

Why It's Best to Hire a Reserve Specialist™



by Sean Kargari, RS
Senior Project Manager
Association Reserves, Inc.

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www.reservestudy.com

One of the most important responsibilities that Boardmembers and professional Managers face each year is the preparation of their Reserve Study. This document will not only reveal the current Reserve strength of the Association, but also the Funding Plan moving forward. Many states now mandate that Associations create and update their Reserve Studies on an annual basis. To properly execute a Reserve Study one must possess a wide-range of knowledge regarding the physical assets of the Association and the financial modeling skills necessary to craft a Funding Plan that allows for timely repairs and replacements. Any shortcoming in either of these aspects could result in an inaccurate, unreliable Reserve Study. Special assessments, expensive loans, loss of property values, deferred maintenance, and neglect of common area assets could be the consequences for your Association in the years to come.

A professional Manager or a volunteer Boardmember does not typically have the level of expertise necessary to prepare a Reserve Study. Fortunately, there is someone trained specifically for this task, and that is a Reserve Specialist™. A Reserve Specialist™ is a professional designation of the Community Associations Institute (CAI), earned by meeting rigorous qualification requirements in the areas of education, experience, work product, and references. A Reserve Specialist™ will have the experience to properly evaluate all of your Reserve assets by adhering to strict National Reserve Study Standards, and will provide you with an assessment of your physical assets, yielding a comprehensive and accurate Component List. The Component List serves as the foundation of every Reserve Study, detailing the scope and schedule of all repair & replacement projects.

A Reserve Specialist™ will also possess the skills and tools necessary to calculate an accurate assessment of your Reserve Fund strength (Percent Funded), and craft a Funding Plan that provides for timely repair & replacements, while avoiding Special Assessments. A Funding Plan will naturally draw attention and possibly skepticism, which is why a Reserve Study will be armed

with helpful charts, illustrations, and multi-year projections that support the recommendations of the Reserve Specialist™.

By investing in a Reserve Study prepared by a Reserve Specialist™, Boardmembers and professional Managers not only benefit from the convenience of their professional services, but also the peace of mind that they have fulfilled their fiduciary responsibility to protect the assets of their Association. The final product of a professional Reserve Study will be an accurate and thorough report that the Board of Directors can share confidently with the owners.

Why leave your next Reserve Study to chance? Protect your greatest investment with professional expertise and guidance, not someone's best guess. Hire a Reserve Specialist™ and set your Association up for success.