

What Does an HOA Management Company Do?

An HOA Management Company typically oversees five key areas of community management:

A **Community Management Company** plays a vital role in ensuring the smooth operation of Homeowners Associations (HOAs) and the communities they serve. Their responsibilities are broad and cover various aspects of financial management, policy enforcement, vendor coordination, and administrative support. Below is an overview of what a Community Management Company does, broken into key areas:

1. Managing Finances

The company handles the financial health and sustainability of the community by:

- Executing everyday financial tasks and maintaining accurate records.
- Creating yearly budgets and providing suggestions to avoid unexpected charges.
- Managing and balancing ledgers and bank accounts.
- Providing regular financial reports to the community.
- Maintaining reserve accounts for future projects or unforeseen expenses.
- Regularly monitoring delinquent accounts and enforcing collection policies, including working with attorneys for accounts in default.

2. Enforcing Community Policies

Community management companies ensure that the HOA's rules, also known as the CC&Rs (Covenants, Conditions, and Restrictions), are followed to maintain community standards by:

- Promoting the preservation of property values and community aesthetics.
- Resolving disputes and enhancing community safety.
- Sending violation notices and reminders.
- Publishing newsletters with rule updates and reminders.
- Conducting site visits to identify violations and ensure compliance with CC&Rs.



3. Vendor Management

They streamline vendor-related tasks to maintain quality services and cost efficiency by:

- Coordinating with vendors to ensure regular services like landscaping and maintenance are delivered.
 - Negotiating contracts to secure favorable terms and cost-effective pricing.
 - Soliciting competitive bids for community projects and services.
 - Overseeing quality control to ensure services meet HOA standards.
 - Acting as a point of contact for vendors to simplify communication and administrative tasks.
 - Ensuring vendors comply with legal and insurance requirements to protect the HOA.
 - Managing vendor responses to emergencies to prevent further damage during crises.
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4. Administrative Duties

The company handles essential administrative tasks to support the HOA board and the community:

- Coordinating and planning board meetings, including agendas and events.
 - Answering phone calls, voicemails, and emails promptly.
 - Maintaining detailed reports and supporting accounting or invoicing processes.
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5. Overseeing Community Sites

They ensure the community's physical spaces are well-maintained and functional by:

- Managing bulk trash and yard maintenance requests.
 - Ensuring recreational areas and common spaces are properly maintained.
 - Coordinating large equipment storage and playground maintenance.
 - Monitoring and ensuring contract jobs are completed accurately.
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Understanding the Role of the Management Company

Please note that the management company operates under the direction of the HOA Board of Directors. The management company does not have the authority to take certain actions without explicit approval from the Board. These actions include, but are not limited to:

- Making certain purchases.
- Entering contracts.
- Committing to expenses.
- Filing a lien on a property.
- Pursuing court action for delinquent accounts.
- Taking other legal measures as recommended by the attorney.

All such actions require prior approval from the Board.

This distinction is often a point of confusion for new HOA members. The Board is ultimately responsible for decision-making, while the management company executes those decisions and ensures the day-to-day operations of the community runs smoothly.

By working collaboratively, the Board and the management company maintain transparency, efficiency, and accountability in managing the community.

In short, a Community Management Company acts as a bridge between the HOA board and the community, providing expertise, oversight, and operational support to maintain a thriving and harmonious neighborhood.

Please note that this guide is intended as a reference and should be used as a guide only. It is not a substitute for official policies or documents.

