

# Back to the Basics: Steps for Effective Boards

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The end of the year is annual budget time for most condominium and homeowner associations. It is also the time when community leaders look ahead and ponder what they can do to be more effective and responsive to the needs of residents. Several years ago Bono & Associates published a list of suggestions for boards to follow in routine operations. They are still valid today. These basic steps can keep you from common missteps in overseeing your association:

1. Establish and follow a clear and concise annual budget.
2. Review financial statements monthly for accuracy and deviations to budget.
3. Make corrections promptly or take needed action.
4. Establish reserve funding by preparing a reserve study and reviewing it annually.
5. Maintain property by ensuring roofs, painting, landscaping and paving are in excellent repair.
6. Set up a maintenance schedule so that all repairs are not due at one time.
7. Build a strong relationship with professionals: attorneys, certified public accountants, insurance agents, bankers and your management company.
8. Establish a strong collections policy and be consistent in your collection practices.
9. Treat all owners equally and fairly.
10. Communicate often using meetings, newsletters and websites.
11. Address rumors with professionalism and accuracy.
12. Remember that informed, educated owners are more likely to pay on time.
13. Prepare for board succession. Avoid burnout and encourage new owners to be involved.
14. Establish a line of credit with your bank to cover emergencies or short-term cash flow difficulties