

Guide for HOA/Metro District Board Members  
**Hiring an HOA Management Company**

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## So, You Need a New HOA or Metro District Management Company...

Being on the board of your homeowner's association or metro district means making decisions, representing your neighbors and tackling many tasks you might not have been initially prepared for. These include meeting preparation, homeowners support, fee and bill collection — just to name a few.

It's hard for boards to take on all of these responsibilities themselves, especially since members are usually volunteers with their own day jobs. This is why boards oftentimes hire a management company to do the day-to-day tasks for them.

Our advice at Kellison Corp is to remember that no two management companies are the same, and the decision of hiring one shouldn't be taken lightly. These individuals are the ones who will hopefully work to keep your homeowners happy and your neighborhood safe and beautiful.

The wrong pick could cause your neighbors to be frustrated and could lead to potential issues down the road for everyone involved.

Whether you're thinking about hiring your first management company as a board or you're ready to part ways with your current one, Kellison Corp is your source of association management information. We hope this guide serves as a way to help board members in Northern Colorado — maybe even across the country — with everything they need to know when it comes to hiring a management company for their HOA or metro district.

### HOA/Metro District Duties

- Complying with governing documents and state law
- Maintaining common areas
- Managing budgets and assessments
- Fiduciary duty and the Business Judgement Rule
- Adoption and enforcement of rules
- HOA politics
- Representing homeowners as a whole
- Keeping books and records
- Handling emergencies
- Human rights and accommodations

## 15 Key Questions to Ask

During your interview process of hiring a management company for your HOA or metro district, there are several questions to keep at top of mind that will help you weed through all of your options. By asking these key questions, you'll be able to discover if the firm is right for your association.

Moreover, if a company doesn't know how to answer these questions, or they provide a weak response, they'll be an easy one to cross off your list.

1. How many years of experience would the account manager of our neighborhood have?
2. Do you have the proper licenses, certifications and insurance?
3. Can you please provide references?
4. What are your company's core values?
5. What services do you offer?
6. How much do you charge and what is your fee structure? Do you have any add-on costs?
7. How many HOAs do you currently manage?
8. Does your company cater to only HOAs? If not, what other services do you offer (e.g., rentals, sales, etc.)?
9. What is your preferred method for communication and how long does it typically take you to respond?
10. How often do you conduct routine inspections of associations?
11. What is your approach to managing maintenance issues?
12. Who will be the account manager responsible for our neighborhood? Can you provide details of their past experience?
13. Who will be responsible for any day-to-day operations?
14. Do you offer any additional services or programs?
15. What makes you different from other local companies?

### Helpful Note



Some companies will place additional costs on the board for basic items such as document copies, meetings, letters, etc. This should be a red flag. Choose a company that offers one flat fee for *all* services provided.

Keep in mind that these are a general guideline of questions so that you can head into your interviews prepared! If you have any other questions or if questions arise during your conversation, do not hesitate to ask those as well.

As a fiduciary duty, it is your job to ensure you and your fellow board members use your best judgement when making a final decision. Hiring competent management should make your job easier and reflect well on the community.

## Qualities to Look for in a Management Company

Your selection of a company shouldn't be taken lightly, especially when considering you'll be locked into a contract with this company for at least a year. So, how do you know what qualities you should look for in your potential HOA management company? What makes this company stand out from others, and how will your board decide who is the best for the job?

### **Various specialized services**

First things first, you want to ensure the firm you hire actually does what you need them to do. Most provide services that focus on administration, communication/customer service and fiscal assistance. Chances are, you need help with priorities such as:

- Accounting
- Board advisement
- Homeowner support
- Supervision of vendors
- Fee collection

Make sure the firm you choose can handle all of these and anything else you need it to.

Several companies also specialize in services outside of HOA management, such as property management or real estate. This could mean they have less time to focus their attention on your HOA board, or that their knowledge could be more general than a company who solely focuses on HOA management. If your HOA board requires more than minimal attention, these companies likely won't work out for you.

