THE COMMUNITY PARTNERS & PROFESSIONAL SERVICE PROVIDERS EVERY BOARD NEEDS

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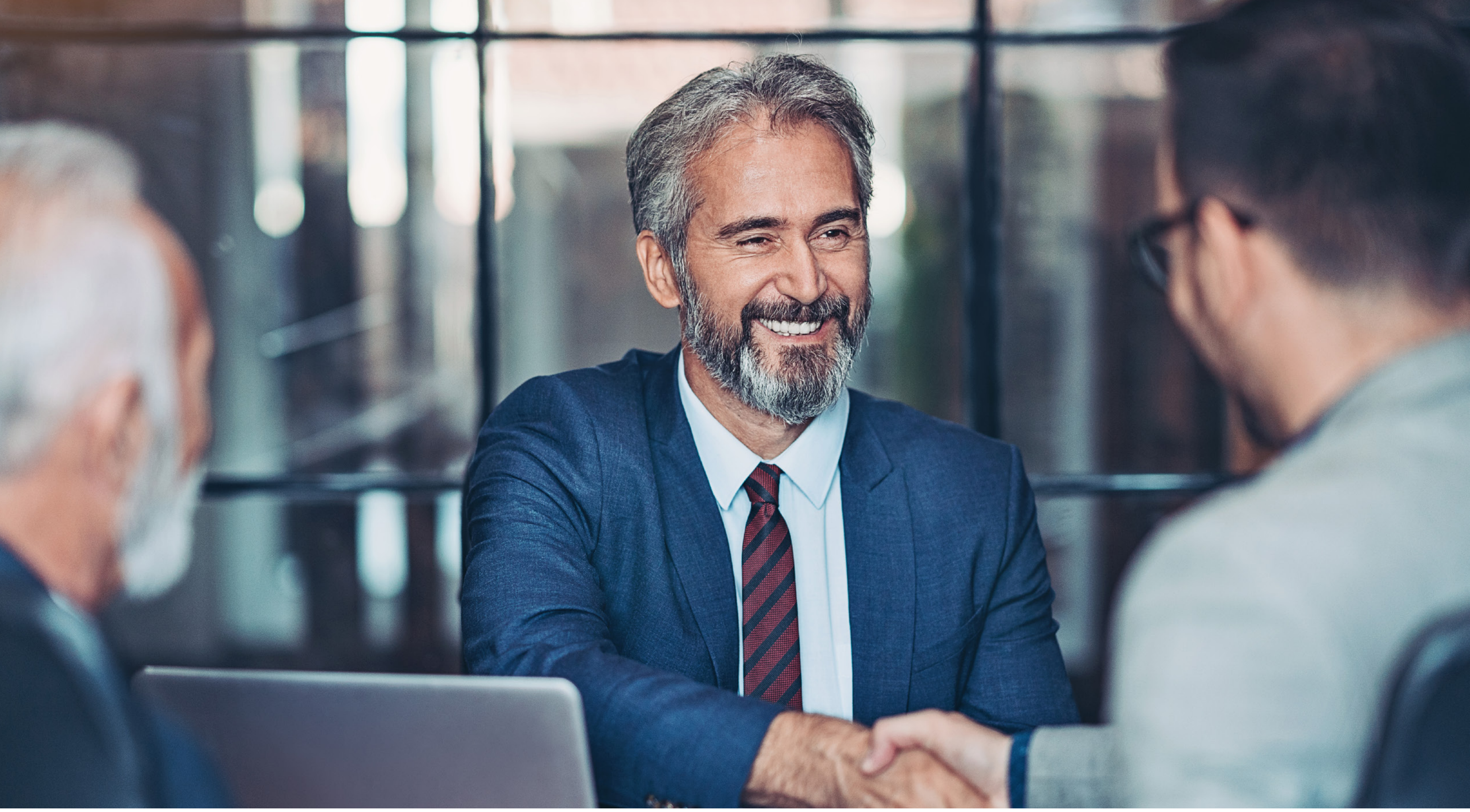

A well-run community association doesn't come easy, and the responsibility can be a lot for a board of directors to handle. That's why many boards look to professional advisors and service providers to help them successfully fulfill their roles, complete requirements, and assist with duties.

Experienced professional advisors and service providers can help ensure your community is protected and prepared for the future, so it's always a good idea to seek out and respect their advice. Associations that create and sustain long-term partnerships receive many benefits, including reduced costs, increased efficiency, and stable and reliable operations.

