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Time for Your Seven-Step Annual HOA Check Up

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If you're running your HOA like a top, you should be doing certain things annually. Here's a rundown of seven crucial annual tasks.

1. Create a plan for the year. "I'd conduct a [strategic planning](#) session to determine what you'd like to accomplish for the year," says Steven Parker, president of FirstService Residential Nevada in Las Vegas, which manages hundreds of community associations. "You should be addressing what would make you successful for the year and then set some goals to achieve those successes."

2. Update your longer-term plan. "Around this time of year, there are a lot of [elections](#) and board changes," says Bill Worrall, vice president of Hollywood, Fla.-based FirstService Residential, formerly The Continental Group; it manages 1,300 condominium and homeowner associations totaling 310,000 residential units. "I'd sit down with your manager and review your five-year plan to make sure we're all still in alignment for the coming year. That includes revisiting your vision of the community and determining the bigger projects you want to work on and get completed because a lot of that has to do with [finding funding](#) and [getting proposals](#)."

3. If they're not already finalized, get your finances in order. "Often, this is done by the end of the previous year," says [Jed L. Frankel](#), a partner at Eisinger, Brown, Lewis, Frankel & Chaiet PA in Hollywood, Fla., who advises community associations. "But if not, the board should look at the [association's finances](#). If you have an accountant, actually read the reports the accountant has prepared. If you have someone in-house handling your finances, make sure that person is providing account statements and balance sheets, and review those, too."

4. Arrange for a legal consultation. "One of the things that gets overlooked, especially if an [HOA is self-managed](#), is making sure they're incorporating all the recent changes in their state's law," says [Debra A. Warren](#), CMCA, CCAM, PCAM, senior vice president at Dallas-based Associa®, a community association management company with offices throughout the United States, Canada, and Mexico. "Be networked with a lawyer or your local trade association and read local publications to ensure you're aware of the implications of recent legislative changes."

5. Review your contracts. "Look at all the deadlines on all your contracts," advises Frankel. "It's a good idea to do that annually because maybe a president signed a four-year contract three years ago but isn't president anymore, and nobody may have written it on your calendar."

What's the big deal? "One thing that's popular here with vendors in Florida are

auto-renewal provisions in contracts," says Frankel. "If your contract expires June 1 and you don't cancel 90 days in advance, you could be on the hook for another 10 years."

6. Give your insurance a once over. "At least 90 days before your [\[HOA or condo\] insurance policy](#) is set to renew, everybody needs to sit down and review the policy and terms," says Parker. "The idea is to make sure your HOA is properly insured for the coming year."

Warren agrees. "Maybe you updated your [common area](#) in some way that requires additional coverage," she explains.

7. Update any required registrations or licenses. "We have business licenses that are required here in Florida, along with different certificates of use for associations," says Frankel. "It's always a good idea to review those and update them as needed."

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