but be sure to read through every line and tweak the template so your RFP is closely tailored to your community. “One of my clients decided to go online to find an RFP, then put one together based on that and sent it out,” explains Granor. “I saw it and asked, ‘Why are you talking about islands and waters?’ They got it from someplace in Florida and didn't whittle it down enough.”

- 2. Ask a logical source for referrals.** Know who can probably give you a head start in finding a competent manager? Your lawyer.

“I'd ask your legal counsel for recommendations,” advises [Todd J. Skowronski](#), an associate at Makower Abbate Guerra Wegner Vollmer PLLC, whose firm advises nearly 2,000 association clients throughout Michigan. “If they like a management company, it's because the lawyer knows that management company does good work and doesn't get its clients into legal trouble.”

- 3. Pose a real-life challenge to walk through their thinking.** “During the interviewing process, I'd outline a current issue the association has and ask how the manager and company would approach the issue,” suggests [Jasmine F. Hale](#), CCAL, a partner at Berding & Weil based in Walnut Creek, Calif., who advises condos and HOAs throughout California. “Maybe you have a governing document [violation](#) issue that's become contentious. I'd explain it and ask the manager how they'd address it. That can give good insight on how the manager and company would approach operational issues.”

- 4. Consider your personal connection, but recognize it's not guaranteed to continue.** “I owned a property management business for a few years,” notes Granor. “People who are doing the interviewing often want to know who their manager is going to be. But if it's six months from now, the company truly has no idea who your manager will be because no employer can guarantee an employee will be at their company in the future.”

**5. Get granular when it comes to every fee you could be charged.** “You want to know your ancillary fees, or those other than monthly or per-door charge,” advises Granor. “Some include a lot for their fee, while others are more *à la carte*, perhaps charging \$.50 a page to [fax or email a document](#).”

“I’ve asked management companies about that kind of fee, and the response I’ve gotten is, ‘We have to take the time to scan the documents and send them,’” he explains. “My response is, ‘Raise your overall fee if you’re worried about those costs becoming too high.’”

“Also know that every management company charges for resale packets or estoppel certificates, whatever you call them in your state, or to respond to [questionnaires for mortgage companies](#),” says Granor. “Buyers might apply to three different lenders, and the manager might have to respond to three lenders. Charging a fee for that is reasonable. But charging nearly \$1,000 for that isn’t.”

“I’ve also seen management companies charge for [taking minutes of meetings](#),” he adds. “If you as a condo or HOA are hiring a secretary because nobody in the community wants to do it, OK. Maybe that’s fair. But when you get multiple pages of fees, it means maybe the company has been burned and taken advantage of. Or it means they lowball their bid and add on these fees.”

**6. Don’t focus on price without a full understanding of what you’re getting for that price.** “I think the first mistake and the most common mistake many boards make when hiring new management is to evaluate proposals based purely on price,” reports [Kelly G. Richardson](#), CCAL, a partner at Richardson, Ober in Pasadena, Calif., whose firm represents hundreds of HOAs throughout California and who has been a syndicated columnist on HOA issues for 17 years.

“What they should be looking at is what they’re getting and who they’re getting for the price,” he states. “Are you hiring a PCAM, the highest available professional designation of a manager in the United States? Or are you getting a manager with no credentials or designations from any organization, local or national?”

Hale agrees but notes that may not be a dealbreaker. “First, I’d ask for the credentials and certifications of the manager who’s going to be assigned to the community,” she states. “It doesn’t mean a manager who doesn’t have those isn’t able to do a great job. There are a lot who are great. But certainly having a certified or credentialed manager can suggest an increase in their professionalism, commitment to the industry, and experience. And those factors tend to bode well for a longer-term, more successful management experience.” Check out licensing and fit for your community, too. “If you’re in a state where licensing is required, are they licensed?” asks Granor. “You don’t want to be a training ground. New managers should be starting on the less-intensive properties.”

Richardson also suggests you evaluate how many HOAs the manager will be working with. “By that I mean, is that one manager spread over 15 HOAs?” he asks. “And what’s the scope of the services to be provided? Is the manager handling only the [financials](#) or managing the property? How often will that manager physically be at your property? All these issues must be addressed before you can make an apples-to-apples comparison.”

