

Evaluating Management



By Richard Berendson

MANAGING AGENT PERFORMANCE

In evaluating the performance of the managing agent and the management firm. Three significant areas of the manager's role are reviewed: relations with the board, maintaining a high occupancy rate and decreasing vacancies, ensuring effective collection of monthly charges, and minimizing delinquencies. For each of these areas, the manager's job responsibilities are listed. An evaluation form for use by the board in reviewing management's performance is also presented for each area.

This session begins with a discussion of the evaluation process, which includes four steps that the board can use when reviewing the effectiveness of the management agent. This procedure uses a form on which the board can record its evaluation. The small group task provides you with an opportunity to gain experience by evaluating a hypothetical managing agent's performance. This task also allows you to practice your skills in giving feedback to the manager.

We then review the manager's role in occupancy and vacancy and provide a checklist of the manager's job responsibilities for maintaining a high occupancy rate and reducing vacancies. The board can use this checklist when reviewing the co-op manager's performance regarding occupancy.

The third part of this session focuses on the manager's role in collecting monthly housing charges and keeping delinquencies to a minimum. A checklist of the manager's job responsibilities in this area is also provided for the board of directors' use. By completing Session 3, you will have reviewed the managing agent's major areas of job responsibility. You will have learned to use various evaluation forms to monitor the manager's performance in these areas. Each of you will be prepared to apply these methods to ensure effective managing agent performance in your cooperative.

THE MANAGER'S ROLE IN BOARD RELATIONS

One of the managing agent's major areas of job responsibility is working with the board of directors. These responsibilities fall into five categories: (1) following board policy, (2) following board directives, (3) keeping the board informed, (4) providing access to all coops records, and (5) attending board meetings. Vito, ensure good relations with the board. A listing of these job responsibilities follows.

Manager's Role in Board Relations:

A Checklist of Job Responsibilities

The co-op manager:

1. Follows board policy

- a. Follows collection policy set by board
- b. Follows membership application and approval policy set by board
- c. Follows all other written board policies
- d. Does not make decisions contrary to the board's written policy

2. Follows board directives

- a. Acts on board directives as required
- b. Reports to board between meetings as requested on progress in implementing directives
- c. Reports monthly to the board on the progress of implementing directives

3. Keeps board informed

- a. Provides board with a complete financial report at least three days before board meetings
- b. Provides board with current occupancy and delinquency reports
- c. Provides board with monthly maintenance report
- d. Provides manager's reports at least three days before monthly board meetings
- e. , Reports boarding on problems with membership, personnel, finances, buildings, grounds, etc.
- f. Reports on the progress of current projects, such as street repairs, annual inspections, and building repairs
- g. Reports to the board any urgent problems or correspondence between meetings

4. Provides access to all co-op records

- a. Makes co-ops records available to the board upon request
- b. Makes correspondence readily available to the board

5. Attends board meetings

- a. Attends at least one regularly scheduled board meeting per month
- b. Attends annual membership meetings
- c. Attends other meetings as requested by the board (committee, special membership, local government meetings)

Based on these job responsibilities, the management agent's performance in relation to the board can be evaluated. On the following page is a form for reviewing the manager's performance in relation to the board. The form gives board members an opportunity to rate how often the managing agent fulfills each area of responsibility. It also provides space for the board to list how well the managing agent did in each area and what specific improvements might be needed. The board may use this form in its evaluation of the managing agent. In addition, this model form can be used to evaluate the manager's performance in other areas the board feels are important. (For this reason, we include a second copy of this form in which the areas of responsibility are left blank. The board can use this second form by filling out additional areas in which it feels the managing agent should perform.) The steps the board should follow in evaluating the manager's performance are discussed in the next section.

MANAGING AGENT PERFORMANCE REVIEW FORM:

Job Responsibilities of the Board

Cooperative: _____ Date: _____

Management Company: _____

Job Performance: How did the manager fulfill responsibilities? If performance was outstanding, describe how. If improvement is needed, list specific changes that should be made.

Never
Sometimes
Often
Always

1. FOLLOWS BOARD POLICY*

____ _

The goal for the Next Evaluation:

2. FOLLOWS BOARD DIRECTIVES*

____ _

The goal for the Next Evaluation:

3. KEEPS BOARD INFORMED*

____ _

The goal for the Next Evaluation:

4. PROVIDES ACCESS TO RECORDS*

____ _

The goal for the Next Evaluation:

5. ATTENDS BOARD MEETINGS*

____ _

The goal for the Next Evaluation:

* Use the list of job responsibilities when completing this chart.

