

Community Association Summit 2024

M&T Bank

AGENDA

Budgeting with transparency

Fraud

Lending

Responsibilities of a Board



Diagram illustrating the responsibilities of a board, presented as three overlapping light blue rounded rectangles with dark blue borders, each containing a responsibility. The rectangles are arranged horizontally and overlap slightly to the right.

PROPER
FINANCIAL
MANAGEMENT

TRANSPARENCY
AND
COMMUNICATION

RISK AND RISK
MANAGEMENT

BUDGETING



Having the proper tools

Software such as Intuit/Quickbooks



Separate funds into different accounts

Reserve account
Operating account
Projects or special purpose



Have proper financial team

Finance committee
CPA
Property management team



Fraud

- Common Fraud:
 - Check fraud
 - ACH fraud
 - Card fraud
 - Impersonators

Protections for Accounts

Positive Pay Payee

ACH Monitoring

UPIC

Debit card vs credit cards

Special Purposes and Improvements

Common Examples:

- Repaving parking areas
- Replacing roofs
- Landscape
- Common grounds i.e. playgrounds, pools, etc.

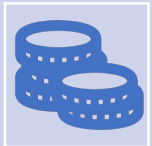
Ways of Financing or Managing Capital

- Special assessments
- Raising dues
- Lending

Benefits of Lending



Ability to extend debt out to lower cost of increasing dues



Leverage capital in other ways

Cash is king

Invest funds to continue to grow capital



Ability to take on larger projects in a shorter period of time

Qualifications for Lending

90% must be owner occupied

Association's total debt cannot exceed 5% of average market value

Equity report

- Average of 25% equity

Depending on size of loan, may require site inspection, independent engineer's report, and environmental report

Need meeting minutes for last 6 months and/or involving special project

Recommended that proposed financing be approved by minimum of 67% of all association members

Preferred to have associations with 50 units or more



Questions?