

# **Step by Step Guide to Hiring a Manager**

By Sara Barry

This Guide was produced in 2007. Some areas may be out of date, but for the most part, the principals remain the same. If you have any questions regarding the content, contact Sara at [seblv@aol.com](mailto:seblv@aol.com).

Author's bio can be found on the last page of this document.

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**THIS BOOK IS DEDICATED TO ALL OF THE  
BOARD OF DIRECTORS AND MANAGERS IN OUR  
INDUSTRY WHO CONTINUALLY  
STRIVE TO BE DEDICATED PROFESSIONALS AND WORK  
TOWARDS BUILDING SUCCESSFUL COMMUNITIES.**

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# **I. WHAT YOU NEED TO KNOW**

As a Nevada Common-Interest Board Member, there are several important issues of which you should be aware before you search, interview and make a decision on your new management company.

To avoid common pitfalls and to keep from re-inventing the wheel, it is important that you read through this booklet carefully and have a set of very well prepared Questions and Specifications. The Questions to be addressed can be derived from the set of Specifications that were previously sent to the interviewee or a special set unique to your community. It is critical for you to know if she or he will be willing to provide the services that are necessary for your individual community.

This Booklet has been written for members of boards to use for their interviews of managers and/or management companies. It provides not only introspection on what you want from your manager, but what you should expect in return for your assessed dollars for management.

You will notice that the booklet has been broken into 9 different sections; each of which plays a critical part in selecting your management service. There are questions established in each section to help guide you through the process.

The forms provided at the end of the book may be copied and used for your view purposes. Use the Comparison of Companies Form along with your questions to affectively interview your candidates. It is recommended that a minimum of three management companies be interviewed. Any more than that will become a burden on the Board and/or Search Committee.

As each community is different, there will always be unique questions which relate to your community. Spaces have been left for your use in that direction.

A feedback form has been included in the back of the book for your feedback on how effective this booklet helped to guide you through your process. As a lay homeowner serving on the Board was it helpful in helping you choose the right company for your community?

We wish you luck and hope that this will save your association a lot of expensive mistakes in managing your community and a good look at how you want your community managed in the process.

## II. GENERAL INFORMATION

**B**elow is a list of questions that should help you effectively interview the Management Companies to help you reach a decision. Please remember that the person who is meeting with you may not be the ultimate person who will manage your community. Keep that in mind during the interview and follow-up process. Think of this as with any relationship; do you want to spend several years working closely with this person? You have a right to meet the person with whom you will be working before you sign the contract.

- 1) How long has your company been in business?
- 2) How long in Nevada?
- 3) Who will be our Manager assigned to handle our Nevada Corporation? What and how much experience does she or he have?
- 4) What Certifications, Designations, Licenses and/or special training does she or he have?
- 5) How many of your Managers are Nevada permit holders vs. certificate holders? *(This will give you a feel for whether their emphasis lays on the real estate side or community management side.)*
- 6) What professional organizational organizations does the firm belong to, the Manager who will be assigned to our Nevada Corporation.
- 7) What percentage of your business services are provided to community associations? Other Real Estate Services?
- 8) What are your office hours?
- 9) Do you have any requirements on how many hours each manager must be in the office to receive and return calls to our owners? How often do you recommend in your contract that he or she be out on our property?
- 10) What will our Manager's office hours be?
- 11) What form of Emergency Service hours does your company provide?
- 12) Will this be through our Manager?
- 13) Do you have a paging System?
- 14) Do you have an Answering Service System?
- 15) What will your company do to help us run our association more efficiently?
- 16) What will your company do to help us build a sense of community in our Nevada Corporation?
- 17) If we are not happy with the level of service we are receiving in the future, who should we contact within your company? What would be your recommended next step?
- 18) Does your company send out "Client Satisfaction " surveys?
- 19) If so, how often?
- 20) If so, what do you do with the results?

- 21) Do you carry Errors and Omissions Insurance? Why?
- 22) What do you feel are the strengths of your company?
- 23) What are your biggest challenges?
- 24) What do you like best about being in this industry?

### **III. ADMINISTRATION**

**B**elow is a list of Administrative questions that should be asked to help you effectively interview the Management Company to help you reach a decision. *(As previously mentioned, please remember that the person meeting with you to interview may not be the ultimate person who will manage your community.)*

#### **Record Keeping:**

- 1) Does your company maintain an Owner Roster?
- 2) Does your company maintain a Tenant Roster? Why?
- 3) Does your company make an attempt to keep track of telephone numbers? Why?
- 4) Does your company make an attempt to keep track of E-mail addresses? Why?
- 5) Does your company have the capability to send copies of all correspondence to the Tenants?
- 6) How do you keep your Owner records?
  - a) *By Lot (This and number b) below are excellent methods for recording keeping and keeping track of what occurs and has occurred with the individual units. Lot files may be used if a company provides a considerable amount of services for developers as they like to see them kept this way.)*
  - b) *By Street Address (See above – This (By street address) is the most efficient way to keep the files in the long run.)*
  - c) By Name
  - d) By Subject Matter
- 7) Why?
- 8) How do you keep your stored files? *(Is it by year? Is it by category by year? Etc.)*
- 9) Is there a charge for storing files and records? Is there a charge for pulling stored records.
- 10) Is so, how much and how is it charged?
- 11) When do files go to storage?
- 12) How do you access the stored files and how quickly can they be retrieved?
- 13) How much notice do you need to get access to an old file?

#### **Correspondence and Mailings:**

- 14) Does your company charge for any of the following”

- a) General Informational Letters
- b) Each Violation Letter. If so, how much?
- c) Notices of Social or other events
- d) Notices of Rule Changes
- e) Notices of Special Meetings.
- f) Other General Notices
- g) Newsletters (As it is a good idea to send newsletters to tenants as well as owners, a clear idea of any additional costs should be considered.)
- h) Welcome Letters

**Meetings:**

- 15) How many Board of Directors meetings will our manager attend during the year without a separate charge? Members Meetings? Special Meetings?
- 16) Does your company offer an early meeting discount? If yes, how much is the discount? *(A manager is fresher earlier in the day and is better prepared to help you if the meetings are held during normal work hours. Take that into consideration when you are scheduling meetings.)*
- 17) How many hours do you allow for meetings before extra charges are incurred? (Anything over 2 hours expect to pay an hourly overtime fee.)
- 18) How much do you charge per hour after the limit?
- 19) Do you attend annual meetings? Who attends?
- 20) What kind of activities do you recommend for the annual meeting of members? *(The annual meeting should be a good time to celebrate and thank the volunteers for their generosity with their time and a good time to socially interact with the members. The answer will give you a good feel for how they will help you build a sense of community.)*
- 21) Will you prepare proxies and annual meeting notices? Do you recommend that they be reviewed by anyone else? *(It is a good idea to have at least the first ones approved by a knowledgeable attorney to ensure the process is started properly.)*
- 22) Will you prepare agendas for all meetings? Both Board and Member Meetings?
- 23) How do you get input from various committees and the Board for contribution in the agendas?
- 24) Will you record, prepare and distribute the minutes of all meetings? When? *(Draft should be sent within 1 week minimum so that all decisions are fresh in your mind.)*
- 25) Are your company's manager's reports oral or written? *(It is recommended that all manager's reports be in writing.)*
- 26) How many days ahead of the board meetings do your managers send the board meeting packages? Why? *(Should be 10 days as the law requires that the agenda be set 10 days in advance of meeting).*
- 27) What do they typically include? *(They should include at a minimum the agenda, previous meeting minutes, manager's report, copies or lists of correspondence sent from manager,*



