

# UNDERSTANDING THE ROLE AND LIMITATIONS OF YOUR COMMUNITY MANAGER

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# ROLE OF THE MANAGER

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- *Provide practical, professional and technical advice within knowledge parameters*
- *Implement board policy and decisions*
- *Financial management and oversight*
- Maintain the Association's books and records
- Facilitate communications
- Direct the staff
- *Manage the day-to-day operations*
- *Prepare for meetings*
- *Be up-to-date on best practices*
- *Be aware of federal, state and local laws*

## PROVIDE PRACTICAL, PROFESSIONAL AND TECHNICAL ADVICE WITHIN KNOWLEDGE PARAMETERS

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- Provide experience and history as associations face specific challenges
- “Jack of All Trades”
- **LIMITATION:** “MASTER OF NONE”
  - Managers know a little about a lot
  - Will point associations in the direction of technical expertise if necessary
    - Engineers
    - Auditors
    - Legal Counsel
    - Insurance Broker/Agent

## IMPLEMENT BOARD POLICY AND DECISIONS

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- Managers should make recommendations based on experience and expertise
- Management's recommendations should be clear and justified
- Managers should implement decisions made by the Board, even if they run counter to their recommendation unless the decision is illegal or unethical.

## FINANCIAL MANAGEMENT AND OVERSIGHT

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- Managers should be comfortable reading and understanding financial statements
- Managers should be able to report on financials to the Board of Directors
  - Cash Position
  - Reserve Funding Level
  - Income Statement Variances
- **LIMITATION:** Managers are not typically bookkeepers, Certified Public Accountants or auditors

## MANAGE DAY-TO-DAY OPERATIONS

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- Managers should be visiting the property regularly (portfolio managers should be on-site at least twice per month)
- Managers should be following up with regular service contractors to ensure that the contract's scope of work is being executed (landscapers, trash removal contractors, irrigation contractors, etc.)
- Managers should be inspecting contracted repairs that are being performed (for long-term projects, managers should meet with the contractor before the work begins, for scheduled progress meetings throughout the project and once the project is reportedly completed).
- For seasonal contracts, managers should conduct pre-season meetings with the contractor to set clear expectations and to address any challenges faced in previous seasons as well as to set a schedule for periodic meetings throughout the season (i.e. snow removal, pool management, etc.)
- Managers should ensure that bills are paid timely and that other administrative requirements are handled (Virginia CICB renewal, tax return filing, etc.)

## PREPARE FOR MEETINGS

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- Managers should ensure that facilities are reserved and any necessary contractors are secured (i.e. minute takers, caterers, etc.)
- Regular Meetings:
  - Managers should prepare a package for Board review PRIOR to the meeting
  - Packages should include agenda, prior meeting minutes, action item list with status updates, annual operating calendar, contract list, any actions to be taken with management recommendations (to include proposals, etc.), and any executive session material
- Annual Meetings:
  - Managers should ensure that notice is provided in accordance with governing document requirements
  - Managers will prepare ballots, agendas, copies of minutes, sign-in sheets, vote tallying tools, etc.
  - Managers will be prepared with proof of notice, proof of quorum and any other association requirements to conduct the meeting

## BEST PRACTICES

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- Managers are professionals and stay up-to-date on industry best practices and standards
- Managers should be providing best practice guidance to boards as they are faced with the business decisions of the association.
- Managers have access to industry guidelines through professional organizations like Community Associations Institute
- Managers have access to continuing education to ensure they are staying up-to-date on best practices



## LEGAL COMPONENTS

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- Managers are provided with many resources to stay updated on statutes:
  - Business relationships with law firms
  - Industry publications
  - Community Associations Institute
    - Legislative Action Committees
  - **LIMITATION:** Managers are not legally trained
    - They can read and understand governing documents but they cannot be expected to legally interpret them
    - They are not debt collection agents and therefore cannot act in that capacity – legal collections actions should be taken by legal counsel or a licensed debt collection agency.

## LIMITATIONS

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WHAT DO YOU THINK IS THE MOST  
COMMON LIMITATION OF A  
COMMUNITY MANAGER?

## LIMITATIONS

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# TIME

- Community Managers are faced with the daily challenge of time management and managing multiple, often conflicting expectations
- The industry itself does not allow for schedule management (emergency situations, etc.)
- The deliverables are many, the deadlines are great and the expectations continue to be higher

# LET MANAGEMENT MANAGE

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- Expect and allow management to do the day to day managing.
- The Board should establish policies and procedures and make major business decisions only.
- Resist any temptation to micromanage.
- Communicate with management openly if you are dissatisfied with performance or service.

# PARTNERSHIP

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- The relationship between Managing Agent and Board/Association should be a partnership
- Open communication is key!
- Take time at least twice a year to evaluate how things are going with the management team
- Align expectations on a regular and recurring basis