In this ebook, we'll take a deep dive into everything you need to know about professional advisors and service providers. After reading, you'll have a better understanding of the key partnerships you need, how to make the most of them, and more.

COMMUNITY MANAGEMENT COMPANY

Managing a community is a significant commitment that takes ample time, knowledge, and energy. While associations do have the option to self-manage, it's a big undertaking and can be a full-time job. Hiring a professional community management company lightens the board's burden and liability, providing peace of mind for both residents and leaders.

A community association management company is contracted by the board to help them carry out specific duties. These companies generally administer the business affairs and support maintenance, accounting, and other efforts. The management company takes direction from and reports to the board, and doesn't make any major decisions for the community.

Questions to Ask Before Choosing a Management Company

Selecting a management company is a serious decision—the effectiveness of a board is often determined by the type of management they choose. To make the most of your management company interviews, and decide who can best meet your association's needs, ask the following questions:

- What kind of services do you provide?
- Are your services flexible?
- How much do your services cost?
- How are associations billed?
- How are your managers educated?
- What type of technology do you provide?
- How will you communicate with our board?
- Do you have additional resources, programs, or partnerships?
- How will you add value to our community?
- Are you up to date with current HOA regulations and laws?
- Do you have the proper licenses, certifications, and insurance?

LAWYER

As a board member, you have the fiduciary responsibility to act in the best interest of your community. And in doing so, it's in the community's best interest to retain a lawyer to offer advice and carry out directives.

As an advisor and advocate, you'll want to engage your lawyer proactively to recommend a course of action, survey proposed policies, and review contracts. As an advocate, your lawyer may need to represent you in legal proceedings to promote the community's interest or in your defense if a lawsuit is filed against your community.

How to Find the Right Lawyer for Your Community

Finding a good community association lawyer can be difficult. Here are some tips to help you find the right one:

1. **Reach out to your local CAI or CCI chapter.**
   Check your local Community Associations Institute (CAI) or Canadian Condominium Institute (CCI) chapter website for a service directory of local community association lawyers you can research.
2. **Make sure they specialize in your type of community.**
   It's important to find a lawyer who practices community association law. You may discover that community association lawyers understand the general community association concept; however, it'd be prudent to find one with clear knowledge of your specific community type.
3. **Start with a budget and discuss your expectations.**
   Be upfront about your budget and discuss rates. Lawyers are crucial advisors to major organizations, and their costs usually reflect their level of expertise. Setting budget expectations will establish financial guideposts and improve communication.
4. **Find someone you're comfortable with.**
   When you're interviewing lawyers, start with an open dialogue. You shouldn't be afraid to seek advice or ask questions. Your lawyer should be able to confidently back their guidance with regulatory facts and varied experience.
5. **Look at credentials and seek out testimonials.**
   A firm's website should include a bio page, where you can see a lawyer's education and credentials. You may also consider reaching out to friends and family for recommendations and feedback.

INSURANCE AGENT

Because the functions of community associations are a blend of business, governance, and activities, their insurance needs are unique and specialized. When it comes to community association insurance, there is no one-size-fits-all approach, product, or service.

Your community needs a qualified association insurance agent you can consult to protect the association. A robust insurance program will not only protect your community in the event of a loss, but it's also a pivotal part of fulfilling your board member obligations to the best of your ability. Additionally, it'll help your homeowners rest easier knowing that the board has made sure the association has the appropriate coverage if an event occurs.

What to Look for In an HOA Insurance Agent

The most suitable insurance agent will specialize in community associations and have the Community Associations Institute (CAI) Community Insurance and Risk Management Specialist (CIRMS) designation and other credentials. You should always consider the following before selecting an insurance agent for your community:

- Experience in community association insurance
- Claims processing history
- Participation in professional trade associations
- Professional certifications
- Licensing and bonding

As your board evaluates partners, it's helpful to know that CAI extends CIRMS designation to individuals with extensive education and experience in community association insurance. And the right agent or broker will confirm the association is adequately insured for every relevant risk. Looking out for these traits will ensure you find an expert that'll become a valued business partner for years to come.

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Designed as an all-in-one solution for managing communities, TownSq delivers the most complete, mobile community experience by helping you connect, collaborate, and stay informed on everything happening in the community—any time on any device.