California readers: There's one more pricing issue that can arise for you. "We have very California-specific financial disclosures and review requirements on HOA boards," explains Richardson. "Most management companies don't include the cost of those in their scope of services. We're always asking that those be inserted, and the companies always agree."

- 7. Check the tech the management company offers.** "I believe there needs to be an [online portal](#)," insists Granor. "These are pretty much automatic today, but there are some companies around here that don't have one. With those companies, if you want a copy of your [governing documents](#), you have to email the manager, who makes a copy and mails it or emails it to you. Some even make a copy and ask you to pick it up.

"Your management company should have the latest and greatest documents online and a system that allows your owners to see if their payment has arrived," he says. "The portals that are there for the companies that do this are wonderful. If a company doesn't offer that or charges extra for it, that's a red flag."

- 8. Don't miss this important step.** "I'd also check references," advises Hale. "Too many associations don't think to ask for references of current clients they can talk to—and then actually call those references!"

Be sure to search for online references, too. "I'd check Yelp and Google reviews," suggests Skowronski. "I wouldn't give them too much weight. But if you see a lot of the same comments, such as nonresponsiveness, it's something to consider."

- 9. Be sure the contract won't ruin a great business relationship.** One thing that can sour a client-management company relationship is a later dispute over a [contract provision](#) that makes the client condo/HOA feel duped. "Always have your legal counsel review the management contract," suggests Skowronski. "They'll know what sort of pitfalls can appear in management contracts and what to watch out for."

Hale couldn't agree more. "Good lord, I can tell you that not all management contracts are created equally and that a lot of times boards don't understand what they're getting into," she explains. "This may sound minor, but it can be important. At least in California, an association is legally entitled to impose [late fees](#), [interest charges](#)—the whole nine yards—on delinquent accounts.

"I've seen contracts that say the management company is entitled to keep all the late fees associated with [delinquent collection issues](#)," says Hale. "What happens is that a conflict can arise between the management company—which considers that provision a revenue generator—and a board—which wants to waive those fees to get the owner to pay the principal. Now you have a conflict in which the management company doesn't want the board to agree to give up this revenue while the association says it's worth waiving it to get the principal.

"That sounds small, but I've definitely seen it come into conflict between managers and associations," she states.

Other contract provisions to weigh carefully are autorenew and autoescalation clauses. "The most common thing I see is that many management companies would prefer to have an annually renewing contract that autorenews and has an autoescalation in their fee," says Richardson. "I believe it's in the association's best interest to have a month-to-month contract with perhaps 60 days' notice to terminate for any reason.

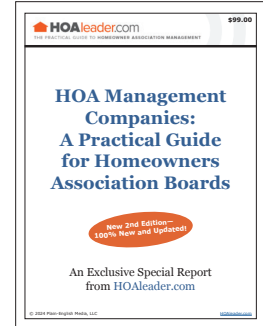
"However I do recognize that it takes management companies several months to sort of break into a new HOA in terms of settling into a cruising altitude," he adds. "So I feel guaranteeing you'll be in the contract six months is fair. I've found all the reputable management companies will acknowledge this and change to a month-to-month contract as long as there's some minimum period so they know they'll have a chance to at least recover their startup costs."