MANAGING AGENT PERFORMANCE REVIEW FORM:

Job Responsibilities concerning the Board

Cooperative: _____ Date: _____

Management Company: _____

Job Performance: How did the manager fulfill responsibilities? If performance was outstanding, describe how. If improvement is needed, list specific changes that should be made.

Never	Sometimes	Often	Always
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1.	_____	_____	_____	_____
----	-------	-------	-------	-------

The goal for the Next Evaluation: _____

2.	_____	_____	_____	_____
----	-------	-------	-------	-------

The goal for the Next Evaluation: _____

3.	_____	_____	_____	_____
----	-------	-------	-------	-------

The goal for the Next Evaluation: _____

4.	_____	_____	_____	_____
----	-------	-------	-------	-------

The goal for the Next Evaluation: _____

5.	_____	_____	_____	_____
----	-------	-------	-------	-------

The goal for the Next Evaluation: _____

STEPS IN THE EVALUATION PROCESS

Both the model evaluation form and the listing of job responsibilities can be used in evaluating the managing agent's functioning in relation to the board. In conducting this evaluation, there are four steps. First, each board member fills out the evaluation form separately. Each director should review the listing of job responsibilities while filling out the form. By having each director independently evaluate the managing agent, you can make sure that each person's perspective will be represented. In step two, the board meets and arrives at a consensus on the evaluation. At this stage, board members review their assessments and arrive at a group decision on how well the managing agent has done in each area of responsibility. Step three requires that the board meet with the manager and review its evaluation with the agent. In this step, board members use their evaluation to tell the manager how they regard their performance. In step four, the board and manager agree on needed changes. Through discussion with the manager, goals are set for improvements during the next evaluation period. This step ensures that performance can be improved if necessary. To accomplish this, the board and manager must agree on improvements or changes that should take place during the period between the current and the subsequent evaluation. It is generally a good idea to schedule performance reviews quarterly or bi-annually. The established goals should also reflect what can be accomplished within that period.

A summary of these steps follows.

Steps in the Evaluation Process

1. Each board member individually reviews the manager's job responsibilities and fills out an evaluation form.
2. Board meets and arrives at a consensus on the evaluation.
3. Board meets with the manager to review and discuss the evaluation.
4. Board and manager agree on goals for improvements to be made during the next evaluation period.

EVALUATING THE MANAGEMENT AGENT: SMALL GROUP TASK, PART 1

It is the board's responsibility to review and evaluate the managing agent's performance. To perform this review, the board must consider the manager's job responsibilities. In this small group task, we focus on the manager's responsibility to the board. You can use the evaluation process that has just been described.

You will also have an opportunity to practice providing the manager with feedback based on the results of your assessment.

Instructions:

1. Working individually first, read the Management Performance Description, and then review the list of job responsibilities (Manager's Role in Board Relations). You should complete the Managing Agent Performance Review form based on this review.
2. When you have all completed your evaluations individually, you should work as a group to arrive at a consensus evaluation. First, choose a spokesperson and recorder. Discuss the manager's performance for each area of job responsibility and arrive at a group evaluation. Record the group's assessment on the newsprint. Each group will be responsible for completing the following areas of the review.

Group I - Areas 1 and 2: Board Policy and Board
Directives

Group II - Areas 2 and 3: Board Directives and Keeping
the Board Informed.

Group III - Area 3 and 4: Keeping the Board Informed and
Access to Records

Group IV - Areas 4 and 5: Access to Records and Attends
Board Meetings

Small Group Materials:

1. Management Performance Description
2. The Manager's Role in Board Relations: Job Responsibilities
3. Management Agent Performance Review form

MANAGEMENT PERFORMANCE DESCRIPTION

You are a board member of a five-year-old, 300-unit 221(d)(3) cooperative in a large city. The past board of directors signed a contract with XYZ Management Company. The agreement terminates one year from today. The management company assigned Mr. Jones as the on-site manager.