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**TownSq may not be available in all areas. Check with your community management team for more details.*

CERTIFIED PUBLIC ACCOUNTANT (CPA)

While the treasurer is responsible for the association funds and maintaining all the board's financial records, many associations continue to be required—both by their governing documents and law—to engage the services of a Certified Public Accountant (CPA).

The right third-party CPA is an invaluable asset and will ensure financial accuracy, eliminate bias, and confirm your association adheres to all regulations. Your CPA will help conduct audits, prepare tax returns and annual financial reports, report results to community members, and more.

3 Questions to Ask When Selecting a CPA for Your HOA

As with any service provider, it's essential to do your homework before partnering with a CPA—especially during tax time. If your association doesn't have a CPA, ask these questions during the hiring process:

1. **Do you have experience with HOAs?**
   Understanding the ins and outs of HOAs can be complicated, so it's important to find a CPA who specializes in the community association industry. When choosing a CPA, have them detail their experience with HOAs, provide references from similar-sized communities, and ask about any designations or credentials that would qualify them to represent your community.

2. **How much are your tax services?**
   Ask about the CPA's annual fee for tax preparation, as well as their firm's fee increase history. You don't want any surprises during tax time.

3. **Do you have time to take on another client?**
   It's no secret that CPAs are very busy during the first four months of the year. Make sure he or she has the time and ability to provide tax services for your HOA. There can be penalties if you don't file a tax return annually.

RESERVE SPECIALIST (RS)

Ensuring the association's reserves are properly funded is a crucial board responsibility. Hiring a Reserve Specialist or professional Reserve Analyst to perform a reserve study is the best way to plan and budget a reserve fund.

A reserve study looks at reserve accounts and analyzes all foreseeable capital improvements and repairs. For example, suppose there's a clubhouse with a roof that needs to be replaced every ten years. In that case, the reserve study will advise how much and how quickly your association needs to save to make the repair at the appropriate time.

4 Tips for Vetting a Reserve Specialist

Your board should always do the following prior to finalizing any contracts or partnerships with a Reserve Specialist:

1. **Review laws.**
   Not all states require reserve funds or reserve studies. Review your local and state laws for more information and ensure adherence before proceeding.

2. **Read the governing documents.**
   Check your association rules to guarantee reserve studies are completed within the proper time frame. If you live in a community without guidelines, work with a trusted advisor to implement them and make recommendations.

3. **Confirm certifications.**
   A qualified preparer will hold a reserve specialist designation. According to the Community Associations Institute (CAI), to earn the RS designation, one must do the following:
   - Prepare at least 30 reserve studies within the past three full calendar years.
   - Hold a bachelor's degree in construction management, architecture, or engineering (or equivalent experience and education).
   - Comply with strict rules of conduct outlined by the Professional Reserve Specialist Code of Ethics.
   - Pay the application fee.

4. **Get a price quote.**
   The cost of a reserve study varies with the size and complexity of your association. The price of a first-time reserve study for a small HOA typically starts at $2,400. Don't forget to plan and budget for this expense.

ADDITIONAL SERVICE PROVIDERS

In addition to the partnerships with your management company and professional advisors, you'll work with service providers to maintain and enhance your community. While needs vary, most associations employ service providers for:

- Landscaping
- Pool Services
- Maintenance & Repairs
- Fire Prevention
- Restoration & Construction

8 Tips for Choosing the Right Vendors for Your HOA

Here are our top tips for picking vendors to keep your community running smoothly:

1. Start with your governing documents.

Governing documents are the starting point for every new vendor relationship. Each community is unique, and you must understand the board's authority to find, select, and pay for a vendor.

2. Choose between an employee and an independent contractor.

You may need to choose between hiring an association employee or using an independent contractor. Each has advantages and disadvantages. Weigh your options or seek guidance from your advisors.

3. Determine your budget and stick to it.

Smart money management is crucial for board members. When something needs outside help, you must allocate funds to get it done. Set a budget, stick to it, and get all approvals before finalizing.

4. Interview and get quotes from multiple vendors.

It's a good idea to avoid going with the first bid you receive. Interview multiple people and obtain several quotes so that you have all the information necessary to make the right call.

5. Check references.

Before jumping into a relationship, ask for references. Contact past and current clients to ensure what they say they can do matches their track record. You may also want to explore online ratings.

