



When Does Our Self-Managed Association Need a Management Partner? *6 Questions to Consider*

IS AN HOA MANAGEMENT COMPANY RIGHT FOR YOUR COMMUNITY OR BUILDING?

When (or if) you choose to partner with a management company, how do you select the right fit for your association? What kind of support do you *really* need?

Only you and your board can decide what model makes the most sense, but a good place to start is by assessing your association's needs. Start by asking these 6 questions.

If you've decided to go with a management company, how do you find one that's the right fit for your association? Download a free guide with 8 steps for going out to bid: <http://bit.ly/8-Steps-CA>

1. HOW IS OUR BOARD'S TIME BEING SPENT?

Does your board manage day-to-day tasks, oversee vendors, take calls and handle routine (or surprise) maintenance projects? This may not be the most effective use of your time. Successful and thriving boards are not burdened by day-to-day tasks; instead, they spend their time **developing a solid vision and effective policies that propel the community forward.**

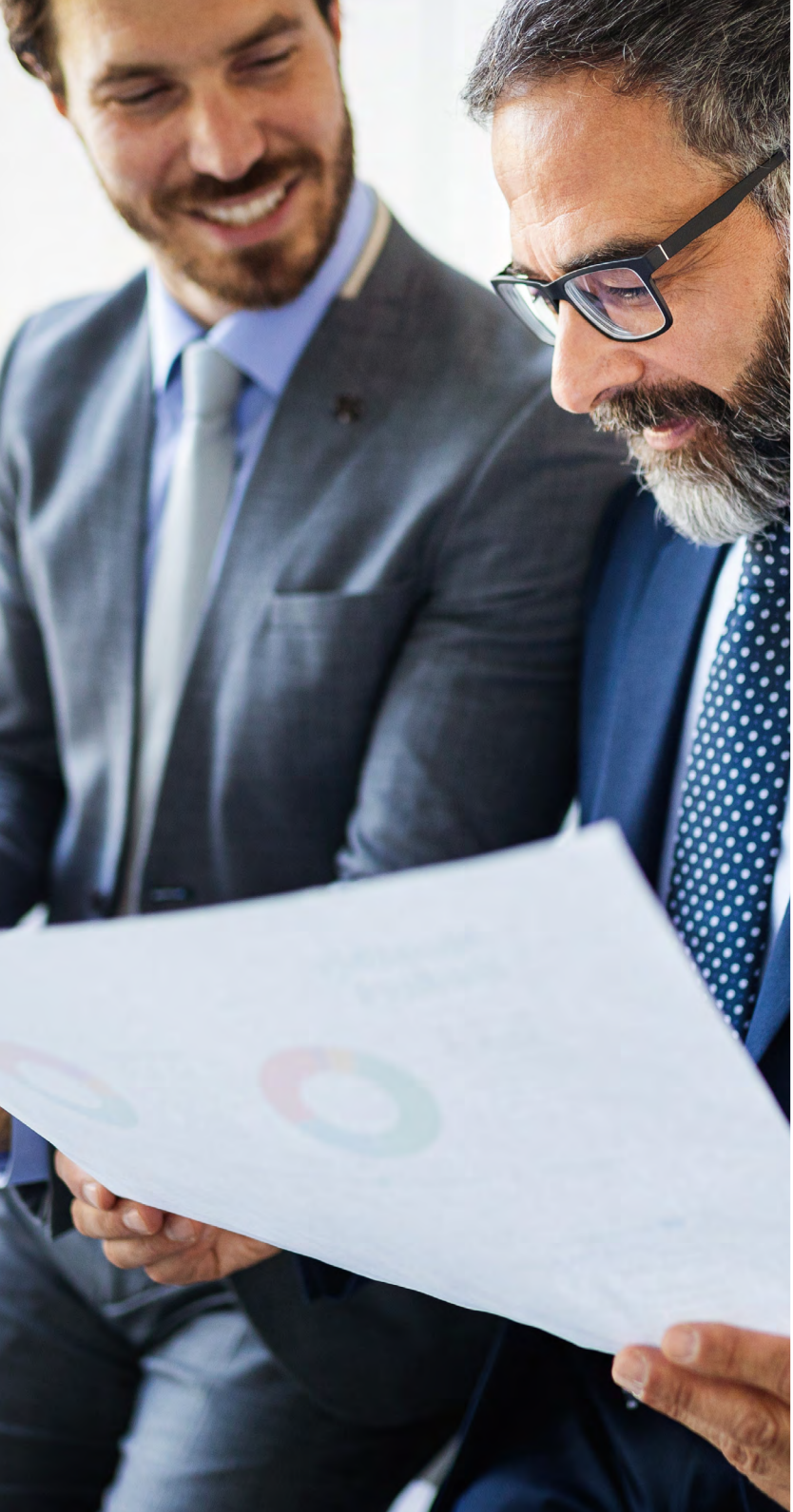
WHEN TO CONSIDER A MANAGEMENT PARTNER:

A management partner can help boards use their time effectively by providing full-time associates that help manage day-to-day tasks, including your association manager, assistant community manager and support team to deliver responsive service. This allows you to operate as a “policy board” and spend your time making decisions that have a profound impact on the association for years to come.

