



Understanding the Roles and Relationships between the HOA, Board of Directors, and the Community Management Company.

Do you know how decisions are made in your community? Do you know how they are implemented and enforced? Who manages the communications between the Homeowners Association, the Board of Directors, and the homeowners? Why do we need an association management company?

Join us as we unravel the intricate duties and obligations of homeowners' associations (HOAs), association management companies, and board members. Get ready to dispel myths and cultivate a deeper appreciation for the imperative efforts of community managers in guaranteeing the seamless operation and unity of our neighborhoods.

What is an HOA?

A Homeowner's Association (HOA) serves as the governing body for a residential community, responsible for its management and upkeep. Made up of homeowners themselves, the HOA elects a board of directors to represent their collective interests. The main role of an HOA is to maintain and enforce community rules and regulations, typically outlined in a document called the Covenants, Conditions, and Restrictions (CC&R). Each resident of the community is a member of the HOA, with ownership of an equal share of the common areas. For instance, in a community with 100 houses, each homeowner would possess a 1/100 stake in the common areas.

What does the Board of Directors do for my community?

Homeowners within the community elect the board of directors, which functions as the HOA's governing body. This board holds the responsibility of making crucial decisions, setting and enforcing community regulations, overseeing financial matters, and ensuring the upkeep of common areas. Operating with the community's best interests in mind, as well as following state statutes, the board strives to uphold property values and improve amenities. The exact duties of the board can differ based on the community's size, requirements, and governing documents.

What is the role of the association management company?

An association management company, such as AMS, is a professional entity engaged by the HOA's board of directors to offer administrative, financial, and operational assistance. Serving as a link between homeowners and the board, the management company ensures the efficient execution of association policies and decisions. Their duties typically encompass tasks such as dues collection, budget



management, oversees maintenance of the property, assist BOD in coordination of vendor services, and facilitating communication within the community.

Limitations of the community management company.

The board of directors of the community engages the management company to offer assistance and direction. Although the community manager aims for a lively and cohesive community, they operate under the authority of the board of directors. Community managers lack the power to establish or modify community rules, undertake neighborhood initiatives, set monthly dues, or make decisions on behalf of the board. While the board has enlisted a management company for guidance, it remains solely accountable for community decision-making.

How does my HOA Board of Directors communicate with the management company?

The board of directors works hand in hand with the association management company to ensure smooth community management. While the board establishes policies and makes decisions, the management company oversees daily operations such as budgeting, financial reporting, maintenance requests, and reporting violations to the board of directors to be enforced. Serving as a valuable resource, the management company offers guidance and expertise drawn from their experience in association management. In a community association, homeowners, association management companies, and the board of directors collaborate to uphold and improve the residential community's quality of life.

In summary, the main responsibilities of each entity include:

- Your Community HOA sets the rules and regulations in the CCR's.
- The association management company provides operational support.
- The board of directors is elected by, governs the CCR's, and represents the interests of the homeowners.

Through a joint effort, these three entities work to ensure your community is running efficiently and flourishing, operating under state statutes, and making your community a place in which every owner can be proud to call home.