



**CAI-IL 27TH ANNUAL CONFERENCE & TRADE SHOW
JANUARY 17, 2009—10:45 SESSION / ANGELA FALZONE
“SELF MANAGED & SMALL ASSOCIATIONS”**

I. MANAGEMENT BASICS FOR ANY ASSOCIATION

- A. Associations are Not-For-Profit Corporations**
- B. Must understand & adhere to ICPA and Association’s Declaration & Bylaws**
- C. Section 18.4 of ICPA: Powers & Duties of the Board**
- D. Think Strategically—Three Aspects to Managing any Property:**
 - 1. Administrative
 - 2. Financial
 - 3. Physical
- E. Roles and Responsibilities**
 - 1. Owners vote in the Board and participate on committees, if applicable;
 - 2. Board makes decisions and implements decisions, if self-managed;
 - 3. If professionally managed, the Manager implements decisions made by Board.
- F. What Professional Management is NOT**
 - 1. Management is NOT a replacement for the Board
 - 2. Without clear directives from the Board, Management will NOT be efficient
 - 3. No Management Company will be perfect

**PROPERTY
CONSULTATION**
Angela Falzone
310 Busse Hwy.
Suite 316
Park Ridge, IL
60068
847.685.0710
fax 847.685.0709

**PROJECT
MANAGEMENT**
Shirley Feldmann
4114 N. Lincoln
Suite 312
Chicago, IL
60618
773.348.0742
fax 773.348.0799

II. NEEDS ANALYSIS FOR SMALL ASSOCIATIONS

- A. Perform Analysis of Specific Needs for your Association & Property**
 - 1. Criteria needed to manage efficiently: Administrative, Financial & Physical
 - 2. Availability and ability of Board to perform these tasks
 - 3. Ability to obtain professional management
 - 4. Financial impact on owners
- B. Some Properties May Be Too Small to Consider Professional Management**
 - 1. Board will be forced to either:
 - a) Self-manage
 - b) Pay very high management fees that may be cost prohibitive
 - c) Accept minimal Scope of Services
 - 2. The smaller the property, the more involved an owner will need to be
 - 3. Self-managed boards need to be proactive in creating efficient protocols and processes to avoid reinventing every wheel
 - 4. Self management can be very time consuming
 - 5. Self management can be very rewarding

(CONTINUED)

III. SELF-MANAGEMENT

A. Decrease your Legal Risk and Liability

1. Self-managed boards will be held to the same standards, criteria and laws as professional management
2. Board is obligated to understand and follow all governing documents
3. Proper procedures and protocols may prevent decisions from being challenged and may lessen the risk of possible litigation
4. Obtain board training, participate in educational organizations and stay informed with the law

B. Increase Efficiency—Assemble Your Professional Team of Advisors

1. Board Training—abide by your Association’s governing documents
2. Efficient Protocols—make it a *process* not a *project*
3. Condo Attorney—for legal opinions and collections
4. Financials—for assessment collections and bill payments
5. Project & Loan Management—for capital repairs and improvements

C. Owner Communication

D. Committees

IV. WHETHER SELF OR PROFESSIONALLY MANAGED...

A. It starts with the Board!

B. Give the Board/Management the Tools, Timely Decisions and Resources to do a Good Job

C. Set Realistic Expectations and Goal Setting

D. Don’t be Penny Wise and Dollar Foolish—Hire the Appropriate Professionals

E. Communication between Board Members, Management and Owners

F. Efficient Management = Decreased Liability, Increased Property Values & Happy Owners!



In 2002, Shirley Feldmann founded Association Advocates, Inc. after her board member experiences owning both new construction and conversion condos and realizing that there are few places to turn to for personalized consultation, especially for the newly formed or self-managed association. Shirley teamed up with Angela Falzone, 30-year property management veteran, to educate consumers on how to protect their investment and increase their property values—a unique service especially in this uncertain and competitive real estate market. To date, AAI has helped more than 100 association clients, ranging in size from 3 to 700 units, management companies, Realtors® and developers—with board and self-management training, developer turnovers, start-up association procedures, new management searches and transitions, consultation retainers, and project and loan management. Many free resources are available on our website including seminars/events, published articles, radio shows and handouts from past speaking engagements.