2. WHAT LEVEL OF SERVICE DOES OUR COMMUNITY OR BUILDING NEED?

As mentioned, in a self-managed association, board members often handle many critical responsibilities, from finding and vetting vendors to setting up a community website and managing reserve fund investments. However, spending most of your time on day-to-day tasks *can* have an impact on the service provided to your community or building. **If your board has the experience, knowledge and time to fulfill your duties and maintain a high level of service, property values will remain strong and the community will thrive.**





WHEN TO CONSIDER A MANAGEMENT PARTNER:

If you are looking to maximize your service experience and elevate your association's reputation (which can have a big impact on property values), you may want to consider partnering with a management company. This level of service and responsiveness requires 24/7 attention, knowledge and experience. It also requires action from a team of specialists, including operations, maintenance, finance, collections, legal, lifestyle and customer service.

3. DO WE HAVE THE SUPPORT NEEDED TO SET A VISION AND ACHIEVE OUR GOALS?

Many association boards understand the importance of setting a vision and planning ahead – this helps establish and strengthen your association now and in the future. If you have the resources and support needed to develop your vision, evaluate your plan and accomplish your association goals (even when new board members have joined), you'll be set.

WHEN TO CONSIDER A MANAGEMENT PARTNER:

Consistent support for your vision and strategic plan often requires outside guidance as well as perspectives and best practices from like-minded communities. The best management companies will have the resources and an in-depth network of support (including finance, operations, HR and technology) to help you establish and execute your plan. ***Most importantly, they will work closely with your board to ensure that your community is run according to your association's goals and objectives.***

4. ARE WE EQUIPPED TO HANDLE A MAJOR EMERGENCY?

Well-run associations have the tools, resources and plans to stay strong when a major emergency occurs. Along with a comprehensive emergency plan and communications, they are also financially prepared for unexpected costs associated with a crisis or natural disaster.

WHEN TO CONSIDER A MANAGEMENT PARTNER:

For self-managed properties, one major event can severely strain the budget or create liability risks. In these cases, it's important to have a management company that can not only execute your emergency plan, but provide guidance in the moment. A management partner can help communities and buildings develop detailed and thorough emergency plans and use technologies to distribute on-demand communications (e.g., email, text, auto dialers, etc.).

At the beginning of the COVID-19 pandemic, FirstService Residential provided boards with a Response Guide, which included communication templates and signs, flow charts and guidance for handling various cases.





5. IS OUR ASSOCIATION PROTECTED FROM LEGAL ISSUES?

To protect your association from liability and risk, your board must have a thorough education in association management to ensure you are complying with federal, state and local laws as well as HR expertise to make sure you're engaging in lawful employee processes (e.g., recruitment and benefits). Does your board know how to properly incorporate? Did you know your vendors are required to sign a W-9 tax form and that you must issue them all 1099s? Do you carry D&O (Directors and Officers) insurance?

WHEN TO CONSIDER A MANAGEMENT PARTNER:

Partnering with a management company is critical in order to protect your association from legal risk. If board members make critical errors or omissions, individual property values may suffer, and board members and homeowners may even be at risk for personal liability. The most effective management companies have access to in-house legal and risk experts who educate managers and board members on the latest legislation that may impact their association. A great partner will also provide access to an in-house HR team, who will follow all legal processes when recruiting, hiring or training staff.

“We are very attuned to the legislative process. We follow the laws and updates, stay on top of them, and ultimately, educate managers with the most timely and important information.”

Kelly Lee, Vice President of Legal and Risk, FirstService Residential

6. ARE WE MAXIMIZING OUR BUDGET AND FINANCIALS?

As a board, you know how important it is to maximize your reserves and operating funds and make wise and timely financial decisions. Some associations rely on outside vendors or committees, while others depend on internal knowledge and expertise on the board itself. These methods are certainly valid, but there are other aspects to consider if you want to obtain the most value for your community or building.

WHEN TO CONSIDER A MANAGEMENT PARTNER:

Many associations desire more in-depth financial guidance, protection and value from a management company. A full-service management company provides dedicated accounting support, insurance services, investment guidance and budget planning specific to your association. For instance, FirstService Financial works exclusively with FirstService Residential's managed communities to provide dedicated financial services, including cash management, investment solutions and insurance services: <http://bit.ly/FFI-HOA>

IS A COMMUNITY MANAGEMENT PARTNER RIGHT FOR OUR ASSOCIATION?

As a self-managed association, the decision to partner with a management company is not one to take lightly. However, by evaluating your community's needs, determining the level of service residents require and understanding the risks and benefits, you will be able to make a long-term and fulfilling decision.





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/california.

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