*work orders (service requests) pending and completed, telephone logs, financial statements, delinquency reports and specifications and bids.)*

### **Escrow Coordination:**

As disclosures to buyers can be very critical for the financial safety of the association, these are critical to determine whether proper disclosure will be consistently provided to all potential buyers. This will ensure that residents are at least aware that they live in an association and what they will be expected to do.

- 28) Are your collection costs billed to the association or to the owner? *(It is better to have the charges billed to the association. That way the board can be sure that the homeowner is not being billed too much and that escrow fees are justifiable. It is critical, that these costs are reimbursed at the close of escrow to the association, however, so that the Association does not incur needless costs that aren't reimbursed.- Ask them how they will do this.)*
- 29) How much do you charge for a transfer fee? What do you include in the transfer transaction? Does this include copies of all documents?
- 30) If not, what is your document fee? What does this include? *(All rules and regulations adopted by the Board should be sent in this package to ensure a "knowledgeable" buyer. Some of the other documents they should mention are: Articles of Incorporation, Bylaws, CC&R's, Minutes as Requested, Rules and Regulations, Financial Statement, Statement/Demand of Owner's account, notice of any increases or special assessments and any statement of restrictions such as age restricted developments or specific use restrictions because of exclusive common area(s).)*
- 31) Do you separate the needed documents up into per piece charges? Is not, why? *(A lot of times homeowners will state that they have everything but the Bylaws or other document and really aren't aware of what they need to disclose. If the Management Company states that they will provide everything necessary for disclosure and take that responsibility, it is better that a full package be provided from the association. If not, a letter must accompany the package stating that they seller is assuming all liability for any omitted document and the buyer may be a problem.)*
- 32) Do you provide for a method to monitor and recover the fees if the escrow falls through?
- 33) How much do you charge for a refinance fee? Do you monitor and provide for a way for the association to recover fees if the escrow falls through? *(If a guarantee is not received from the owner trying to refinance his or her property, the association could be left paying for refinance fees when escrows fall through if this is not addressed in the contract.)*

### **Enforcement of Rules and Regulations:**

- 34) Does your company send out violation notification letters?
- 35) Do you charge a fee for sending them out? How much?

- 36) Do you help the board establish an Enforcement Policy and Hearing Procedure?
- 37) Does your recommended procedure include a right to appeal?
- 38) Do you believe in being proactive or reactive? *(A combination of both is the closest answer as you need to be able to respond to owner complaints, but need to do periodic inspections as well).*

**Other:**

- 39) How do you feel about Committee's? Why? *(It is important to know how they feel as some managers hate committees and other feel they are a valuable teams for the Board to use.)*
- 40) What Committees do you find most useful? Why?

## IV. FINANCIAL QUESTIONS

**B**elow is a list of Financial Questions that should be asked to help you effectively interview the Management Company to help you reach a decision. *(As previously mentioned, please remember that the person who is in front of you may not be the ultimate person who will manage your community.)*

### **Bank Accounts:**

- 1) Will you keep all of the association's bank accounts in the association's name?
- 2) Will they **ever** be co-mingled with your accounts or any other association's accounts? *(Some management companies deposit funds into their accounts for distribution out to the individual associations. This is not acceptable or appropriate.)*
- 3) Does your company use trust accounts? *(Realtors are used to working with trust accounts. The same notes as inserted above apply to this.)*
- 4) Will you strive to recommend interest-bearing accounts for Board consideration? *(Some banks will pay interest on HOA checking accounts.)*

### **Bookkeeping:**

- 5) Do you do bookkeeping in-house? Or;
- 6) Does an outside company provide the bookkeeping service? If so, who?
- 7) Are the cash receipts and disbursement statements submitted to the Board on a monthly or quarterly basis?
- 8) Does your financial statement show an actual-to-budget comparison? *(This is a good tool to gauge the association's financial standing.)*
- 9) Does your financial statement show how much is in each of the association's accounts?
- 10) Does your Balance Sheet separate Reserve Accounts from Operating Accounts to easily see which is which?
- 11) Does your financial statement satisfy NRS 226 requirements for review quarterly by the Board?
- 12) How often are the bank statements reconciled? *(Monthly is recommended and good business policy.)*
- 13) Is a copy of the reconciliation provided to each Board Member?

### **Homeowner Assessments:**

- 14) How do you handle billing of members for their assessments?

- 15) Monthly?
- 16) Quarterly?
- 17) Annually?
- 18) What do you think of payment coupons? *(Industry research has shown that the use of coupons can increase delinquency of accounts if not utilized properly. Get their feel for this issue.)*
- 19) Do you use "Direct Deposit" to the bank? *(The person being interviewed should be very familiar with this term. Have them explain.)*
- 20) If the assessments are received at your office, how often are deposits sent to the bank? Does a courier pick them up? *(It is recommended that daily deposits be made into the bank.)*

**Accounts Payable:**

- 21) Who approves payment of the Associations' service/product invoices?
- 22) Who prepares the checks?
- 23) Who signs the checks? How many signatures do you recommend? *(Look in your Bylaws for who SHALL sign the checks and remember that NRS 116 does not allow anyone other than the Board to sign reserve checks.)*
- 24) Do signed checks ever come back to your office for disbursement?
- 25) What safety measures have been put in place to ensure their safety?
- 26) After disbursements have been made, how do you file the paid invoices? By month? By account? *(This should give you an idea of how hard it will be to research a particular invoice or vendor activity.)*

**Delinquency Collection:**

- 27) Do you send out a statement describing the association's delinquency policy?
- 28) Do you comply with the Fair Debt Collection Act?
- 29) Is the delinquency process handled in-house or by an outside company? If so, what parts?
- 30) Are there any additional costs for the delinquency collection? If so, how much are they? *(Check your documents to make sure that the association can recover such expenses and if they can be charged to the owner. Sometimes documents only allow for attorney fees, not management fees.)*
- 31) Do you provide a delinquency report on a monthly or quarterly basis?
- 32) Is the report written or oral? *(It should be written.)*
- 33) Do you charge for any late notices on assessments? If so, how much?