### **Experience and knowledge**

The company you choose should have extensive knowledge in managing HOAs and know what it takes for your neighborhood to be clean, supported and successful. Its staff should be up to date on all current, local HOA regulations and laws. Choose a company that has a track record of navigating frustrating or complicated issues with homeowners with professional ease.

It's as easy as this: the longer the business has been around, the more likely it has had to problem-solve and overcome various situations and issues. The firm should serve as your advisory council when making decisions, or when you're unsure of how to address a specific situation.

## Fee structure

Before you enter a contract with a management company, ask them about their fee structure.

What services will your board be charged for? When are extra costs applied? Is there a set-up and exit fee? A reliable firm should provide a comprehensive list of charges before it starts working with your board. Also, it's important to keep in mind that you get what you pay for, and cheap doesn't mean things will get done.

At Kellison, we're proud of our predictable pricing model, where one monthly fee covers all day-to-day management tasks.

## Handling of inspections and collections

Look for a team that routinely checks their neighborhoods, either on a daily or weekly basis. The more often your HOA manager is inspecting your neighborhood, the more likely issues or problems won't linger and can be addressed sooner.

Moreover, ensure the firm has the know-how to collect HOA fees on time, and ask what their process looks like for homeowners who are late on their dues.

## Communication

One of the biggest troubles HOA boards have with their management firms is simply getting a hold of them in a timely manner. Your homeowners don't want to wait for days — even weeks — to have a question answered by their HOA manager. You shouldn't want to wait that long either.

Select an extremely communicative company, either by phone or email. Ask about the tools and resources they use for communication, for both homeowners and the board. Why are these the options that are available, and when can everyone expect to receive an answer?

## HOA/Metro District Management vs. Property Management

A homeowner's association or metro district management company specializes in the management of the HOA duties typically expected by the HOA board.

Property management companies specialize in the management of specific rentals or properties that sometimes can be in neighborhoods with HOAs.

## The Process: Before, During and After Your Search

If you're new to the process of hiring an association management company, let us break down what you can expect, or what your board should have on your "to-do list" in the upcoming months.

### **BEFORE**

- Establish a priority list and services that will be needed.
- If applicable, terminate your current HOA or metro district management contractor with the agreed upon days of notice.

### **DURING**

- Interview 3-5 management companies that have a good reputation and appear qualified.
- Narrow down your options, comparing costs, quality and best fit for your neighborhood. Inform homeowners of the choices and break down each management company by price and services offered.
- Review the contract with the firm you select. Make sure both parties understand their respective responsibilities.

### **AFTER**

- Get names and contact information for key service personnel, specifically vendors and your HOA/metro district manager.
- Inform homeowners of your decision and relay any important contact information to them as well.
- Enjoy the relaxation that comes with letting a professional management firm handle your day-to-day duties!

## Tips for Being a Successful Board Member

While the right HOA or metro district management company can help ensure your neighborhood runs as it should, there are things you — as the board member yourself — can do to ensure you're doing your part as part of the board, but also as a neighbor.

### As a leader at meetings

- Provide history for newer board members or special attendees
- Keep everything on track
- Give everyone a voice — address members individually to ensure they're comfortable expressing their thoughts and opinions

### Maintain perspective

- Consider community options from all angles
- Explain your stance on issues and back it up with facts
- Understand you won't please everyone, but still make it your goal to problem-solve and achieve a compromise on all issues
- Educate the board or audience on why decisions are being made, since they might not be aware of costs, tradeoffs, policies, etc.
- Reach out to former board members for their perspective, advice and history

### Other

- Avoid conflicts of interest
- Familiarize yourself well with board regulations and policies
- If you're a new member, research past meeting minutes to catch you up to speed and the boards recent decisions

## Northern Colorado Neighborhoods — Contact Kellison For Your Management Needs

If you're looking for a management company with experience and know-how in virtually any situation, reach out to our team today. We have more than 25 years of experience doing solely HOA and metro district management, so you'll get our undivided attention and expertise. We focus on solely one thing (we are NOT a property management company), which is why we can do it so well.

**You be the neighbor. We'll be the management company.**  
*Contact us today for a consultation.*

### CONTACT US



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