Mr. Jones attends all regularly scheduled board meetings. The owner of the management company has observed board meetings occasionally upon request of the board. Mr. Jones never has the financial report ready for the board meetings. He is always one month behind. He gives the excuse that he does not have enough time to prepare it as the board meetings are held on the first Tuesday of the month. Mr. Jones does submit a manager's report at each board meeting.

Last month, Mr. Jones was directed by the board to purchase a new garbage dumpster and had it installed in Court 2. This has not been done yet. Upon investigation, the board president was told by Mr. Jones that the board secretary asked him to hold off until the next meeting, saying that he (the secretary) might be able to convince the board of the uselessness of this expense.

The collection policy established by the board requires a quit notice (10-day) to be sent to members who have not paid by the fifteenth of the month. If payment is not received by the twenty-fifth, eviction action is to begin. Member I.M. Slow appears on the delinquency list every month as being 45 days delinquent. The board asked the treasurer to review this member's file and report. The treasurer appeared at the co-op office at 5 p.m. and asked Mr. Jones to check the file. Mr. Jones refused, saying he had an appointment downtown at 5:30 p.m. and had to leave. Mr. Jones noted goodbye and left.

One unit has been challenging to keep occupied because of its location. It has been vacant for five months. A family needing immediate housing filled out an application made a partial down payment, and was allowed to move in that same day. Mr. Jones explained that he took this action, knowing the board wanted that unit to produce income as soon as possible.

Manager's Role in Board Relations:

A Checklist of Job Responsibilities*

The co-op manager:

1. Follows board policy

- a. Follows collection policy set by the board
- b. Follows membership application and approval policy set by the board
- c. Follows all other written board policies
- d. Does not make decisions contrary to the written board's policy

2. Follows board directives

- a. Acts on board directives as required
- b. Reports to board between meetings as requested on progress in implementing directives
- c. Reports monthly to the board on the progress of implementing directives

3. Keeps board informed

- a. Provides the board with a complete financial report at least three days before board meetings
- b. Provides board with current occupancy and delinquency reports
- c. Provides board with a monthly maintenance report
- d. Provides manager's reports at least three days before monthly board meetings
, Reports boarding on problems with membership, personnel, finances, buildings, grounds, etc.
- e. Reports boarding on the progress of current projects, such as street repairs, annual inspections, and building repairs
, Reports to the board any urgent problems or correspondence between meetings

4. Provides access to all co-op records

- a. Makes co-op records available to the board upon request
- b. Makes correspondence readily available to the board

5. Attends board meetings

- a. Attends at least one regularly scheduled board meeting per month
- b. Attends annual membership meetings
- c. Attends other meetings as requested by the board (committee, special membership, local government meetings)

* For use with Managing Agent Performance Review Form

MANAGING AGENT PERFORMANCE REVIEW FORM:

Job Responsibilities in Relation to the Board

Cooperative: _____ Date: _____

Management Company: _____

Job Performance: How did the manager fulfill responsibilities? If performance was outstanding, describe how. If improvement is needed, list specific changes that should be made.

Never
Sometimes
Often
Always

1. FOLLOWS BOARD POLICY*

____ _

The goal for the Next Evaluation:

2. FOLLOWS BOARD DIRECTIVES*

____ _

The goal for the Next Evaluation:

3. KEEPS BOARD INFORMED*

____ _

The goal for the Next Evaluation:

4. PROVIDES ACCESS TO RECORDS*

____ _

The goal for the Next Evaluation:

5. ATTENDS BOARD MEETINGS*

____ _

The goal for the Next Evaluation:

* Use the list of job responsibilities when completing this chart.

GIVING FEEDBACK TO THE MANAGER: SMALL GROUP TASK, PART 2

Once the board has completed its evaluation by reviewing the manager's job responsibilities and completing the evaluation form, it is then essential to share its assessment with the manager. The goal of an evaluation is to let the manager know the board's perspective and plan for improvement in performance. It is possible to plan with the manager to make future improvements. To be successful, the board must decide how feedback to the manager will be given. Who will provide the input? What will be the role of other group members? What should be the outcome of the evaluation? The manager should personally give feedback during a meeting in which the board's conclusions are discussed. The board and the manager should review each area of responsibility and plan for future changes. The managing agent should be given a copy of the evaluation report, including the goals for improvement.

A group leader will play the role of manager. Spend fifteen minutes giving the manager feedback about their functioning. Then spend another ten minutes discussing with the manager the process of providing feedback—how the group felt it did in reviewing the manager's performance—record suggestions for improving the feedback process on the newsprint.