**Budgets/Reserves:**

- 34) Do your draft budgets satisfy NRS 116 provisions? *(There are certain provisions that need to be in budgets, which include reserves. If they are not aware of the provisions, they will need to be changed.)*

- 35) Will your company prepare a draft pro forma budget? *(Have them explain what a pro forma budget is. It will help you determine their knowledge level)*
- 36) Do you coordinate the budget preparation with a committee? *(Getting a committee of homeowners and the Treasurer together will help all of the owners buy into any increases since they are owners too and have to pay the same assessments.)*
- 37) Does your company do the reserve study? *(Unless they qualify under NRS 116 and the Administrative Codes, they should not be preparing the study.)*
- 38) Do you oversee the preparation of the reserve study?
- 39) How often is the reserve study conducted? *(By law, it must be conducted every 5 years, but must be reviewed and updated annually by the Board. Unless the Board is qualified to do this, a minimal update may be needed by an expert qualified to do so.)*

**Audit/Review/Taxes:**

- 40) Do you coordinate the activities involved in the audit or review preparation?
- 41) When do you send out the review or audit to owners? *(It is only mandatory on request, but it is recommended in the industry that the year end financials go out to all owners within 120 days of the year end.)*
- 42) Do you charge an individual homeowner for a copy of the review/audit?
- 43) Do you make sure that an association's taxes are paid on a timely basis?

**Vendor 1099's**

- 44) Does your company prepare the 1099's for all the association's unincorporated vendors?
- 45) Do you ensure that all I-9's have been completed prior to payment? *(This will ensure that they have all of the proper information with which to prepare the 1099's.)*

**Financial Statements:**

- 46) Who reconciles the Bank Statements? *(It should never be the same person who cuts the checks. There needs to be a separation of activities.)*
- 47) What financials are prepared monthly? Quarterly? Annually?
- 48) Who are they sent to and when?

## V. COMMUNITY MAINTENANCE

**B**elow is a list of Maintenance Questions that should be asked to help you effectively interview the Management Company to help you reach a decision. *(As previously mentioned, please remember that the person meeting with you may not be the ultimate person who will manage your community. Keep that in mind during the whole interview process.)*

- 1) What information does your company request from a contractor before awarding a contract for major work?  
(They should say the following:
  - a. Contractors License
  - b. Certificate of Insurance showing the association as an additional insured.
  - c. Proof that there is enough of the aggregate left for any major job.
  - d. Proof of Workers Compensation Insurance
  - e. List of References
  - f. Professional certificates.)

*(Most will say only a contractor's license and insurance certificate. Give them extra credit if they mention the rest.)*

- 2) Do you file and retain the information requested above?
- 3) How many bids do you obtain for major jobs like reproofing or repairing  
*(Answer should be three.)*
- 4) At what monetary level do you consider a job to be major?
- 5) Do you handle service requests? *(These should be in writing.)*
- 6) Will the association vendors be supervised by your company? How do you provide supervision and monitoring?
- 7) Do you provide a list of the association's vendors to the Board Members on a regular basis?
- 8) Does your company provide any in-house maintenance services for the associations you manager? If yes, what kind and what are the rates?
- 9) For the above services, how do you handle any conflict of interest issues on bidding?

## **VI. EXTRA SERVICES**

**B**elow is a list of Extra Services Questions that should be asked to help you effectively interview the Management Company to help you reach a decision. *(As previously mentioned, please remember that the person meeting with you may not be the ultimate person who will manage your community.)*

- 1) Are any of the following provided to the association at an extra cost? If yes, what is the cost?
  - a) Participation in legal matters/lawsuits?
  - b) Construction Defect Lawsuits?
  - c) Insurance Claim Related *Facilitation* *(Beyond just submission of the claim to the agent.)*
  - d) Negotiating contracts greater than the agreed upon amount in the contract *(Normally \$5,000.)*
- 2) Do you tack on a percentage to any costs of supplies or services to the association?
- 3) Do you have a charge for taking reservations for events? If so, how do you charge?

## **VII. EXPENSE REIMBURSEMENT**

**B**elow is a list of Administrative questions that should be asked to help you effectively interview the Management Company to help you reach a decision. *(As previously mentioned, please remember that the meeting with you may not be the ultimate person who will manage your community. Keep that in mind during the interview process.)*

- 1) How much does your company charge for the following management expenses?
  - a) Copies
  - b) Coupons/Statements
  - c) Envelopes
  - d) Faxes
  - e) Long Distance Telephone Calls
  - f) Mileage
  - g) Office Supplies
  - h) Postage
  - i) Monitoring Internet Messages
  - j) Direct Depositing of Homeowner Assessments
- 2) What is your opinion of charging an all inclusive management fee? Why?



## VIII. FEE & RATE QUESTIONS

**B**elow are a list of Fee and Rate Questions that should be asked to help you effectively interview the Management Company to help you reach a decision. *(As previously mentioned, please remember that the person meeting with you may not be the ultimate person who will manage your community. Keep that in mind during the interview process.)*

- 1) Will there be a start up or close out fee?
- 2) What will be your monthly fee?
- 3) How will this fee will be determined; by unit or lump sum?
- 4) What is your minimum amount to manage an association?
- 5) What hourly rates do you charge for the following staff members?
  - a. Principals *(The owners of the company)*.
  - b. Managers
  - c. Administrative Assistants
  - d. Delinquency Collection Personnel
  - e. Accounting Personnel/Bookkeepers
  - f. Property Inspectors
  - g. Delinquency Collection Personnel
  - h. Are there any others?
- 6) What are your hourly rates for the above employees for any involvement in litigation issues?

## **IX. FORMS**

**E**nclosed is a list of Forms for your use. Please remember that each association is unique and some forms may need to be modified for your use.

**Form 1** - Comparison of Management Companies Form -

**Form 2** - Transitions Document - Document to have management company sign when they receive all documents. This should be completed to the best of your knowledge for everyone's protection. It will also provide you with a list of what records could or should be available for your community.

**Form 3** - Sample Management Specifications – This document can be used as a draft to form your own specifications. As each community is unique, each set of specification must reflect your own needs and wants.

