



# Learn your Association's FiPhO™ Health Score!

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[www.reservestudy.com](http://www.reservestudy.com)

[www.ourFiPhO.com](http://www.ourFiPhO.com)

Miss the webinar? Watch the full (26:33) webinar [here](#).

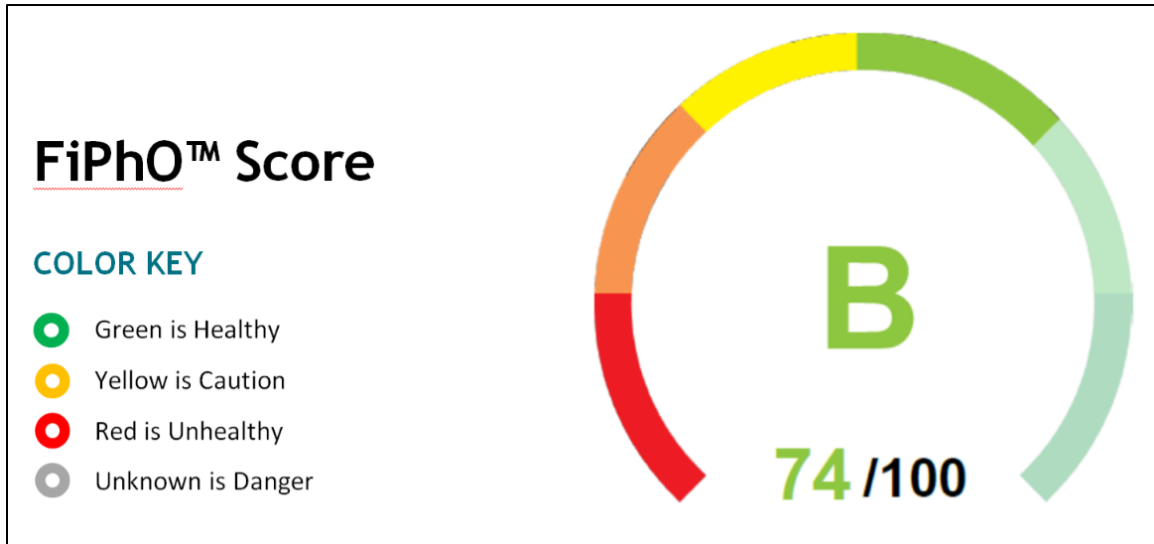
What SPF of sunscreen do you put on your kids? Who won the big game yesterday, and what was the score? How many calories were in that burger (or drink)? What's your bank balance or FICO score? In so many areas of our life, the numbers matter. Numbers summarize many complex ideas or behaviors or chemical compounds so that you get the information you need. That's what has been lacking for years in the community association industry. Until now, nobody knew how their association "scored" on an independent scale. Nobody knew if their association needed to take some significant action to improve their behaviors, or if things were generally "pretty good".

In the aftermath of the tragic Champlain Towers South collapse last June 24, Association Reserves leadership developed a new scoring system for community associations – measuring their Financial, Physical, and Operational behaviors. The result is an association's FiPhO™ health score. In this webinar, we cover the development of the scoring system, a demonstration of how easy it is to learn your association's score (and, by the way, it's free!), and how the pursuit of a virtuous goal (a "strong score") unites boards and owners together in a way that is good for the association and for its owners due to maximized property values.

The new company, [Association Insights and Marketplace \(AIM\)](#) was launched by Association Reserves leadership to serve as a new public service to elevate the entire ecosystem of the community association industry. Boards, buyers, and the businesses serving associations will all benefit from the transparency of this online national scoring system, and the new ease of understanding "how the association is doing".

Association Reserves remains entrenched as a national leader in the field of Reserve Studies, but is proud to have launched this new company and is eager to introduce AIM to Association Reserves clients and the entire community association industry.

It's a new, exciting world where you can finally “know the score” of your association!



**Key Links:**

Washington Post overview article announcing AIM [here](#).

Introductory (3:44) video announcing AIM and the FiPhO health score [here](#).

Claim your association, populate its profiles, and learn your association's score [here](#), on the ourFiPhO.com website.