Instructions

- 1 . Decide how feedback will be given to the manager.
- 2 . Choose a spokesperson to give feedback.
- 3 . When the manager arrives, give feedback on performance.
- 4 . Group and manager discuss the feedback process.
- 5 . Record on newsprint the group's suggestions for improving the process.

THE MANAGER'S ROLE IN OCCUPANCY AND VACANCY

It can never be emphasized too much: co-ops are nonprofit organizations that receive most of their income from carrying charges. Keeping the co-op occupied as fully as possible is necessary to generate sufficient revenue. A vacancy means loss of income. Vacancies must be kept to a minimum at all times. To guarantee full occupancy, advertising campaigns must be well-directed and the sales office well-informed. The appearance of the co-op must be inviting. All procedures must be geared to cut down the number of vacancy days. One of the manager's most essential functions is to keep income up by keeping vacancies down.

In this session, we will look at the management's responsibility areas and rate the manager on performance of specific tasks. Management either does or does not do certain jobs or doesn't carry out its responsibilities. If vacancies are a problem, effective action must be taken to tackle the problem; there can be no half-measures.

While working on this problem area, the task force came up with many essential ideas regarding this management responsibility, but we do not believe we have covered everything.

The task force has also developed a list of questions about each area. Each board may come up with additional responsibilities which have not been considered. We will discuss this after we create a list of the manager's duties as a group.

Five areas of management responsibility for occupancy have been identified. Let us determine what job responsibilities the manager has in each room.

Physical Appearance:

It is hard to sell a co-op that looks bad. A run-down, seedy-looking co-op turns away potential applicants. It is the manager's responsibility to keep the co-op attractive. Grass should be cut, weeds pulled, and painting is done. Take a walk through your co-op and look hard at everything. Would you move into the place if you were an applicant?

Sales Office:

Prospective applicants get some of their first impressions of the co-op from the sales office. If management runs the sales office, the manager must be evaluated on the office's appearance. Office hours must be long enough so that people with jobs can find the office open. Saturday and Sunday hours may be necessary. The board should insist that salespeople act and appear professional. They must have good telephone manners and enough knowledge of how a co-op operates to answer an applicant's questions. Sales can be lost in the office. Evaluate the manager's performance very closely here, as it is essential.

Advertising:

The board should budget enough money for advertising, and the manager should evaluate how effective it is. Radio, TV, newspapers, and handbills can be used. If you are seeking families, don't advertise on rock radio stations. A large, eye-catching newspaper ad with cartoons or pictures that runs once a week can be more effective than a daily ad that is lost because of its similarity to others. Your manager should be able to report to you on the impact of the ads. Advertising should continue even if all units are filled to create a waiting list. You can judge advertising effectiveness by the number of inquiries you receive.

Procedures:

Time is of the essence with vacancies. Management procedures should provide for move-out notices, move-outs and move-ins, move-out and move-in inspections, and rehabilitation of units. Reasonable procedures for all of these are necessary to keep delay to a minimum. If your manager doesn't have these procedures, insist they be developed.

Record Keeping:

It's necessary to keep records so that you can keep track of just how the co-op stands in its fight against vacancies. Management should not only keep track of vacant units but vacancy days. Records should be kept, so that information on each unit is immediately retrievable.

The process we have followed in defining management responsibilities for maintaining full occupancy is one that your board can use.

On the next page, you will find a checklist of the manager's job responsibilities for maintaining occupancy. Your board can use this checklist in evaluating the manager's performance on occupancy. The board may add any additional items it feels are necessary. We hope you will make copies of this checklist and use it in your cooperation to evaluate your manager.