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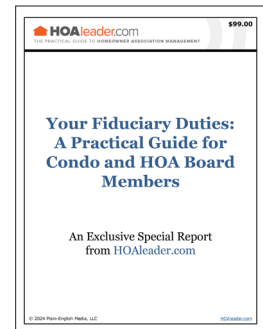
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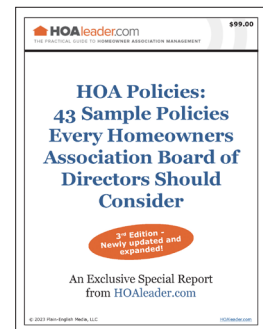
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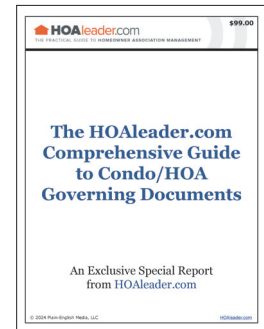
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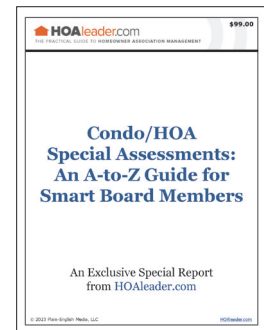
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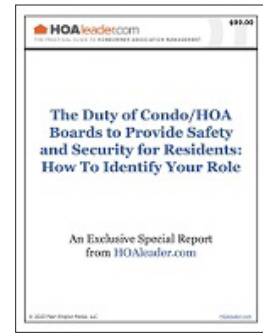
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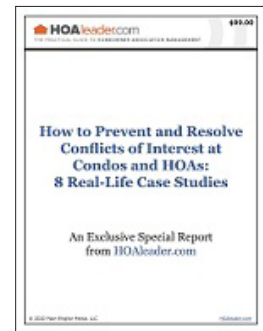
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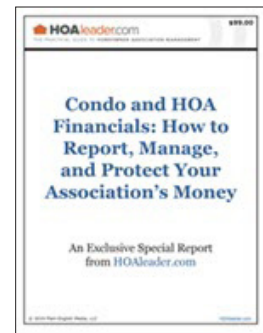
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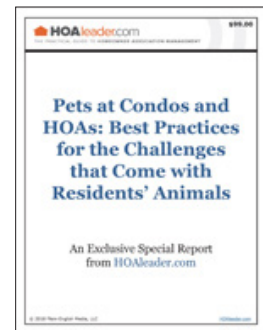
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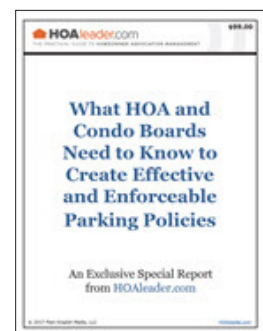
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You may recall a fact often cited by many HOA insiders: The biggest challenges boards face are "the 3 Ps," which stand for Parking, Pets, and People. Here, our editorial team and our legal and management experts nationwide have come together to provide information on best practices for handling the difficult issues you face with pets in your community. [Download now »](#)



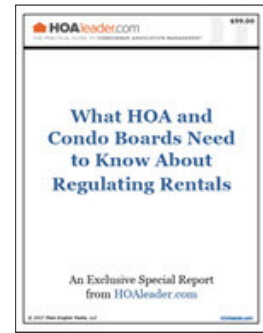
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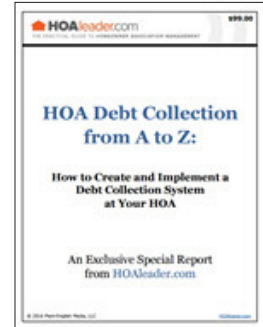
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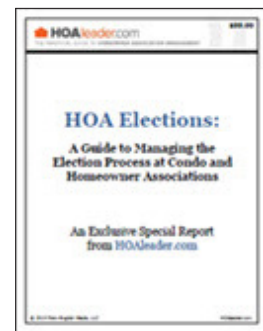
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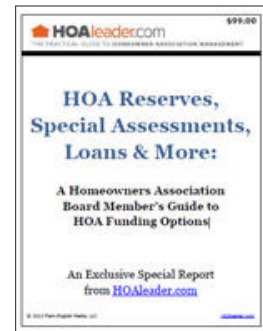
## **HOA Elections: A Guide to Managing the Election Process at Condo and Homeowner Associations**

In this report you'll discover tips from our editorial team and experts on HOA governance and management from across the country on how to plan, properly notice, and execute an HOA election. These are tips you can begin implementing immediately to make your elections run more smoothly and withstand challenges from disgruntled homeowners. [Download now »](#)



## **HOA Reserves, Special Assessments, Loans & More: A Homeowners Association Board Member's Guide to HOA Funding Options**

In this special report, you'll discover tips and guidance on funding options from HOAleader.com's expert contributors—professionals who've devoted their careers to serving and advising homeowners associations. Governing documents and state laws vary, but this information will help you understand how your association can meet all of its financial needs—and thrive. [Download now »](#)