## Webinar Questions Asked by Attendees

**Q: Our units were completed over a span of 2002-2018; how should we handle the age profile entry?**

A: Enter the first year as the construction year, and enter the extent of phased years in the “Community Commentary” on the Physical Profile tab.

**Q: Of all of the claimed properties do you do a live tracking of the average FiPhO™ Score with a min and max indicator?**

A: Not at this stage of development. That is a future expected enhancement.

**Q: How is the standard set for what constitutes a "good" score? Is this endorsed by any industry organization yet, like Community Associations Institute?**

A: Based on our 35 years of preparing over 70,000 Reserve Studies, we have adjusted the proprietary mathematical algorithm to effectively identify high-functioning associations all the way down to associations that should make progress in one or more areas. We have received encouragement from CAI to roll out this new FiPhO scoring system (it will be significantly helpful to their organization in serving associations and encouraging virtuous behavior), but as it was not developed by CAI, they are officially silent on the matter.

**Q: What weight is given to each of the multiple “Fi” “Ph”, and “O” factors that are included in the profile?**

A: At this time, as shown on the FiPhO™ Health Score page, the balance is 37% Financial, 35% Physical, and 28% Operational. While we expect the inputs and the balance to continue to evolve, we expect it to remain relatively balanced at approximately a third each.

**Q: Can a real estate agent purchase an AIM summary report and distribute it to multiple clients?**

A: Yes.

**Q: Do I understand - access to this tool is free to owners & associations?**

A: Yes. It is a new Public Service, designed to serve and inspire our community association industry towards more virtuous behavior, away from the destructive pursuit of “low monthly assessments”.

**Q: Are there plans to charge a monthly or annual fee to Associations to claim or update their information?**

A: No. This is a new Public Service, designed to serve our entire community association industry. Its design is to be self-sustainable based on AIM report fees.

**Q: If I purchase a report for a partially completed profile and it is subsequently updated, will I be notified that an update is available?**

A: No, although notification on the ourFiPhO.com website on the AIM Report of its latest version is a great suggestion!

**Q: We tried having a management company, and with only 18 units, found it was not very cost effective, for the value we got. Maybe it was the management company, or our property manager, but we had to check everything ourselves, and it was more trouble than it was worth. So, our score would be "docked" since we don't have a management company? The parameters in the scoring would seem to be more important for some associations than others.**

A: In the big picture, having a management company is statistically in the association's best interest, as it adds a paid professional to their team. My recommendation is to find a better management company, worthy of the fee. There are many out there.

**Q: How is AIM funded?**

A: The individual Revenues from the AIM Report (\$49.99 ea) go to AIM to keep the system operational.

**Q: The physical health doesn't seem to ask what condition the buildings, etc are in, only what you have. This does not seem to be a good indication of the health of the physical amenities. Why is that and are there any plans to ask questions such as a condition rating?**

A: That information is currently found, measured, and reported in the Reserve Study. The Reserve Study and any engineering reports are also offered for sale, so curious outside parties can review those specific documents for themselves.

**Q: Are the algorithms for assigning points (e.g., the weights for different factors) available to examine?**

A: No.

**Q: When is an HOA board required to provide documents?**

A: Only when entering budget information and Reserve Study information, to substantiate their statements on those matters.

**Q: How do we Claim our Association? Where do we go to complete this?**

A: Go to ourFiPhO.com. Search, claim, and populate your association's profile.

**Q: Is the goal still 70%?**

A: Reserves Percent Funded is different from the association's overall FiPhO™ health score. A Reserves Percent Funded at or above 70% still represents Reserve Fund strength and preparedness.

**Q: How about adding another Health category...."Social Health" where homeowners could rate several factors (board, community, mgmt, grounds care, building care, etc)?**

A: That is on the list of future enhancements... something like a "yelp" feature where homeowners get to weigh in on their point of view of the association.

**Q: Is the report or the info copyrighted?**

A: A trademark is a word, symbol, design, or phrase that denotes a specific product and differentiates it from similar products. Copyrights protect "original works of authorship," such as writings, art, architecture, and music. AIM and its FiPhO™ health score are trademarked.