**Form 4** - Management Responsibility Matrix – Sample of who should or can perform all of the management functions.

**Form 5** – Sample Inventory of Records and Assets

**Form 6** – Feedback Form (See Page 3)

**FORM FOR USE IN:**

**COMPARING MANAGEMENT  
COMPANIES  
AND  
YOUR NEW MANAGER**

**SECTION II. GENERAL COMPANY INFORMATION QUESTIONS**

- 1) How long has your company been in business?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 2) How long in Nevada?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 3) Who will be the Community Manager assigned to handle our Nevada Corporation? What and how much experience does she or he have?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 4) What Certifications, Designations, Licenses and/or special training does the Community Manager he have?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 5) How many of your Managers are Nevada permit holders vs. certificate holders? (*This will give you a feel for whether their emphasis is on the real estate side or community management side.*)  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 6) What professional organizational organizations does your firm or the Community Manager belong to?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 7) What percentage of your business services are provided to community associations? Other Real Estate Services?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 8) What are your office hours?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 9) Do you have any requirements on how many hours each manager must be in the office to receive and return calls to our owners? How often do you recommend in your contract that he or she be out on our property?

- 10) What will our Manager's office hours be?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 11) What form of Emergency Service hours does your company provide?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 12) Will this be through our Manager?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 13) Do you have a paging System?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 14) Do you have an Answering Service System?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 15) What will your company do to help us run our association more efficiently?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 16) What will your company do to help us build a sense of community in our Nevada Corporation?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 17) If we are not happy with the level of service we are receiving in the future, who should we contact within your company? What would be your recommended next step?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 18) Does your company send out "Client Satisfaction" surveys?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

- 19) If so, how often?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 20) If so, what do you do with the results?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 21) Do you carry Errors and Omissions Insurance? Why or why not?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 22) What do you feel are the strengths of your company?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 23) What are your biggest challenges?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 24) What do you like best about being in this industry?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS:

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**SECTION III. ADMINISTRATIVE QUESTIONS:**

**Record Keeping:**

- 1) Does your company maintain an Owner Roster?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 2) Does your company maintain a Tenant Roster? Why or why not?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 3) Does your company make an attempt to keep track of telephone numbers? Why or why not?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 4) Does your company make an attempt to keep track of E-mail addresses? Why or why not?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 5) Does your company have the capability to send copies of all correspondence to the Tenants?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 6) How do you keep your Owner records and why?
  - a) By Lot (*This and number b below are excellent methods for record keeping and keeping track of what occurs and has occurred with the individual units. Lot files may be used if a company provides a considerable amount of services for developers as they like to see them kept this way.*)  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
  - b) By Street Address (*This is the most efficient way to keep the files in the long run.*)  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

- c) By Name  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- d) By Subject Matter  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 7) How do you keep your stored files? *(Is it by year? Is it by category each year? Etc.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 8) Is there a charge for storing files and records? Is there a charge for pulling stored records?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 9) Is so, how much and how is it charged?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 10) When do files go to storage?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 11) How do you access the stored files and how quickly can they be retrieved?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 12) How much notice do you need to get access to an old file?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Correspondence and Mailings:**



13) Does your company charge for any of the following:

a) General Informational Letters

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

b) Each Violation Letter. If so, how much?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

c) Notices of Social or other events

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

d) Notices of Rule Changes

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

e) Notices of Special Meetings.

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

f) Other General Notices

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

g) Newsletters (As it is a good idea to send newsletters to tenants as well as owners, a clear idea of any additional costs should be considered.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

h) Welcome Letters

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Meetings:**

14) How many Board of Directors meetings will our manager attend during the year without a separate charge? Members Meetings? Special Meetings?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

15) Does your company offer an early meeting discount? If yes, how much is the discount? *(A manager is fresher earlier in the day and is better prepared to help you if the meetings are held during normal work hours. Take that into consideration when you are scheduling meetings.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

16) How many hours do you allow for meetings before extra charges are incurred? (Anything over 2 hours expect to pay an hourly overtime fee.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

17) How much do you charge per hour after the limit?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

18) Do you attend annual meetings? Who attends?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

19) What kind of activities do you recommend for the annual meeting of members? *(The annual meeting should be a good time to celebrate and thank the volunteers for their generosity with their time and a good time to socially interact with the members. The answer will give you a good feel for how they will help you build a sense of community.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

20) Will you prepare proxies and annual meeting notices? Do you recommend that they be reviewed by anyone else? *(It is a good idea to have at least the first ones approved by a knowledgeable attorney to ensure the process is started properly.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

21) Will you prepare agendas for all meetings? Both Board and Member Meetings?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

22) How do you get input from various committees and the Board for contribution in the agendas?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

23) Will you record, prepare and distribute the minutes of all meetings? When? (Draft should be sent within 1 - week minimum so that all decisions are fresh in your mind.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

24) Are your company's manager's reports oral or written? *(It is recommended that all manager's reports be in writing.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

25) How many days ahead of the board meetings do your managers send the board meeting packages? Why? *(The law requires that the agenda be set 10 days in advance of meeting.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

26) What do the Board meeting packages normally include?

*(They should include at a minimum the agenda, previous meeting minutes, manager's report, copies or lists of correspondence sent from manager, work orders (service requests) pending and completed, telephone logs, financial statements, delinquency reports and specifications and bids.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Escrow Coordination:**

As disclosures to buyers can be very critical for the financial safety of the association, these are necessary to determine whether proper disclosure will be consistently provided to all potential buyers. This will ensure that residents are at least aware that they live in an association and what they will be expected to do.

Step By Step Guide to Hiring a Manager

27) Are your collection costs billed to the association or to the owner? *(It is better to have the charges billed to the association. That way the board can be sure that the homeowner is not being billed too much and that escrow fees are justifiable. It is critical that these costs are reimbursed at the close of escrow to the association, however, so that the Association does not incur needless costs that aren't reimbursed.- Ask them how they will do this.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

28) How much do you charge for a transfer fee? What do you include in the transfer transaction? Does this include copies of all documents?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

29) If not, what is your document fee? What does this include? *(All rules and regulations adopted by the Board should be sent in this package to ensure a "knowledgeable" buyer. Some of the other documents they should mention are: Articles of Incorporation, Bylaws, CC&R's, Minutes as Requested, Rules and Regulations, Financial Statement, Statement/Demand of Owner's account, notice of any increases or special assessments and any statement of restrictions such as age restricted developments or specific use restrictions because of exclusive common area(s).)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

30) Do you separate the needed documents up into per piece charges? Is not, why? *(Frequently homeowners will state that they have everything but the Bylaws or other document and really aren't aware of what they need to disclose. If the Management Company states that they will provide everything necessary for disclosure and take that responsibility, it is better that a full package be provided from the association. If not, a letter must accompany the package stating that the seller is assuming all liability for any omitted document and the buyer may create a problem.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

31) Do you provide for a method to monitor and recover the fees if the escrow falls through?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

32) How much do you charge for a refinance fee? Do you monitor and provide a way for the association to recover fees if the escrow falls through? *(If a guarantee is not received from the owner trying to refinance his or her property, the association could be left paying for refinance fees when escrows fall through if this is not addressed in the contract.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Enforcement of Rules and Regulations:**

