

THE HIGH COST OF HUMAN RESOURCES Is Your Association at Risk?

Your role as a board member may be riskier than you think, particularly if your association employs staff (your community manager or GM counts!). *Local, state, and federal human resources (HR) requirements are complex, and one wrong question during an interview or a mistake in paperwork can lead to major fines and potential litigation.*

You may take on the role of employer yourself or outsource HR duties to a third party that doesn't specialize in association management. Or, perhaps your management company does not have a dedicated HR department or their HR consists of generalists and not specialists (e.g., they have someone who handles payroll, hiring, terminating, etc.).

“Effectively staffing and managing a community requires a unique blend of HR and community management expertise. It’s essential to ensure that your HR and community management team has the specialized knowledge required to keep your association running smoothly and minimize potential risks.”

Michelle Schwartz, Director of Human Resources, FirstService Residential



HR VIOLATIONS

Average Payouts and Penalties

- ▶ **Leaves and Family and Medical Leave Act (FMLA) Violations**
Average payout: \$87,500 - \$450,000¹
- ▶ **i9 Violations**
Average payout: \$234 - \$2,332, per violation^{2,3}
- ▶ **Workers Compensation Violations**
Average payout: \$2,000 - \$40,000⁴
- ▶ **Harassment Claims and Lawsuits**
Average payout: \$50,000 - \$300,000⁵
- ▶ **Illegal Hires**
Average payout: \$375 - \$3,200, per employee⁶
- ▶ **Benefits**
Average payout: \$2,700⁷
- ▶ **Employee Relations – Wrongful Terminations**
Average payout: \$43,400⁸

Without adequate HR support from your management company, you may be putting your board (and association) at risk of costly liability.

To that end, FirstService Residential has a dedicated, robust HR department to attract, train, and retain the best talent for the community, resolve personnel issues, and serve as a resource when questions arise in your community. They also stay up to date on ever-changing legislative requirements and legal changes that affect associations and employers. To learn more about our depth of resources and the importance of support, read [Staffing Risks and HOA Liability: Do We Need HR Support?](#)

1. Compagnon, Allan. 2011. "Presagia's FMLA Guide". How Well Do You Understand The Intricacies Of Compliance?. Presagia. <https://www.presagia.com/wp-content/uploads/2012/01/Whitepaper-Presagia-FMLA-Guide.pdf>. 2. "Penalties". 2020. USCIS. <https://www.uscis.gov/i-9-central/legal-requirements-and-enforcement/penalties>. 3. Maurer, Roy. 2020. "Form I-9 Fines Raised For 2020". SHRM. <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/dhs-form-i9-fines-penalties-raised-2020.aspx>. 4. "Most Common Worker's Compensation Violations - Govdocs". 2013. Govdocs. <https://www.govdocs.com/most-common-workers-compensation-violations>. 5. Mayhew, Ruth. 2019. "Do Companies Try To Settle Harassment Claims Out Of Court?". Small Business - Chron.Com. <https://smallbusiness.chron.com/companies-try-settle-harassment-claims-out-court-68735.html>. 6. "Potential Penalties For Hiring Undocumented Immigrants - Fordmurray Law". 2021. Fordmurray Law. <https://fordmurraylaw.com/potential-penalties-for-hiring-undocumented-immigrants>. 7. "2021 Adjusted Penalties For Health Benefits And Other Employer Plans - Miller Kaplan". 2021. Miller Kaplan. <https://www.millerkaplan.com/2021-adjusted-penalties-for-health-benefits-and-other-employer-plans/>. 8. "Wrongful Termination: How Much Compensation Can I Expect, And What Will A Lawyer Cost?". 2021. Wwww.Nolo.Com. <https://www.nolo.com/legal-encyclopedia/wrongful-termination-claims-how-much-can-i-expect-in-compensation-and-what-will-a-lawyer-cost.html>.

ABOUT FIRSTSERVICE RESIDENTIAL

FirstService Residential is North America's property management leader, partnering with more than 8,500 communities across the U.S. and Canada. HOAs, community associations, condos, and strata corporations rely on our extensive experience, resources, and local expertise to maximize their property values and enhance their residents' lifestyles. Dedicated to making a difference, every day, we go above and beyond to deliver exceptional service. FirstService Residential is a subsidiary of FirstService Corporation (FSV), a North American leader in the property services sector. Find out how we can help your community thrive. Visit www.fsresidential.com/arizona.

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