6. Verify credentials, licenses, and insurance.

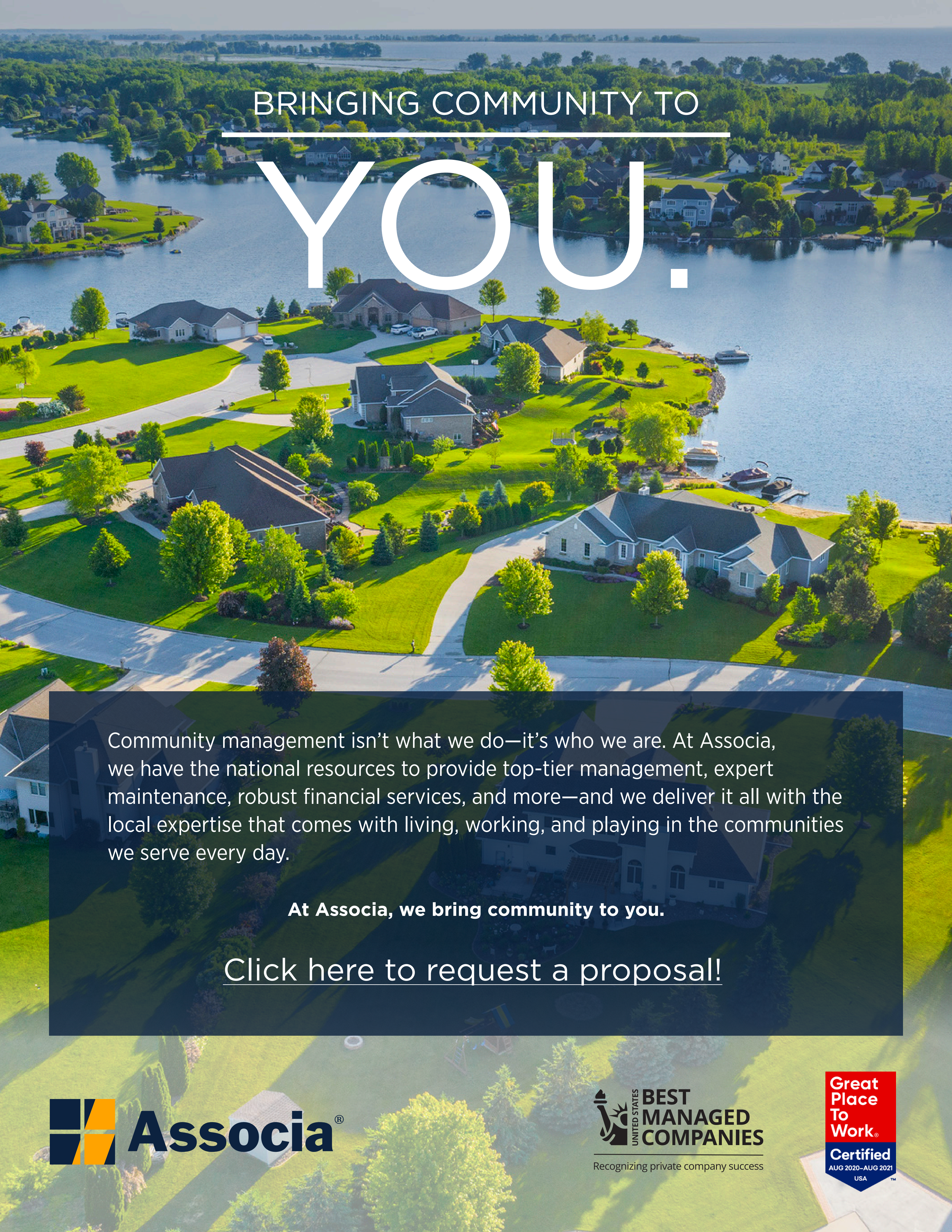
Most states require vendors to be licensed. Without the appropriate license, vendors can't acquire insurance. Without the proper paperwork, your association may be liable for accidents, injuries, or property damage. Only work with pre-approved vendors and always verify credentials.

7. Consider more than just the price.

It's tempting to pick a vendor based on the lowest bid; however, this could end up costing you. Licenses and other business fees are expensive; if a quote sounds too good to be true, it might be.

8. Review your contracts.

Typically, the final step will be signing a vendor contract or agreement. Protect your community by reading through the contract with your lawyer before inking the deal.


BRINGING COMMUNITY TO
YOU.
Community management isn't what we do—it's who we are. At Associa, we have the national resources to provide top-tier management, expert maintenance, robust financial services, and more—and we deliver it all with the local expertise that comes with living, working, and playing in the communities we serve every day.
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