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What's a proxy? Who can assign it and when? Who can it be assigned to? Can your association implement any limits on the use of proxies? Here, our expert contributors answer your questions. [Read more»](#)

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Smart HOA boards need to know the answers to two questions: What are the most common reasons associations get sued? And how do they head off those costly cases? Here are answers. [Read more»](#)

## **3. HOA Board Members: 7 Things You Must Know If You're Sued Personally for Board Actions**

Sometimes homeowners sue HOA boards, and sometimes they sue both the board and board members individually. Here are seven things you should know if you're personally sued for actions taken as a condo or homeowners association board member. [Read more»](#)

## **4. How to Differentiate Between HOA Repairs and Home Owner Repairs**

An HOAleader.com reader writes, "What policies can a board implement to ensure the association is paying for common element maintenance only? Our association has a lot of exterior leaks, which hopefully for the most part has been resolved. Unit owners claim the damage is from an exterior leak. The HOA pays for the repairs, but there seem to be additional repairs performed that are unrelated to the exterior leak. This has been going on for years and has become a great expense to the association." Here we provide guidance on policies and procedures you should implement to determine which repairs your HOA should cover and which home owners must pay. [Read more»](#)

## **5. What Happens When Nobody Runs for the HOA Board?**

An HOAleader.com reader wants to know what happens when nobody runs for any open board seats. Here our experts give the lowdown. [Read more»](#)

## **6. The Facts on What HOA/Condo Board Presidents Can and Can't Do**

Can your HOA or condo board president vote on routine issues at your association's board meetings, or is the president allowed to vote only if there's a tie?. [Read more»](#)

## **7. HOA Checklists: Your Road Map for an Entire Year of Homeowner Association Operations**

This report is intended to be your road map for an entire year of operations that you begin using today and turn to for years to come. It provides you with checklists compiled by our editorial team with substantial input from experts on HOA operations and management from across the country to ensure you're steering your association in the right direction and not letting crucial issues slip through the cracks. [Read more»](#)

## **8. Living Up to Your Fiduciary Duty as an HOA Board Member**

“Fiduciary” is not just a big word. It carries legal consequences if you—even unknowingly—breach that duty. Here’s what you need to know about fulfilling your fiduciary duty as a homeowners association board member. [Read more»](#)

## **9. 9 Mistakes New HOA Board Members Make—And How to Avoid Them**

Here we list the nine most common mistakes new HOA board members make and provide tips for turning those mistakes into successes. [Read more»](#)

## **10. HOA Owners and Security Cameras: OK or No Way?**

In the blogosphere, an HOA owner contends her neighbor has put security cameras in places that intrude on her privacy, like above his unit’s door in the common area and on his window pointing at her unit. The HOA asked the owner to remove the camera in the common area, and he did. No word on any HOA action in the second incident.

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## **11. 9 Responsibilities HOA Boards Shouldn’t Delegate to a Manager**

HOA management companies can be a great help to an association’s board of directors. But a manager is not supposed to usurp the board’s duties. Here we share nine duties you shouldn’t allow your HOA manager to handle. [Read more»](#)

## **12. HOA Elections: 6 Mistakes to Avoid with your Condo or Homeowners Association Elections**

It’s very easy to invalidate an election by not following every rule to a T. Keep an eye out for these common mistakes condo and homeowners associations make when conducting elections. [Read more»](#)

## **13. HOA Transition Tips: Moving from Developer to Owner Control**

The transition from a developer-controlled to a homeowner-controlled community is fraught with risks for homeowners. If your HOA board is about to take over from your developer or has recently done so, here are tips for making sure the transition goes as smoothly as possible. [Read more»](#)

## **14. HOA Board Meetings: Open Meetings and Executive Session—What You Must Know**

Does your state require that your condo or homeowner association board have open meetings? If so, what does that mean? And what about executive session? What can you discuss privately, and what must you discuss in front of homeowners who wish to attend? Here’s a rundown. [Read more»](#)

## **15. Handicap Parking: What Your Homeowners Association Must Know**

Is your condo or homeowners association required to provide handicapped parking for residents and visitors? If so, how many spaces do you need, and where must they be? What if an owner requests handicapped parking? Can you require proof, and where must you locate the spot? When can you legally deny the request? Here, we answer those questions. [Read more»](#)

