



Board Education Series

**How Hiring an HOA Management Company Can
Work for (Almost) Any Budget**

Many HOA boards don't realize that their homeowners association can benefit from HOA management services without breaking the bank. You don't always have to hire a full-service management company to provide every service – many services you can choose a la carte to fit the budget you have to work with.

Two of the most important areas that hiring a management company can help with are assisting with financials and collecting delinquent HOA fees.

Assisting with Financials

Finances can often lead to trouble when volunteer board members try to manage them on their own because they either aren't keeping accurate records in an acceptable manner or don't understand the importance of the reserves and how to disclose the correct information required. The days of shoebox accounting are well-passed. If your HOA board is operating this way, the personal liability is huge.

An HOA manager can help put together the budget or look it over for errors and enter it into the accounting software after the Board has put it together.

Every three months a review should be done of the finances. An HOA management company can do this for you by providing a full financial report once a month complete with easy, accurate tracking by experts who are well-versed in the area of HOA accounting.

Reviewing the finances on a monthly basis keeps everything fresh in people's minds and allows for board members to ask questions if anything questionable comes up.

Reserve Study

A reserve study is a complex document that projects when numerous major components in a homeowners association will need to be replaced, what it will cost to replace them, and how much the association will need to set aside each year to pay for the upkeep when necessary.

If it's time for your HOA board to conduct a full reserve study – instead of just providing an update – then an HOA management company can be hired to help guide the Board through the process.

An HOA management company can also be hired to help with collection of HOA fees and to monitor delinquent accounts so the Board doesn't have to worry about it. The HOA manager acts as the neutral point of contact. They will help track down the owner of the delinquent account and also report on the status of collection. This helps take the weight off of the board members and both the Board and residents know that business is being taken care of.

It's important to remember that a very defined contract is required when an HOA management company is hired only for specific services, allotting the amount of time an HOA manager will spend on each task. This way, the management company and the HOA board both know the context and have clear expectations.

To learn more, or to access other documents, please visit: www.yourhoahelp.com/board-members