- 33) Does your company send out violation notification letters?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 34) Do you charge a fee for sending them out? How much?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 35) Do you help the board establish an Enforcement Policy and Hearing Procedure?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 36) Does your recommended procedure include a right to appeal?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 37) Do you believe in being proactive or reactive? *(A combination of both would be the closest answer.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Other:**

- 38) How do you feel about Committees? Why? *(It is important to know how they feel as some managers hate committees and others feel they are a valuable team for the Board to use.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 39) What Committees do you find most useful? Why?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS: \_\_\_\_\_  
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Step By Step Guide to Hiring a Manager

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**SECTION IV. FINANCIAL QUESTIONS:**

**Bank Accounts:**

- 1) Will you keep all of the association's bank accounts in the association's name?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 2) Will they ever be co-mingled with your accounts or any other association's accounts? *(Some management companies deposit funds into their accounts for distribution out to the individual associations. This is not acceptable or appropriate.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 3) Does your company use trust accounts? *(Realtors are used to working with trust accounts. The same notes as inserted above apply to this.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 4) Will you strive to recommend interest-bearing accounts for Board consideration? *(Some banks will pay interest on HOA checking accounts.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Bookkeeping:**

- 5) Do you do bookkeeping in-house? Or;  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 6) Does an outside company provide the bookkeeping service? If so, who?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 7) Are the cash receipts and disbursement statements submitted to the Board on a monthly or quarterly basis?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

- 8) Does your financial statement show an actual-to-budget comparison? *(This is a good tool to gauge the association's financial standing.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 9) Does your financial statement show how much is in each of the association's accounts?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 10) Does your Balance Sheet separate Reserve Accounts from Operating Accounts to easily see which is which?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 11) Does your financial statement satisfy NRS 226 requirements for review quarterly by the Board?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 12) How often are the bank statements reconciled? *(Monthly is recommended and good business policy.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 13) Is a copy of the reconciliation provided to each Board Member?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Homeowner Assessments:**

- 14) How do you handle billing of members for their assessments?  
a. Monthly?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- b. Quarterly?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_



c. Annually?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

15) What do you think of payment coupons? (*Industry research has shown that the use of coupons can increase delinquency of accounts if not utilized properly. Get their feel for this issue.*)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

16) Do you use "Direct Deposit" to the bank? (*The person being interviewed should be very familiar with this term. Have them explain.*)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

17) If the assessments are received at your office, how often are deposits sent to the bank? Does a courier pick them up? (*It is recommended that daily deposits be made into the bank.*)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Accounts Payable:**

18) Who approves payment of each Association's service/product invoices?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

19) Who prepares the checks?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

20) Who signs the checks? How many signatures do you recommend? (*Look in your Bylaws for who SHALL sign the checks and remember that NRS 116 does not allow anyone other than the Board to sign reserve checks.*)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

21) Do signed checks ever come back to your office for disbursement?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

22) What safety measures have been put in place for check disbursement?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

23) After disbursements have been made, how do you file the paid invoices? By month? By account? *(This should give you an idea of how hard it will be to research a particular invoice or vendor activity.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Delinquency Collection:**

24) Do you send out a statement describing each Association's delinquency policy?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

25) Do you comply with the Fair Debt Collection Act?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

26) Is the delinquency process handled in-house or by an outside company? If so, what parts?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

27) Are there any additional costs for the delinquency collection? If so, how much are they? *(Check your documents to make sure that the association can recover such expenses and if they can be charged to the owner. Sometimes documents only allow for attorney fees, not management fees.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

28) Do you provide a delinquency report on a monthly or quarterly basis?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

29) Is the report written or oral? *(It should be written.)*

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

30) Do you charge for any late notices on assessments? If so, how much?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Budgets/Reserves:**

31) Do your draft budgets satisfy NRS 116 provisions? (There are certain provisions that need to be in budgets, which include reserves. If they are not aware of the NRS 116 provisions, the Budgets will need to be changed.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

32) Will your company prepare a draft pro forma budget? (Have them explain what a pro forma budget is. It will help you determine their knowledge level)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

33) Do you coordinate the budget preparation with a committee? (Getting a committee of homeowners and the Treasurer together will help all of the owners buy into any increases since they are owners too and have to pay the same assessments.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

34) Does your company do the reserve study? (Unless they qualify under NRS 116 and the Administrative Codes, they should not be preparing the study.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

35) Do you oversee the preparation of the reserve study?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

36) How often is the reserve study conducted? (By law, it must be conducted every 5 years, but must be reviewed and updated annually by the Board. Unless the Board is qualified to do this, a minimal update may be needed by an expert qualified to do so.)

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Audit/Review/Taxes:**

- 37) Do you coordinate the activities involved in the audit or review preparation?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 38) When do you send out the review or audit to owners? *(It is only mandatory on request, but it is recommended in the industry that the yearend financials go out to all owners within 120 days of the yearend.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 39) Do you charge an individual homeowner for a copy of the review/audit?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 40) Do you make sure that an association's taxes are paid on a timely basis?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Vendor 1099's**

- 41) Does your company prepare the 1099's for all the association's unincorporated vendors?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 42) Do you ensure that all tax documents (I-9's) have been completed prior to payment? *(This will ensure that they have all of the proper information with which to prepare the 1099's.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

**Financial Statements:**

- 43) Who reconciles the Bank Statements? *(It should never be the same person who prepares the checks. There needs to be a separation of activities.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

44) What financials are prepared monthly? Quarterly? Annually?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

45) Who are they sent to and when?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS:

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**SECTION V. MAINTENANCE QUESTIONS:**

1) What information does your company request from a contractor before awarding a contract for major work?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

(They should say the following:

- a. Contractors License
- b. Certificate of Insurance showing the association as an additional insured.
- c. Proof that there is enough of the aggregate liability coverage left for any major job.
- d. Proof of Workers Compensation Insurance
- e. List of References
- f. Professional certificates.)

*(Most will say only a contractor's license and insurance certificate. Give them extra credit if they mention the rest.)*

2) Do you file and retain the information requested above?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

3) How many bids do you obtain for major jobs like re-roofing or asphalt repairs? *(Answer should be three.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

4) At what monetary level do you consider a job to be major?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

5) Do you handle service requests? *(These should be in writing.)*  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

6) Will the association vendors be supervised by your company? How do you provide supervision and monitoring?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

7) Do you provide a list of the association's vendors to the Board Members on a regular basis?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

8) Does your company provide any in-house maintenance services for the associations you manage? What kind and what are the rates?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

9) For the above services, how do you handle any conflict of interest issues on bidding

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS:

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**SECTION VI. EXTRA SERVICE QUESTIONS:**

- 1) Are any of the following provided to the association at an extra cost? If yes, what is the cost?
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- a) Participation in legal matters/lawsuits?
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- b) Construction Defect Lawsuits?
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- c) Insurance Claim Related Facilitation (*Beyond just submission of the claim to the agent.*)
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- d) Negotiating contracts greater than the agreed upon amount in the contract (*Normally \$5,000.*)
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 2) Is there an additional percentage added to any costs of supplies or services to the association?
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 3) Do you have a charge for taking reservations for events? If so, how do you charge?
- #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS:

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**SECTION VII. EXPENSE QUESTIONS:**

1) How much does your company charge for the following management expenses?