## **16. HOA Communications: Dos and Don'ts for Responding to Owners' Letters to the Board**

Surely, you get letters from owners. The question is how your should HOA Board of Directors respond. Do all letters require a response? If not, which do, and which don't? And who should respond? Your board president, the property manager, or another person? Finally, what should and shouldn't you include in responses to owners' letters? Here we offer dos and don'ts. [Read more»](#)

## **17. Discussion Forum Follow-Up: Reining in Bullies on Your HOA Board**

A reader on the HOAleader.com discussion board asks: "I am on the board of directors of our HOA, but the president is just running wild and not following any of the bylaws or CC&Rs..." Here, we provide tips for handling secretive, power-hungry board member tactfully yet effectively. [Read more»](#)

## **18. 10 Traits of Successful HOA Board Members**

What qualities must you have to be a good homeowners association board member? Here, our experts reveal the top 10 traits of board members who serve their HOA well. [Read more»](#)

## **19. HOA Board Member Behaving Badly? Know How and When to Discipline**

You may be surprised to learn that you and your fellow volunteers can be disciplined for your behavior as members of the board of directors of your homeowners association or condominium association. Here we explain when it's appropriate for boards to consider disciplining their fellow board members, along with the possible range of action they can take. [Read more»](#)

## **20. Master Homeowners Associations: Is Your HOA Its Own Master?**

Imagine your surprise. You buy a home in a community knowing full well that you'll become a member of your local homeowners association only to learn that your homeowners association is really a subassociation and you're bound to follow the rules of a bigger "master" association. Here's a primer on master associations and how masters and subassociations, often called "subs," interact. [Read more»](#)

## **21. HOA Rules: What You Must Know About Flag Restrictions**

There are several legitimate reasons why your HOA might want to provide guidance to homeowners on flag displays. Before you do, however, make sure you understand the maze of laws governing the issue. [Read more»](#)

## **22. Robert's Rules for HOAs: What You Need to Know**

Robert's Rules of Order is a more-than-100 year old guide that provides governing bodies procedural rules to keep their deliberations orderly. What are the pros and cons of following Robert's Rules? If your association decides to follow it, what are the most important rules everyone should know? Here's a summary. [Read more»](#)

## **23. Tax Day: What Your Board Must Know about Homeowners Association Taxes**

Homeowners associations have to file tax returns like the rest of the corporations in the United States. Here's a primer on the rules associations must follow when they file and advice on minimizing the stress of tax day for your HOA. [Read more»](#)

## **24. HOA Pet Rules & Required Accommodations: The Facts About Comfort Animals**

Is Fido a medical necessity, or are we being taken for chumps? That's the question HOA board members are asking themselves as a growing number of owners claim that their beloved pet isn't a violation of their association's rules but a critical part of their medical treatment. Here's what you need to know about comfort animals and how your association should treat owners' requests for them. [Read more»](#)

## **25. What's a Reasonable HOA Fee or Penalty?**

An HOAleader.com reader writes, "Our HOA is considering charging fees and penalties for noncompliance with our covenants and restrictions. What are some ideas on amounts to charge for violations? Example: Not repairing when given notice, not picking up dog poo? Need some feedback from other associations for different violations they charge for and how much." [Read more»](#)

## **26. HOA Reserve Studies: What You Need to Know**

Just what is a reserve study? What should it include, and how often should it be done? We've got answers. [Read more»](#)

## **27. A Sex Offender Has Moved Into Your HOA ... What Now?**

If you're like most homeowners, your first thought when you learn that a sex offender has moved into your community is: What can we do to get the offender to leave? Here's what you must know about your association's—and the offender's—rights. [Read more»](#)

## **28. Can You Have "Working" HOA Meetings and Exclude Homeowners?**

A new type of meeting has sprung up among some HOA boards—the "working meeting." It supposedly permits boards to meet in private outside of regular meetings and not provide owners notice or the opportunity to attend. Is this legit? [Read more»](#)

## **29. HOA Fees on Rentals: Can Your HOA Impose a Fee Just Because Owners Rent Their Unit?**

Sure, you can probably require owners who rent their units to pay a security deposit to your HOA to cover the tenant's potential damage of HOA facilities. You can probably also charge move-in and move-out fees. But can you slap a general fee on owners who rent out their units just because? [Read more»](#)

