

Basic Tips for Hiring a Community Association Manager

June 19, 2018

By: Astrid Guardado

Community association property management is a field that has experienced significant growth in recent years. Florida Law requires licensure by individuals who, for compensation, provide management services for community associations with more than ten (10) units, or those with annual budgets that exceed \$100,000 (CAM licensing). Currently, Florida has over 10,000 licensed property managers. As such, it is incumbent on your association to do its homework before hiring a property manager.

A community association manager can be a huge asset to most associations, but they do not usually come cheap. However, good property managers generally cost about the same as bad managers. Although CAM licensing has vastly improved professionalism in the field, your board of directors should not be reluctant to pay for quality management services.

Good managers are knowledgeable about how community association properties operate, keep current on the latest laws and possess a certain set of skills, which include the ability to communicate and relate to a wide array of people. Another set of important qualities that a community association manager should possess is organization and attention to detail. Multitasking and the ability to follow up and follow through on projects and objectives are also essential characteristics that should be considered. Additionally, among other skills, a community association manager should have knowledge and understanding of scheduling, payroll, budgets, collections and basic accounting principles.

Hiring a community association manager allows you the opportunity to assess the nature and scope of the overall managerial needs of your community. Therefore, before hiring a new manager, your board should develop a well-defined scope of services to be provided by such. The following guidelines should then be adhered to:

1. Contact your local Community Association Institute (CAI) chapter and ask

for a list of qualified candidates;

2. Ask for references from other similar associations and use multiple sources for recruitment. Some of the questions that should be asked of your resources pertain to: how well the manager gets along with the owners, the board and outside vendors; how well does he, or she, present themselves at board meetings; do they demonstrate good communication and organizational skills; and do they work well under pressure;
3. After obtaining proposals and/or applications from at least three qualified property managers, do background checks, including, a review of the candidates' credit, criminal and driving records. You might want to consider the services of a professional screening company, as this expenditure, more often than not, pays for itself in the long run;
4. Make inquiries with the Florida Department of Business and Professional Regulation. It governs CAM licensing. The Better Business Bureau can also be utilized as a screening tool;
5. Drive by several of the properties currently managed by your prospective candidates. Tour the properties, if possible. Pay attention to details regarding upkeep and maintenance;
6. Interview all potential property managers in person. Let the candidates know that you are interviewing others and advise each of the specific management needs that you are seeking. Also, before a manager is hired, he, or she, should meet with as many board members as possible;
7. Make sure that all questions asked of the candidates are job related. Your board should have a basic understanding of the state and federal laws that govern the hiring process. When in doubt, it is imperative that you seek the assistance of legal counsel in this regard;
8. Carefully check the references provided by your candidates;
9. After meeting all qualified prospects, select the one that is the best fit for your community; and
10. Review the relevant governing documents' provisions to determine whether there are any limitations on your board's ability to contract with a property manager. Such limitations usually include restrictions on duties which may be delegated and the length of the term of the management contract. Also, look for any restrictions on how a community association manager can be hired (some are hired as employees, others as independent contractors).

A written management agreement that specifically delineates all terms of the relationship should be prepared by legal counsel, agreed to, and executed before the manager's first day of work. The contract, among other provisions, should have a fixed term and a specific expiration date. It should

also contain a severance clause which provides for termination “with, or without, cause” and a requirement for reasonable, written notice of the intent to terminate. Automatic renewal provisions should be avoided. Finally, remember that hiring the right community association manager (whether an individual or a company) and having a well-crafted management agreement in place will provide the blueprint for the successful operation of your community association.