

# apm NEWS

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## **NEW RESIDENTS' WELCOME MANUAL FOR COMMUNITY ASSOCIATIONS**

**By John R. Math, LCAM**

Since more than 75% of new residents moving into a community association have never lived in an association before, it is wise, as a part of a new resident screening process or in the case of communities that do not have a formal approval process, to at least have a "New Resident Welcome Manual." This manual would not only help welcome a new resident to the community, but help to orient the new resident and their family to the community, along with educating them to the more important rules and regulations and overall culture of the community.

A New Resident Welcome Manual can be simple or very sophisticated depending on the size and complexity of the community in question. At the least, the manual is a written document that a new resident receives at the approval process or prior to the moving in that outlines to them the general rules and operating procedures for the association. In all cases, it is helpful and wise that it is pointed out to the reader to refer to the Association's documents for further clarification of any procedure or rule. Throughout the manual, if you can reference certain pages in the Association's documents, the better.

The following is a suggestion for a Welcome Manual for a medium size community association.

In the introduction to the New Resident, you can summarize the community, its size, units, unit types, amenities, and anything else of community interest. Discussion on what it means to accepting the deed or taking the unit, subject to the documents, may be helpful. Review what makes up your documents, Declaration, Articles of Incorporation and By-Laws and how those documents affect the owners and the operations of the community. Along with this information, you may want to include when and where the Board Meetings are held, notices and unit owner participation - same for Annual Meetings, Members Meetings and Budget Meetings.

If there is Property Management as part of the community, it is good to discuss this aspect of the community operation. Describe the extent of the management and what it covers and does not cover in terms of service, time on site, etc. List the manager's or the management company's responsibilities and how complaints are handled and what constitutes an emergency. Also, outline how paperwork, approvals and other communications are handled and management's part in this. In the New Resident Manual discuss security and safety issues in and around the home, as it relates to the residents, their families and neighbors. There are many great brochures that you

can get from police and fire rescue that can be included in the manual.

Outline and review why there are assessments for maintenance, what it covers and how it is payable. Spell out exactly, when it is due, when it is late and what the penalties are for making a late payment to the Association. You may want to discuss further your collection policies and how your Association's attorneys will collect on a delinquent account and how the owner will be responsible for the costs of collection.

Detail the maintenance responsibilities of the Association and what the unit owner is responsible for. Spell out the minimum standards that are acceptable for the community and how this affects every owner's values, if not adhered to. Discuss trash collection days and procedures for putting out and taking in cans. What are the recycling days for the community? (Same for solid waste and vegetation clippings.)

Define and discuss what common areas of the community are and how they are maintained and used by the residents. Define the amenities within the community and how they are to be enjoyed, what their hours of operation are and how they can best be reserved or used by the residents.

Explain how Architectural Controls are being enforced throughout the

community and how and why this is important to the values of the community. Detail the procedures of the approval process of the ACC Committee and exactly how to expedite the process. Explain the time constraints in this process and also include forms for the new resident in this package as well. If there are preapproved items, such as flags, fences or types of materials that can be used, detail this as well.

List all of the other Committees within the community, such as Covenants, Fines, Landscape, Maintenance, Security, Pool, Social and Communications. Detail their functions, when they meet, and how you, the new resident, can make contact with them. Always make a pitch as to the need for volunteers for these committees. Detail the type of government that the community is a part of: Municipal, County, Special Taxing District. Give an overview of how these governments also regulate and affect how we live in this community as well. Explain what it means to have your property with a Homestead Exemption and the advantages of being a Florida resident. Other items that would be useful in the Welcome Manual would be a list of local amenities and services within a certain radius of the community. This could include shopping, medical services, places of worship, hardware stores, movies, etc.

Additional items that could be included would be utility brochures and public service announcements from local governments, copies of old newsletters, Minutes of past Annual Meetings, helpful telephone numbers of government services and other emergency services, a roster of Board members and Committee members, copies of cable TV channels, website information, maps of the area, and merchant coupons and discounts.

Overall, a New Resident Welcome Manual can help to make a new resident feel welcome, bring to their attention the more important rules of the association and how to orient the family in the local community quickly.

## Ask The Attorney

By David St. John, Esq.

**Q. *Our Homeowners Association Board has Workshop Meetings every week during the day when everyone is at work. They discuss and vote on all of the important things at these meetings. At the monthly Board of Directors Meetings the Board then informs the Members what has transpired at these Workshop Meetings. There are never any discussions, motions or votes at these meetings. Is this right or a proper way to run our Association?***

**A.** Florida law makes no provision for "workshop" Board meetings, although many associations have what they call "workshop" meetings. All meetings, including workshop meetings, must be noticed with an agenda posted 48 hours in advance of the meeting and 14 days prior to any Board meeting where a special assessment or any amendments to rules regarding unit use will be considered. It is important to note that, under the Florida Condominium Act, owners have the right to speak at all meetings with reference to all designated agenda items. This includes "workshop" meetings.

**Q. *Recently, our Management Company has announced that they are charging Estoppel Fees on sales and refinancing of mortgages in our community. They say that they are being buried in time and paperwork on these transactions and that they have to charge for this service. Can they do this?***

**A.** Yes, the Florida Condominium Act was specifically amended last year to allow an association or its management company to charge a fee for this type of activity. The new

provision states that "the association or its authorized agent shall be entitled to charge a reasonable fee to the prospective purchaser, lienholder, or the current unit owner for its time in providing good faith responses to requests for information . . . provided that such fee shall not exceed \$150 plus the reasonable cost of photocopying." This amendment was intended to specifically address association and management company charges for estoppel letters relating to sales and mortgage refinancing.