- a) Copies  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- b) Coupons/Statements  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- c) Envelopes  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- d) Faxes  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- e) Long Distance Telephone Calls  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- f) Mileage  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- g) Office Supplies  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- h) Postage  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- i) Monitoring Internet Messages  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

j) Direct Depositing of Homeowner Assessments

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

2) What is your opinion of charging an all inclusive management fee? Why?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS:

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**SECTION VIII. FEES AND RATE QUESTIONS:**

- 1) Will there be a start up or close out fee?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 2) What will be your monthly fee?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 3) How will this fee will be determined; by unit or lump sum?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 4) What is your minimum amount to manage an association?  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
- 5) What hourly rates do you charge for the following staff members?
  - a) Principals (*The owners of the company*).  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
  - b) Managers  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
  - c) Administrative Assistants  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_
  - d) Delinquency Collection Personnel  
#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

e) Accounting Personnel/Bookkeepers

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

f) Property Inspectors

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

g) Are there any other employee charges?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

6) What are your hourly rates for the above employees if involved in litigation issues?

#1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_

COMMENTS:

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## **TRANSITION DOCUMENT CHECKLIST**

ASSOCIATION NAME : \_\_\_\_\_ TRANSITION DATE: \_\_\_\_\_

FROM: \_\_\_\_\_ TO: \_\_\_\_\_

DESCRIPTION OF DOCUMENTS	AVAILABLE	NOT AVAIL.
<b><u>ASSOCIATION DOCUMENTS:</u></b>		
1. Articles	_____	_____
2. Bylaws	_____	_____
A. Original Signed Document	_____	_____
B. Original Signed Amendments	_____	_____
3. CC&R's	_____	_____
A. Original Recorded Documents	_____	_____
B. Restatements (if any)	_____	_____
C. Original Recorded Amendments (if any)	_____	_____
4. Rules Adopted -	_____	_____
A. Architectural Guidelines and Standards	_____	_____
B. Collection Policy	_____	_____
C. Recreational Rules	_____	_____
D. Enforcement Policy	_____	_____
E. Fine Policy (If separate from enforcement policy)	_____	_____
F. Other Misc. Rules, Regulations & Procedures Adopted	_____	_____
5. Deeds to Common Area Property	_____	_____
6. Insurance Policies (Workers Comp. - Liability. - Prop. - D&O – Fidelity, Earthquake, Flood, non-owned auto, etc. – Show exceptions below)	_____	_____
7. Tract Maps (All other maps available)	_____	_____
8. Public Offering Statements, Public Reports or Other Disclosure Docs.	_____	_____
9. Original and Revised Landscaping Plans & Drawings	_____	_____
10. Irrigation Plans	_____	_____
11. "As built" plans - For all Buildings & Structures	_____	_____
12. Common Area Facility Plans (Pool House, Roads and Paint, etc.)	_____	_____
13. Square Footage for Common Area Facilities	_____	_____
14. Lot files ( <u>All</u> letters, etc. kept by lot or address)	_____	_____
15. Enforcement Files	_____	_____
A. Computer Listing of Violation History	_____	_____
B. Listing of any immediate necessary actions	_____	_____
16. Architectural Files	_____	_____
A. Open Architectural Files	_____	_____
B. Computer listing of Architectural status of each lot	_____	_____
17. All prior year records - Multiple Boxes (# )	_____	_____
18. Warranty information on facilities (If available)	_____	_____
19. Inventory of all Association Property	_____	_____
20. List of manufactures of paints, roofing materials, etc.	_____	_____
21. Injury prevention program - Employees	_____	_____
22. Facility Keys – (Pool Equipment Room, Club House, etc.)	_____	_____
23. Pool Key Log by Lot	_____	_____
24. All Misc. Correspondence files	_____	_____
25. Minute Book (All past Minutes Available)	_____	_____
26. Executive Session Minute Book	_____	_____
27. Member Roster – (Listing of Mortgage Holders as well)	_____	_____
28. Board & Committee Member Roster	_____	_____
29. Appraiser - Lender Disclosure Sheet (If available)	_____	_____
30. Litigation disclosure letters (If any)	_____	_____
31. Listing of emergency numbers and contacts	_____	_____

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32. Any other plans unique to this Association \_\_\_\_\_

**FINANCIAL DOCUMENTS:**

- 1. Prior year Financial Statements (Years \_\_\_\_\_ Thru \_\_\_\_\_)
- 2. Prior year Audits (Years \_\_\_\_\_ Thru \_\_\_\_\_)
- 3. All Tax Returns – Prior Years \_\_\_\_\_
- 4. Budget - Current Year (Including Worksheets) \_\_\_\_\_
- 5. Any Tax Exempt Election Filings (If applicable) \_\_\_\_\_
- 6. Year to Date Financial Statement \_\_\_\_\_
  - A. Balance Sheet & Income Statement \_\_\_\_\_
  - B. Aged Delinquency Report & General Ledger \_\_\_\_\_
  - C. Individual History Report on All Delinquent Accounts \_\_\_\_\_
  - D. Bills Paid \_\_\_\_\_
- 7. All Bank Accounts & Control of the funds \_\_\_\_\_
- 8. Reserve Study \_\_\_\_\_
- 9. Disclosure Listing of Any Subsidy's Provided by Developer \_\_\_\_\_

**CONTRACTS**

- 1. Professional Agreements \_\_\_\_\_
  - A. Legal Agreements \_\_\_\_\_
  - B. Trustee Agreements \_\_\_\_\_
  - C. Employee Contracts \_\_\_\_\_
  - D. Construction Contracts \_\_\_\_\_
  - E. Other Agreements \_\_\_\_\_
  - F. Original Service Contracts \_\_\_\_\_
  - G. Pool Service \_\_\_\_\_
  - H. Gate Service Contract \_\_\_\_\_
  - I. Landscaping and/or tree contractor(s) \_\_\_\_\_
  - J. Animal Control Contract \_\_\_\_\_
  - K. Any Other Service Contracts \_\_\_\_\_
- 2. All Other Contracts (List) \_\_\_\_\_

