

BOXWOOD GREEN HOMEOWNERS ASSOCIATION COMMUNITY MANAGER ENGAGEMENT PROCEDURES

Purpose of Policy. The Board of Directors must be able to hire or replace a Community Manager from time to time and the period for replacement may be very short. This policy sets guidelines that can be used to perform this task without the need to begin the process from scratch.

Background. Since its inception as a community association, the responsibilities of the Board have increased as more homes were built, laws were changed, regulations were imposed, and volunteerism has declined. The original position as secretary/treasurer was separated into a secretary's and treasurer's position as responsibilities increased. The Treasurer position has become one akin to the Chief Financial Officer of a small company. It has become more difficult to attract volunteers who have the time and accounting experience, as well as familiarity with regulations currently guiding the Association's every day operations.

Many homeowners associations including those smaller than Boxwood Green have employed the services of a Common Interest Community Manager (Community Manager) to provide, not only everyday management, but also current expertise on legal and accounting issues.

Section 54.1 of the Code of Virginia (Code) requires community managers and all their employees, who deal with common interest communities, such as Boxwood Green, to be trained and licensed by the state. Additionally, they must be bonded.

Guidelines. The following guidelines should enable the Board to make a sound and timely decision on the need to hire a community manager.

Appointment of a Management Review Committee. As soon as the Board becomes aware of the need to hire or replace a Community Manager, it will appoint a Management Review Committee chaired by a board member, other than the Treasurer, and including the Treasurer and one Boxwood Green property owner not on the Board.

The Committee will review the current Treasurer or Community Manager's responsibilities, revise them if necessary, and document them in a letter seeking bids on the position.

Potential Candidates. The Committee should select qualified Community Manager candidates to send request for bids. They may use at their discretion community managers who have been recommended by other homeowner associations as well as from a list of licensed Common Interest Community Managers that can be obtained by a Virginia Freedom of Information request to the Common Interest Community Board at CIC@DPOR.Virginia.gov.

Bid Letter. The letter seeking bids on a Community Manager contract will include:

- a. A date for submittal of the bid.
- b. Conditions for the bid to be accepted. Need to address all the issues.
 - A valid license from the Commonwealth of Virginia.
 - Evidence of a fidelity bond.
- c. Current background information on the Association and its goals and objectives.
- d. Current information on the financial condition of the Association and the records and report documenting that condition.
- e. Required responsibilities of the Community Manager's position being advertised.
- f. A request for background information on the bidder's experience.
- g. A request for at least three references.
- h. Attachments deemed necessary to seek a bid.

Community Manager Engagement Schedule. The Committee should develop a schedule for developing the bid letter for presentation to the Board, mailing the letter, receipt and review of the bids, interviews with bidders, and recommendation to the Board.

Responding to questions and requests for information. All questions from bidders regarding the operations of the Association should be directed to one person, preferably the Treasurer, who should document the conversations.

Factors to consider when reviewing bids. The Committee should consider the following when reviewing the bids:

- a. Experience.
 - How long have they provided the service to their clients?
 - How many clients does each have?
 - What is the range of properties within their clients' associations? What experience do their employees possess?
- b. Reliability.
 - What is the experience of their employees?
 - How many employees do they have?
 - What is the growth pattern of their client list?
- c. References. Personal contact should be the norm; however, E-mails should also be considered.
- d. Cost. The lowest cost should only be one of the factors considered.

Interviews. At least the leading candidate should be interviewed before a final recommendation is made.

Recommendation to the Board. The Committee's recommendation to the Board should be in writing. It should include a summary of the bids and the basis for the decision by the Committee. Additionally, a letter awarding the Bid should be prepared for the president's and Secretary's signature. Letters to those not selected should be prepared over the Chairman of the Committee's signature.

Board Action. The Board should consider the Committee's recommendation at either the next regular meeting or a special meeting called specifically to address the recommendation. The Board should provide counsel with a copy of any contract proposed by the winner or seek advice on drawing up the contract. Once counsel has provided the necessary legal advice, the president should sign the letter to the winning bidder and the Chairman of the Committee should mail the letters to those not selected.

Reviewed 03/10/2022

Approved by the Board July 14, 2010