



FINANCES

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Financials a hot topic for condo educators

Most community association experts agree that finances play a pivotal role in how communities operate. As a result, a growing number of law firms and association advocacy groups are organizing basic accounting courses to help promote financial health within South Florida communities.

"We go over anything that has to do with finances in an association," said Bill Raphan, a condo law educator at the Katzman & Garfinkel Law and Learning Center in Margate, which offers a variety of condo education courses and seminars.

Raphan, who previously served as office manager to the state Condo Ombudsman satellite office in Broward, said board members are not expected to have the knowledge of a certified public accountant when dealing with finances, but they should be educated on how finances impact the association overall.

"They may find it difficult to know all financial aspects of an association," Raphan said. "We're not CPAs either, so we're not going to go over everything in a complicated manner, but we want

[people] to be aware of the things they need to know concerning the finances of an association. We're not substituting for their accountant, but it's an overview of finances in the community."

The Law and Learning Center is hosting a free 'Dollars and Sense' condo education course, which provides an overview of condo budget preparation, reserves, financial reporting requirements, competitive bidding requirements and other financial aspects, from 11 a.m. to 1 p.m. Sept. 3 at the Tamarac Community Center, 8601 West Commercial Blvd.

Basic budget requirements include establishing beginning and end dates of the budget; total assessments on a monthly or quarterly basis for each unit type; and fully-funded reserves for capital expenditures and deferred maintenance.

When preparing an annual budget, Robert Kaye, a managing firm member of Kaye Bender Rembaum, a law firm that represents community associations throughout South Florida, said a lack of understanding of the board's obligations under the governing documents

and the law is the most common mistake. He added that it's important for board members to understand and accept that all of the operating expense needs of the association for the given fiscal year and to not under-fund the budget.

"There is a balance that must be reached between what the board members consider to be the fiscal needs of the community against the financial condition of the owners as a whole," Kaye said.

Kaye Bender Rembaum is also offering free board member certification courses, which includes financial planning, throughout the year.

"Understanding the basic financial aspects enables the board to best project the upcoming annual expenses and helps to minimize the possibility of the need for a special assessment during that fiscal year," Kaye said.

For information about the Law and Learning Center, call 954-486-7774. For information about Kaye Bender Rembaum courses, call 954-928-0680.