**DEVELOPER PROVISIONS (NRS 116.31038) IF APPLICABLE CHECK HERE:**

- 1. The original or a certified copy of the recorded declaration as amended, the association's articles of incorporation if the association is incorporated, bylaws, minute books and other books and records of the association and any rules or regulations which may have been adopted. \_\_\_\_\_
- 2. An accounting for money of the association and financial statements from the date the association received money to the date the period of the declarant's control ends. \_\_\_\_\_
- 3. A complete study of the reserves of the association. \_\_\_\_\_
- 4. Subsidies on a per unit or per lot basis. \_\_\_\_\_
- 5. Association Funds in his Control. \_\_\_\_\_
- 6. All Association Tangible Property \_\_\_\_\_
- 7. A copy of any plans and specifications used in the construction of the improvements in the common-interest community which were completed within 2 years before the declaration was recorded. \_\_\_\_\_

Step By Step Guide to Hiring a Manager

- 8. All insurance policies then in force, in which the units' owners, the association, or its directors and officers are named as insured persons. \_\_\_\_\_
- 9. Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the common-interest community other than units in a planned community. \_\_\_\_\_
- 10. Any renewable permits and approvals issued by governmental bodies applicable to the common-interest community which are in force and any other permits and approvals so issued and applicable which are required by law to be kept on the premises of the community. \_\_\_\_\_
- 11. Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective. \_\_\_\_\_
- 12. A roster of owners and mortgagees of units and their addresses and telephone numbers, if known, as shown on the declarant's records. \_\_\_\_\_
- 13. Contracts of employment in which the association is a contracting party. \_\_\_\_\_
- 14. Any contract for service in which the association is a contracting party or in which the association or the units' owners have any obligation to pay a fee to the persons performing the services. \_\_\_\_\_
- 15. A copy of the reserve study as required by law and the funds to that date:  
(If a conversion, the funds for any reserve work that needs to be done for the next 10 years.) \_\_\_\_\_

**ASSURANCES** (Recommended by CAI):

- 1. A statement that the street, traffic, safety, and regulatory signs are installed in conformance with applicable state or local ordinances and with the association's legal documents. \_\_\_\_\_
- 2. Confirmation from appropriate local authorities that the fire hydrants have been placed under the local government maintenance plan, if applicable. \_\_\_\_\_
- 3. Confirmation that the city or county emergency communication centers have mapped the association for the dispatch of emergency vehicles; make sure that addresses on private streets are visible to emergency personnel. \_\_\_\_\_
- 4. A statement of determination of public agency or utility responsibility for the maintenance of the street lights and sewer systems. \_\_\_\_\_
- 5. A statement that appropriate public agencies have or have not released the completion bonds on the improvements where those bonds are required. \_\_\_\_\_

Noted Exceptions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Received By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Print & Sign Name)

Received From: \_\_\_\_\_  
(Print & Sign Name)



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**MANAGEMENT SPECIFICATIONS**

The below Matrix has been prepared to help Management and the Board understand the roles that all entities will play in the management of \_\_\_\_\_ . This is not all inclusive, but should provide a direction for all entities involved. This shows who has the authority, but remember that the Board has the ultimate responsibility for all.

(A = Architectural Committee, B = Board, BU= Budget Committee, C = Compliance Committee, F=Finance L =Legal Committee) LI = Board Liasion, M=Management, N= Newsletter, P=President and or Vice President , PA=Political Action Committee, T=Treasurer, SO = Social Committee and S=Secretary

TASK	BD.	MGT.	COMMITTEE	OTHER
<b>ADMINISTRATIVE/CLERICAL</b>				
Accurate Membership Roster Maintenance		M		
Action Items from Board Meeting Maintenance	B	M	C	X All Vendors
Advising Vendors of Action Items		M		
Architectural Committee Meeting Attendance ( 2 times a month)	A	M		
Attend Monthly Board meetings up to 4 hours w/o additional Chg.		M		
Committee Coordination & Effectiveness	P	M		
Comply with all Nevada Laws	B	M	C	X Everyone
Contract Awarding & Signing	B			
Contract Insurance Verification/Indemification/Termination		M		
Contract Request Submittals to Appropriate/Knowledgeable Vendors		M		
Coordinate Special Mailings for Association Functions		M		
Coordinate Walk- Thoughts for Bidding Purposes		M		
Diskette to Nev. Bus. Lists of Owners & Tenants for Newsletters		M	N	
Ensure That All Records and Maps Are Kept and Maintained	S	M		
Insurance Liason with Insurance Agent		M		
Legal Liason (With all attorneys)	P	M		
Maintain an Inventory of All Records & Maps as Required by Law		M		
Manager is to be Abreast of Industry Changes/Laws to Notify Board		M		
Minute Taking and Transcription (Secretary is always Responsible)	S	M		
Minute Maintenance (Secretary is always responsible)	S	M		
Monitor Special Reservation Line for Social Events		M		

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TASK	BD.	MGT.	COMMITTEE	OTHER
Municipal Liasion With City Entities		M	PA	
Newsletter Coordination and/or Preparation	N	M	N	
Prepare Action Lists After Board Meeting Within 5 days		M		
Prepare Board Document Binders for New Board Members Use		M		
Prepare Board Packages and Mail 10 days before Meetings		M		
Prepare General Correspondence.		M		
Return Phone Calls to Owners within 24 hours		M		
Review Of Board Packets Prior to Meetings	B	M		
Welcome Letters to All New Owners		M		

ANNUAL MEETING OF DELEGATES

Attendance at Annual Delegate Meeting		M		
Prepare and Maintain all Minutes & Ensure Approved at Next Meet.		M		
Preparation of Notices to Owners as Required by Board		M		
Preparation of Packages for Delegates (Including Instructions)		M		
Reschedule any Renoticed Meetings for Lack of Quorum		M		

BOARD MEETING COORDINATION

Coordinate and recommend Board Training		M		
Ensure a Quorum for Each Meeting and Advise Otherwise	P	M		
Ensure Annual Insurance Evaluation is Scheduled		M		
Preparation of Timed Agendas - 10 days before Meeting	P	M		
Prepare Action List 2 days after Meeting		M		
Sign all Minutes After Adoption (Both taker & Secretary)	S	M		
Transcribe and Prepare all Minutes of Meetings		M		

COMMITTEE COORDINATION

Attend Meetings as Needed	P	M	L	
Ensure Working Properly	P	M	L	
Submit Items for Budget	P	M	L	

Step By Step Guide to Hiring a Manager

TASK	BD.	MGT.	COMMITTEE	OTHER
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**ENFORCEMENT**

Drive the Ranch Weekly Rotating Functions - Property/Violation*		M		
Ensure Hearing Scheduling and Monitoring		M	C	
Follow Board of Directors Enforcement Procedures	B	M	C	X Attorney
Log and Analyse all Violations and Next Steps		M	C	
Prepare Letter to Owners for Violations		M		
Provide Requested Documentation to Compliance Committee		M		
Review Management Logs and Verify Enforcement		M	C	