Evaluating the Manager's Performance on Occupancy:
A Checklist of Job Responsibilities

	YES	NO
Physical Appearance:		
1. Are the shrubs trimmed?	_____	_____
2. Is the area weeded?	_____	_____
3. Is the grass mowed and edged?	_____	_____
4. Is the fencing in good repair?	_____	_____
5. Are trash collection stations kept clean?	_____	_____
6. Are parking lots clean and in good repair?	_____	_____
7. Has the litter been picked up?	_____	_____
8. Are screens and panes of glass in good repair?	_____	_____
9. Are building exteriors well maintained?	_____	_____
Sales Office:		
1. Do onsite personnel know about co-ops?	_____	_____
2. Is the office aware of board policies	_____	_____
3. Is the sales office clean and neat?	_____	_____
4. Are office hours convenient for potential applicants?	_____	_____
5. Does the sales office show only clean units?	_____	_____
6. Does the office get complete application information for the membership committee (credit check, employment verification, previous landlord check, etc.)?	_____	_____
7. Are applicants selected on a "first-come" basis?	_____	_____
8. Does the office maintain a waiting list?	_____	_____
Advertising:		
1. Has management proposed an advertising campaign?		
2. Is the cost reasonable for its effectiveness?		
3. Can the manager show the board results of the advertising?	_____	_____
4. Are the ads aimed at the people the co-op wants as members?	_____	_____
5. Are the ads eye-catching?	_____	_____
Procedures:		
1. Does management inform members of all the procedures?		
2. Is it a procedure for members to give advance notice of intent to move out?	_____	_____

**Evaluating the Manager's Performance on Occupancy: A Checklist of Job
Responsibilities, Cont.**

Procedures:	YES	NO
3. Does rehabilitation of units start within one day of move-out?	_____	_____
4. Is there an immediate inspection of units at move-out?	_____	_____
5. Does management conduct a move-in unit inspection with the new member?	_____	_____
6. Does management have an effective maintenance procedure for answering members' requests for service?	_____	_____
Records:		
Are complete, accurate records kept on:		
1. Number of telephone calls or walk-ins?	_____	_____
2. Number of vacant units and vacancy days?	_____	_____
3. Upcoming move-outs?	_____	_____
4. Are Units ready for immediate occupancy?	_____	_____
5. Rehabilitation costs?	_____	_____
6. All vacant units?	_____	_____

THE MANAGER'S ROLE IN COLLECTIONS & DELINQUENCIES

Delinquencies can become terminal cancer for any cooperative, and the board of directors cannot tolerate them. A delinquent unit can be worse than a vacant one. Delinquencies can grow like a snowball racing downhill. More and more members may begin to think, "If my neighbor doesn't pay his carrying charges, why should I?" Delinquencies affect the cash flow position of the co-op and can keep the co-op from paying its bills. Your co-op cannot afford to let this happen.

The board of directors is responsible for the status of delinquencies. It should expect management to deal efficiently and effectively with the problem, following board policies, suggesting policy improvements, aiding in the development of sound procedures, and coordinating activities with the attorney. In exercising this responsibility, the board is obligated to evaluate the manager's performance. A delinquency problem can be related to how well and how promptly the manager collects the monthly carrying charges. The goal of the manager should be to maximize collections and minimize delinquencies.

The task force developed a method for evaluating the manager's performance in this area. This method accomplishes the following:

1. Outlines areas in which the manager has the essential responsibility for controlling delinquencies and shows how to assess them
2. Demonstrates a step-by-step method of collections that can reduce delinquencies while providing a means for evaluating the manager's performance in this area
3. Equips you with the necessary knowledge and materials for doing this evaluation

This method of evaluation includes three areas: collections, delinquencies, and evictions.