## **30. No Quorum for Meeting to Elect a Board: Give Up? And Can the Prior Board Carry On?**

An HOAleader.com reader asks, "The CC&Rs say 51% for a quorum. If no quorum, quorum requirements drop to 25% for the adjourned annual meeting. My question is if a first adjourned meeting has to be called because the 25% quorum requirements were not met, and the second adjourned meeting also fails to meet the 25% quorum, what then? Does the sitting board just continue into the next term? When does the board declare failure to meet quorum requirements and end the torture?" [Read more»](#)

### **31. What HOA and Condo Boards Need to Know About Regulating Rentals**

Rental restrictions are unlike most other policies HOA boards create because they necessarily curb owners' real property rights. The law jealously protects property owners' rights, which means any HOA board that seeks to restrict rentals in their community needs to act wisely and deliberately. [Read more»](#)

### **32. How Far Does an HOA President's Power Extend? Discussion Forum Follow-Up**

Can a president sign a landscape contract without the board's approval? And did the president of this reader's HOA have a conflict of interest here? Our experts provide answers. [Read more»](#)

### **33. Who's Responsible for an HOA's Poorly Designed Drainage System?**

An HOAleader.com reader writes, "I live in a PUD, and my home is the lowest lot on the street of our association, consisting of 26 homes and 4 townhouses. These homes were built 15 years ago before our city implemented city storm-water management guidelines; therefore, the builders didn't have any guidelines regarding downspouts and water runoff. [Read more»](#)

### **34. HOA Architectural Review: How to be Fair and Reasonable With Requests for Variances**

It's inevitable that at least one of your homeowners will approach your board and ask for a variance from the association's architectural review standards. Can your HOA grant a variance? If so, should it? Here are some answers. [Read more»](#)

### **35. HOA Board Waiting for Developer Transition; 7 Tips to Handle Developer Control**

An HOAleader.com reader writes, "I live in the state of Delaware... [and] our community is in the early stages of development; there are about 100 lived-in homes. The community is about seven years old... I have lived here less than two years. Our developer has appointed a board of directors consisting of three of his employees and probably not surprisingly maintains solid control of the community. [Read more»](#)

### **36. Pets at Condos and HOAs: Best Practices for the Challenges that Come with Residents' Animals**

You may recall a fact often cited by many HOA insiders: The biggest challenges boards face are "the 3 Ps," which stand for Parking, Pets, and People. In this exclusive report from HOAleader.com, our editorial team and our legal and management experts nationwide have come together to provide information on best practices for handling the difficult issues you face with pets in your community. [Read more»](#)

### **37. Homeowner Association Boards - Group Discounts**

For a limited time, all members of HOAleader.com can take advantage of a complimentary upgrade to group membership. With a group membership, the rest of your HOA or condo board—up to 9 additional member—will get their own member accounts. [Read more»](#)

### **38. HOA Financial Matters: What's Receivership, and When Do Condo and Homeowner Associations Need It?**

Though it's still rare in community associations, receivership has become more common in today's economy. With any luck, your HOA will never experience receivership. But some unlucky associations will. So here are some basics on receivership, along with information about how it's arising in condo and homeowner associations today.

[Read more»](#)

### **39. 5 Steps to Take When an HOA Board Member Steps Down**

It doesn't matter the reason for a board member's departure. It could be due to a regular transition after a vote. Maybe there was a scandal! Either way, when a board member becomes a former board member, you need to protect the organization and its confidential materials. [Read more»](#)

### **40. HOA Elections: A Guide to Managing the Election Process at Condo and Homeowner Associations**

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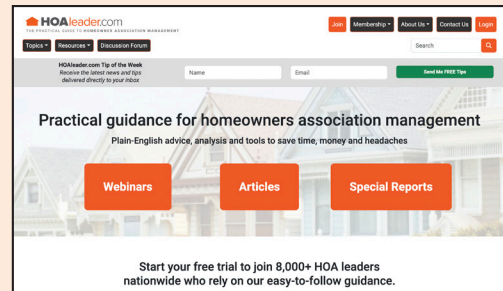
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