**David St. John** is the founder and President of the law firm of St. John, Core & Lemme, P.A., in West Palm Beach. David is a frequent lecturer and author on community association law, including bulk rate cable TV contracting and the Telecommunications Act of 1996. The firm represents more than 600 Community Associations. David can be reached at 561-655-8994 or you may email him at [dsj@stjohn-core.com](mailto:dsj@stjohn-core.com).

## REMINDERS!

1. Be sure to update your files to include a new Question & Answer Sheet as of January 1, 2005.
2. Fees to the Division are coming due and are late if not paid by January 1, 2005. The amount is \$4.00 per unit for all condominiums and cooperatives.
3. Corporate Annual Reports will soon be mailed and must be filled out and received by the Secretary of State by May 1, 2005. The Fee is \$61.25 for Not-For-Profit Corporations.

## FINANCIAL REPORTING REQUIREMENTS FOR ASSOCIATIONS

By John R. Math, LCAM

All associations in Florida are required by statute to provide a year end financial report to their owners. Condominiums and Cooperatives are required to mail or personally deliver to all unit owners within 60 days, or as otherwise provided in the by-laws of the corporation, a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications.

Condominiums and Cooperatives which operate with more than 50 units and having annual revenues of more than \$100,000, shall prepare and deliver a financial statement within 90 days following the end of the fiscal or calendar year. The financial statements shall be compiled, reviewed or audited depending on the total amount of annual revenues.

Associations having annual revenues in excess of \$100,000 but less than \$200,000 shall, at a minimum, prepare a compiled financial statement.

Associations having annual revenues in excess of \$200,000 but less than \$400,000 shall, at a minimum, prepare a reviewed financial statement.

Associations having annual revenues of \$400,000 or more shall, prepare audited financial statements.

Associations can waive these reporting requirements when a majority of the voting interests of the association at a duly called meeting of the association have determined for a fiscal year to waive the above requirements.

**PLEASE NOTE:** The meeting shall be held prior to the end of the fiscal year, and the waiver shall be effective for only 1 fiscal year.

Effective as of October 1, 2004, for the year beginning 2005, all homeowners' associations (associations governed by Chapter 720) are required to mail or personally deliver to all unit owners within 60 days, or as otherwise provided in the by-laws of the corporation, a complete financial report or financial statement of actual receipts and expenditures for the previous 12 months. The financial reports and/or statements shall be compiled, reviewed or audited depending on the total amount of annual revenues.

Associations with a total annual revenue of less than \$100,000 must prepare a report of cash receipts and expenditures.

Associations with a total annual revenue of \$100,000 or more, but less than \$200,000, must prepare a compiled financial statement.

Associations with a total annual revenue of at least \$200,000, but less than \$400,000, must prepare a reviewed financial statement.

Associations having annual revenues of \$400,000 or more must prepare an audited financial statement.

The Administrative Code for Condominiums and Cooperative Associations requires some of the following components for Financial Reports and Financial Statements:

### Financial Reports

Must be prepared on a cash basis, show all receipts & expenditures, include Reserves for Capital Expenditures, Deferred Maintenance and any other category for which the association maintains a reserve account.

Reserve Disclosures include the beginning balance in each reserve account at the beginning of the fiscal period, the amount of assessments and other additions to each reserve account including authorized transfers from any other reserve accounts, the amount disbursed or ex-

## Mailing Label

C/O ASSOCIATED PROPERTY MANAGEMENT  
1928 LAKE WORTH ROAD  
LAKE WORTH, FLORIDA 33461

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pending from each reserve account, the ending balance in each reserve account as of the end of the fiscal period, the manner by which reserves were estimated, and the manner by which and the last date that reserve items were estimated. There are also other disclosures concerning revenue and expenses for Limited Common Elements. Please refer to Chapter 61B-22, Florida Administrative Code, for further details.

### **Financial Statements**

Must be prepared on the accrual basis using fund accounting. Required components include accountant's or auditor's report, balance sheet, statement of revenues and expenses, statement of changes in fund balances, statement of cash flows and notes. In addition, there are reserve disclosures, the method by which income and expenses were allocated to the unit owners, special assessment disclosures and limited common element disclosures. Please refer to Chapter 61B-22, Florida Administrative Code, for further details.

**Associated Property Management of the Palm Beaches, Inc., is a seventeen-year-old full-service association management firm. APM serves more than 130 associations in Palm Beach County. If you have any questions or comments, you may contact us at 1928 Lake Worth Road, Lake Worth, Florida 33461. Please call us at 561-588-7210, or you may email us at [assocpropmgt@bellsouth.net](mailto:assocpropmgt@bellsouth.net) at any time.**

### **USEFUL WEBSITES FOR YOUR ASSOCIATION**

Associated Property Management  
561-588-7210 or [www.assocpropmgt.com](http://www.assocpropmgt.com)

Florida Department of State  
904-487-6000 or [www.sunbiz.org](http://www.sunbiz.org)

South Florida Water Management District  
561-686-8800 or [www.sfwmd.gov/index](http://www.sfwmd.gov/index)

Palm Beach County Property Appraiser  
561-355-3230 or [www.co.palm-beach.fl.us/papa/main/default](http://www.co.palm-beach.fl.us/papa/main/default)

Florida Division of Emergency Management  
850-413-9900 or [www.floridadisaster.org](http://www.floridadisaster.org)

Palm Beach County Div. of Emergency Mgt.  
561-712-6400 or [www.co.palm-beach.fl.us/eoc](http://www.co.palm-beach.fl.us/eoc)