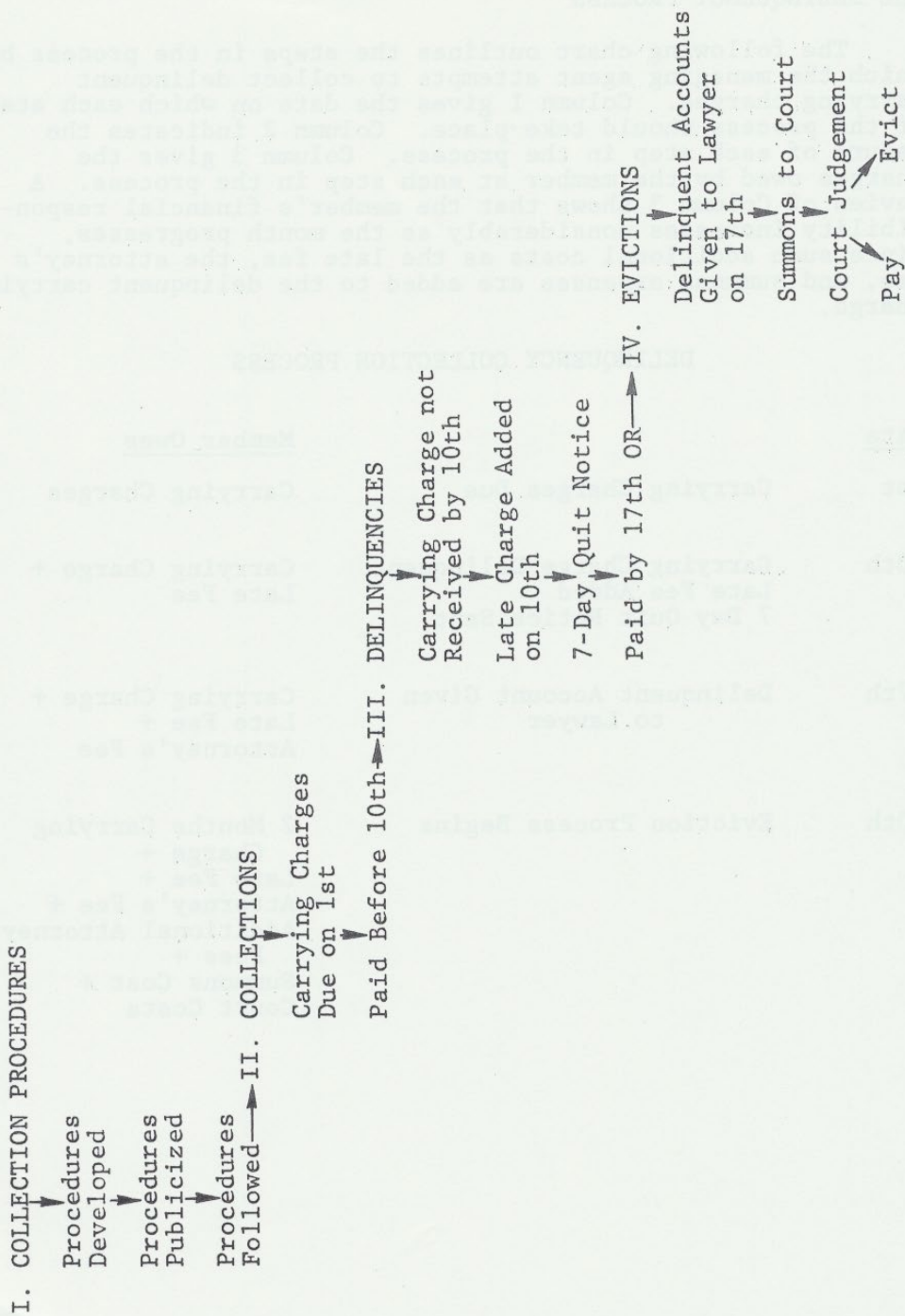
The manager must have a written collection and delinquency procedure that is with board policy. Policy and practice must be published and understandable to everyone in the co-op. The written procedures must include the action that will be taken, step by step, if a person is delinquent. The manager must consistently follow the process without favoritism in granting waivers in response to members' appeals. Only the board can permit deviation from procedures.

Management is responsible for completing and presenting an accurate, monthly, unit-by-unit delinquency report. The manager should identify trends in delinquency and report them to the board. This allows the board to see whether the cooperative experiences more delinquencies at certain times of the Year, such as at Christmas and when school opens.

If eviction becomes necessary, the manager is responsible for encouraging the attorney to act promptly in filing the papers and appearing in court. The manager must collect from evicted persons and report the collection status of every unit by member's name, address, unit number, and amount and dates paid and owed. This report includes all actions taken before and after evictions, including uncollectible.

On the following page, there is a flowchart of the collection and delinquency process. This flowchart specifies each stage, from the initial development of the collection procedures to evictions. The board should ensure that the manager has proper procedures for each step.

FLOWCHART OF THE COLLECTION & DELINQUENCY PROCESS



THE DELINQUENCY PROCESS

The following chart outlines the steps in the process by which the managing agent attempts to collect delinquent carrying charges. Column 1 gives the date on which each process step should take place. Column 2 indicates the nature of each step in the process. Column 3 gives the charges owed by the member at each step in the process. A review of Column 3 shows that the member's financial responsibility increases considerably as the month progresses since such additional costs as the late fee, the attorney's fee, and summons expenses are added to the delinquent carrying charge.

