



## WHAT TO LOOK FOR WHEN SELECTING A MANAGEMENT COMPANY

### **General Information**

- How long has the company been in business?
- Oldest accounts
- Largest accounts
- Are their clients similar to your association in size and type?
- Have you inspected properties they manage?
- Have you spoken to other Board Members they represent?
- Does the company specialize in Homeowners' Associations?

### **Financial Information and Risk Concerns**

- Track record in collecting delinquencies
- Method used for late payment notices
- Is financial reporting provided monthly?
- Are bills paid at least twice monthly?
- Is the accounting system computerized?
- Is there a lockbox system which deposits homeowner assessments daily?
- Are in-house delinquent collection services provided?
- Are the company and its principals bonded?
- Does your association carry fidelity insurance which names the association's management company as an additional insured?

### **Assessments**

- Does the company provide assessment notices, coupon books, or invoices?
- Does the company offer owners an automatic assessment payment plan?
- How are assessments handled when received by the management company? Is there a direct deposit into your association's account?
  - You should be concerned if your association's funds are co-mingled with the monies of other associations or the management company.

### **Operational Considerations**

- Where is the office located?
- Have your Board Members visited the company's offices?
- Is the company growing or declining in stature?
- What is the reputation of the company in the marketplace?
- How many employees?
- How many managers, secretaries, bookkeepers, service coordinators, and violations supervisors?
- Who is responsible when your Community Manager is out of the office or out of town?
- How are weekend and after-hours calls handled?
- Does an emergency on-call book exist for fill-in managers on weekends, nights and vacation periods?
- What kind of emergency or disaster preparedness plan does the management company have for its properties?
- Is there a General Manager who supervises the Managers?
- How many associations is a Community Manager responsible for?
- Have you been introduced to the Manager who would manage your association?
- How often are formal training programs provided for Community Managers?
- How many times will the property be visited/inspected each week?
- Frequency of property inspection for CC&R's and Rules Violations
- Is there a Customer Service Department which routes calls to contractors, landscapers, and Community Managers?
- How well versed is the firm on legislation effecting associations, and is it pro-active in representing your associations interest in such matters?

### **Professional Credentials**

- How many members of the company have earned their professional credentials from the Community Association Institute (CAI)?
- How many are PCAMs, AMSs and CMCAs (Professional Community Association Manager, Association Management Specialist, and Certified Manager of Community Associations)