**FISCAL**

Assessment Collection	T	M		X	Trustee Co.
Bill Prior Approval	P/T	M			
Bill Payment (Cut all Checks)		M			
Bankruptcy Monitoring	T	M		X	(Attorney)
Budget Draft Preparation For Board	T	M	L		
Budget Preparation & Distribution	B	M	BU		
Budget Reserve Maintenance Items	T	M			
Delinquency Follow-up	T	M			
Ensure Collection Policy is mailed Annually	T	M			
Ensure Reserve Study Updates are Prepared	T	M			
Ensure that the Legal Quarterly Review Requirement is done.	B/T	M			
Ensure that all owners are billed for late and intent fees.	T	M			
Familiarization of Financial Questions to Address For Board	T	M			
Financial Report Evaluation	T/B	M			
Financial Statements to Board Monthly - Minimum Modified Accrual		M		X	
Foreclosure Proceedings		M		X	
Include a copy of the Financial Statements in Board Package		M			
Inventory of All Association Property		M			
Lien Filing		M		X	Trustee Co.
Obtain Signature Cards for All Banking Accounts as Necessary		M			
Payroll (if Applicable)		M			
Prepare Accurate Disclosure Packages as req. by Owner		M			

Step By Step Guide to Hiring a Manager

TASK	BD.	MGT.	COMMITTEE	OTHER
(Fiscal Continued)				
Prepare of Document Packages As Requested by Owners		M		
Prepare 1099's at the end of the year.		M		
Provide Education to Board on How to Read Financials on Req.		M		
Quarterly Payroll Reports (If Any)		M		
Reserve Study Coordination and Preparation		M		X (CPA)
Reserve Study Review	B	M		X (CPA)
Schedule Budget Ratification Meeting For Delegates	T	M		
Send out all Assessment Statements at least 15 days before due		M		
Send a Copy of the General Ledger to the T & P Monthly		M		
Sign All Checks (Except in Emergency +)	P/T/S	I		
Telephone Calls Regarding Late Notices		M		
Title Company Interface		M		
Transfer of Funds (Only after Board Approval and/or 2 Signatures)	T/B	M		
Year End Audit & Review	T	M		X
Year End Financial Preparation	T	M		X
Year End Tax Preparation (Verification of on time)	T	M		X

**GROUND/FACILITY MAINTENANCE**

Advising Vendors of Action Items		M		
Cut workorders for Tac 2 to make repairs in the Ranch		M		
Ensure Proper Specifications are Prepared before Bidding	B	M		
Ensure All Actions are Completed Before Preparing Payment Checks		M		
Inspection of Asphalt Paths		M		
Inspection of Basketball Courts (Replace Nets as Needed)		M		
Inspections for Liabilities on the Ranch Common Areas	B	M	All	All Vendors (Other By Contract)
Inspections of Tot Lots by Inspector/Manager		M		X
Inspections of Walls and Need for Repair		M		
Inspections for Violations in the Ranch	B	M	C	X New Sign Pickup
Manager to be Familiar with The Ranch & All the Facilities		M		
Meet with Landscaper Monthly to Review Ranch		M		
Meet with Lighting Contractor Monthly to Review Ranch		M		

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Seasonal Maintenance is Performed - Frost Protection, Etc.	L	M		
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<b>TASK</b>	<b>BD.</b>	<b>MGT.</b>	<b>COMMITTEE</b>	<b>OTHER</b>
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MISCELLANEOUS

Keeping abreast of and Advising of New Legislation		M		X	Attorney(s)
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SPECIAL MEETING ATTENDANCE

Management Will Attend Extra Meetings as Requested & Available		M		
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\* Liability Issues are to be kept in mind with all inspections and actions.  
 ! Manager to sign checks only in emergency or authorized by one of the Required signers.

## About the Author .... **SARA E. BARRY**

### **NEVADA CAM, CMCA, PCAM**

### **UNLV CERTIFIED PARALEGAL & UNLV CERTIFIED LEGAL SECRETARY**

### **FORMER CLARK COUNTY COURT SYSTEM NEIGHBORHOOD JUSTICE CENTER MEDIATOR**

### **NEVADA LICENSED INSURANCE PRODUCER /AGENT**

Sara Barry has more than 38 years' experience in the common-interest community industry in several different disciplines. Having previously owned her own community management company for 20 years helps to give Sara a unique perspective on all areas of our industry.

Sara has obtained the highest level of credentials both in Nevada and the nation in the community association management arena (CMCA and PCAM) and is a UNLV-certified paralegal and legal secretary. She has served on the Board of several large community associations in all positions and has served on the Board of Directors *and* on many committees over the last 38 plus years in several trade organizations.

Sara, serving as the Chair of the Nevada Chapter of CAI's Education Committee worked to create and implement the Dedicated Community Association Leader, DCAL, recognition for directors, which has been a very successful program in the Nevada Chapter. The Chapter won a national CAI annual award for this recognition of the homeowner members. Business Partners, Managers, directors and past directors are all taking advantage of this program, which ultimately helps our industry with more educated individuals. She was also responsible for creating the Nevada Educated Business Partner education recognition.

Sara was one of the co-founders of CAMEO, Community Association Management Executive Officers, Inc., a Nevada non-profit corporation created for the purpose of providing education and increasing the professionalism and cooperation of community association managers in Nevada. She also served as the Chair on CAI's National Designation Ethics Committee for several years helping to evaluate and make decisions on possible ethical violations of community managers nationally. She is also a member of Nevada Association of Community Managers (NACM) and is called on regularly to speak at their meetings and provide critical input on issues.

Sara is the author of the small statute booklet titled Indexed Version of NRS 116 Uniform Act, which is distributed around the State of Nevada and multiple of articles surrounding issues in the industry. New copies will be available after each legislative session. After the 2015 legislation over 9,000 copies were purchased. 2017 Copies are currently being offered until the next legislative session is codified.

Sara is also the author and sole instructor for the Nevada Real Estate, 30-hour Community Association Manager (CAM), 60-hour Community Association Manager Certification courses taught through Key Realty Schools, 8 hour law course, and 22 hour law course for Community Association Managers. She was also the author of the classes, which she taught for the Nevada State Ombudsman for the common interest communities, around the state of Nevada until they hired an employee to take the training in house because of their popularity.

Sara currently works at Community Association Solutions as an HOA Specialist handling those issues where her experience as a licensed Nevada Community Manager, a previous mediator for the Clark County Court System Neighborhood Justice Center, has mediated for some of the attorneys in the State when they felt an unbiased part could help, and as a licensed Nevada insurance agent fit well with helping to resolve complicated matters. Her background and experience in the common interest community industry is truly unique providing additional depth to those who utilize her services.