DELINQUENCY COLLECTION PROCESS

<u>Date</u>		<u>Member Owes</u>
1st	Carrying Charges Due	Carrying Charges
10th	Carrying Charge Delinquent Late Fee Added 7-Day Quit Notice Sent	Carrying Charge + Late Fee
17th	Delinquent Account Given to Lawyer	Carrying Charge + Late Fee + Attorney's Fee
30th	Eviction Process Begins	2 Months Carrying Charge + Late Fee + Attorney's Fee + Additional Attorney's Fees + Summons Cost + Court Costs

EVALUATING THE MANAGER'S ROLE IN COLLECTIONS AND DELINQUENCIES: A CHECKLIST OF JOB RESPONSIBILITIES

The manager must perform specific tasks to maximize collections and minimize delinquencies. These tasks or job responsibilities are summarized in the checklist presented on the following page. For each particular item, the board should check "Yes" or "No," depending on whether the manager performs that specific task. The board should then determine how well the manager performs in collections. This information should then be reviewed with the manager, and goals for improvement should be set.

A board may add to the checklist other tasks its manager must perform to solve its cooperative's collection or delinquency problems. We hope you will take this form, make copies, and regularly use it in your cooperative to review your manager's performance.

The Manager's Role in Collections And Delinquencies:
A Checklist of Job Responsibilities

A. COLLECTION:

YES, NO

Does the manager:

- | | | | |
|-----|---|-------|-------|
| 1 . | Have an effective collection procedure? | _____ | _____ |
| 2 . | Have the procedure in written? | _____ | _____ |
| 3 . | Make members aware of collection policies? | _____ | _____ |
| 4 . | Consider income and ability to pay in screening applicants? | _____ | _____ |
| 5 . | Follow collection procedures without exceptions? | _____ | _____ |
| 6 . | Adhere to the action dates for late charges, delinquency, and eviction notices? | _____ | _____ |
| 7 . | Give the board monthly accountings of collectibles? | _____ | _____ |
| 8 . | Give the board monthly delinquency reports? | _____ | _____ |

B. DELINQUENCIES

Does the manager:

- | | | | |
|-----|--|-------|-------|
| 1 . | Have an effective procedure for collecting delinquencies? | | |
| 2 . | Have the procedure in written? | _____ | _____ |
| 3 . | Identify delinquency trends and make recommendations to the board on ways to reduce delinquencies? | _____ | _____ |
| 4 . | Control members request that the board waive the policy. | _____ | _____ |

C. EVICTIONS

Does the manager:

- | | | | |
|-----|--|-------|-------|
| 1 . | Initiate and oversee the eviction procedure for accounts 30 days delinquent? | _____ | _____ |
| 2 . | Keep written proof of having initiated quick action by the attorney? | | |
| 3 . | Provide monthly eviction reports? | _____ | _____ |
| 4 . | Attempt to collect all money owed before and after evictions? | _____ | _____ |
| | | _____ | _____ |

Now that the checklist has been completed let us discuss the importance of each item.

A. COLLECTION

1. Does the manager have an adequate collection procedure?

The manager's collection procedure should be so effective that 95 percent of all accounts are paid on time. A co-op with 200 units should have no more than ten monthly delinquent members. The procedure must be consistently enforced without favoritism. Effective collection procedures can lessen delinquencies.

2. Is the collection procedure in writing?

All companies have collection procedures. The best are written so that they encourage consistent practice. The reported method is a reference for management, board members, co-op members, and others, such as the co-op's attorney and the courts.

Written procedures are the most excellent protection for boards of directors. Members who incur charges when they move out sometimes accuse the board of unfairness. A good, written policy can help prove that the board and manager followed regular procedures.

If the procedure is not written, it may not be consistently enforced. Past practice becomes the policy with the board and management operating on memory, which is usually faulty. Considering the usual turnover of directors, it isn't easy to have carryover over policy if it is not written.

3. Does the manager make members aware of collection policies?

The manager should publicize the collection policy and the procedure and make sure that members are thoroughly familiar with them. The membership orientation meeting before move-in is an excellent time to make new members aware of the collection policy.

4. Does the manager consider income and ability to pay when screening applicants?

When the co-op accepts members with insufficient income to pay carrying charges, it is admitting a potential delinquent account and inviting financial trouble. Some applicants may need to be turned down because of inadequate income. The manager should consider initially screening applications for the ability to pay and inform those who do not meet minimum income requirements that they cannot be accepted.

The board should be sure its collection policies are legally acceptable. HUD has some income guidelines for certain types of cooperatives. If necessary, the board should consult with its attorney or HUD on this matter.

5. Does the manager follow the collection procedure without exception?
The manager should never change the procedure for anyone. Only the board has this right, and exceptions should be made only infrequently. Management should also discourage such matters from being brought before the committee.
6. Does the manager adhere to the action dates for late charges and delinquency, and eviction notices?
The manager should follow these procedures without variation. For example, late charges should be added by the tenth, and a seven-day notice to pay or be evicted should be sent. A standard eviction procedure is to begin processing delinquent accounts for court judgments on the seventeenth of the month.
7. Does the manager give the board monthly accountings of collectibles?
The board should be given accountings of uncollectables as they occur. Collectables should be summarized at least annually.
8. Does the manager give the board monthly delinquency reports?
Delinquencies should be reported, by unit, with amounts owed and actions taken by management.

B. DELINQUENCY

1. Does the manager have an effective procedure for collecting delinquencies?
If the board has a good policy, the manager has a guide for collecting from delinquent individuals. The manager must effectively develop the procedure for collecting delinquencies. This must involve following up on outstanding accounts, making sure that late notices are sent, and requiring prompt payment.
2. Does the manager have the procedure in writing?
The management's procedures on delinquency must be consistent with the boards. Management should practice what the board spells out in its policy.
3. Does the manager identify delinquency trends and recommend ways to decrease them to the board?
The manager should review the delinquency problem and look for trends, making recommendations for eliminating or reducing periods of peak delinquencies.

4. Does the manager control membership request that the board waives policy?

Managers should not encourage members to appeal to the board for a waiver of policies. It is the manager's duty to support the policy by discouraging members who are in arrears from appearing before the board. When a member has a legitimate problem, however, an appeal to the board may be appropriate.

C. EVICTIONS

1. Does the manager initiate and oversee the eviction Procedure for accounts thirty days delinquent?

The manager must initiate eviction procedures on accounts not paid by the seventeenth. All accounts thirty days delinquent should be processed for court action.

2. Does the manager keep written proof of having initiated quick legal action by the attorney?

The manager should be able to produce records that show that accurate information has been sent to the attorney within prescribed time limits.

The attorney needs timely notice and good information to act promptly against delinquents. If the board finds there is a period of sixty days or more before a person is evicted, the actions of the manager and the attorney should be reviewed.

3. Does the manager provide the board with monthly eviction reports?

The status of evictions is part of the manager's monthly report. It can be part of the delinquency report and include the collection status on each unit.

4. Does the manager attempt to collect all money owed before and after eviction?

The manager should attempt to collect all the money owed by a delinquent member and continue to try to gather once a person is evicted. Some co-ops use collection agencies. An outstanding person may try to negotiate a settlement before going to court. The manager should discourage the attorney from arranging out-of-court settlements.

SUMMARY

In this session, we have reviewed the responsibilities of the managing agent in relation to the significant areas of job performance. The first area was the manager's responsibility regarding the board of directors. We provided a list of job responsibilities for maintaining good relations with the board. We also presented a procedure and form the board can use in reviewing the manager's performance. You had an opportunity to practice using this form and giving the manager feedback by performing the small group task. We then discussed the second central area of the manager's responsibility, maintaining a high occupancy rate and decreasing vacancies. We provided a list of each manager's responsibilities, ensuring that the co-op was fully occupied. A checklist of specific job responsibilities, which the board can use in reviewing the manager's performance on occupancy, was provided. Finally, we discussed the manager's role in collections and delinquencies, reviewing the steps in the delinquency process. The checklist form of collection and delinquency responsibilities were given to the board to use in evaluating the manager's performance in this area.

During the three training sessions, you have received a variety of valuable procedures and forms that you can use in making a comprehensive evaluation of the management of your cooperative. This evaluation includes the board responsibilities, the managing agent's responsibilities, and an assessment of overall cooperative functioning. You learned to use charts and graphs to understand the cooperative's overall functioning. In addition, you received checklists and evaluation forms for the use of your co-op board in its reviews. The next important step is for each of you to take these procedures and forms to your co-op and for each board to begin using the evaluation process which you have learned.