**Q: From your point of view, what score would be considered Excellent VS Average VS Poor?**

A: 0-29 is poor (many areas ripe for improvement), 30-63 is fair, and FiPhO™ scores over 64 represent various levels of virtuous behavior.

**Q: I'm uncomfortable publishing until my Board has a chance to review it. If I enter info, is it immediately available to all viewers?**

A: You can easily set any document to "not listed", so the information is not available to anyone other than an association's own "claimers".

**Q: How did you find all the HOA's? I looked and our HOA is listed.**

A: Many sources – many companies interested in the creation of this national scoring system submitted "backbone" information (name, address, # of units), in addition to publicly available sources (individual "Secretary of State" listings). Only information that is considered "public record" was obtained.

**Q: Is there an audit trail of all edits made?**

A: No. Just the name and date of the person who made the most recent changes.

**Q: We are not a condo association. Does this work anyway?**

A: Yes. The ourFiPhO.com site reliably works for all types of associations... condos, HOAs or PUDs, timeshares, Co-Ops, etc. The underlying financial, physical, and operational principles are common to all.

**Q: Can I claim more than 1 property?**

A: Yes. We expect Portfolio Managers to claim multiple properties.

**Q: Is a Reserve Study valid if performed by an uncredentialed volunteer?**

A: It will not carry the same weighting in the scoring algorithm as if it was prepared by an independent professional with a nationally recognized RS or PRA credential.

**Q: Who can access that information when filled out?**

A: Board members, Fiduciaries (managers), and individual homeowners.

**Q: How would you account for a low % of reserve funding to total budget ratio (under 10%) in the score?**

A: A Reserve funding ratio at or above 10% of total budget contributes to a strong score.

**Q: How confidential is any information I update on my association?**

A: Association information can be seen by all other board members, Fiduciaries, and individual homeowners. Your account profile information can only be seen by you.

**Q: Should a Board agree to have its data submitted to this website?**

A: I would suggest all association activity be done by an agreement of board members.

**Q: As an Agent/Manager, what if an owner registers as a board member and they are not a board member? Is the Agent notified of people registering?**

A: Every board member or Fiduciary Agent “claimer” has the power to boot another person off of the association’s profile. An enhancement will shortly be added allowing you to be notified when a new person has “claimed” to be part of the association

**Q: How does the current reserve study get input and used?**

A: Your current Reserve Study would need to be input by a Board member or Fiduciary Agent (managers). As for how the data is used once in AIM, the date of that Reserve Study (how old is it), the “quality” of that Reserve Study (was it prepared by an independent professional, did that person have one of the two national credentials possible in the Reserve Study field... either RS or PRA), and what was the resulting Reserves Percent Funded are all considerations. Those parameters are currently components of the FiPhO scoring algorithm.

**Q: Does this take the place of a standard reserve study?**

A: No. Results from a recent Reserve Study that the Claimer populates in their association's profile become part of the FiPhO scoring algorithm.

**Q: Could you provide an outline that would be suitable for presentation to a Board to get their agreement to participate?**

A: Our primary tool is our short (3:44) introductory video, which you can play for others [here](#). It's very simple, really. Finally, your association can learn where it stands on a financial, physical, and operational behavior, and strive to act in a manner that builds its score. And yes, through the Marketplace feature it can become an income stream for the association (estimated to be in the range of .5% of the annual budget).

## DATA INTEGRITY

**Q: You may have covered this, can a homeowner make changes?**

A: No. Only board members and fiduciaries (managers) have edit capability.

**Q: Sounds like signing up is based on the "honor" system as you only need to check a box. How can it be avoided that non-homeowners sign up?**

A: With full transparency, there is nowhere to hide. Legitimate "claimers" can simply "release" the claim of the imposter.

**Q: Is there a check and balance for the edit information? If a Board member or the management company makes an edit does the party that didn't make an edit get alerted?**

A: In every user's profile, you can click to be notified if/when any profile changes have been made, if the FiPhO™ score has changed, or if any new Documents have been uploaded. So can choose to be notified of any change. We expect the board and management will work as a team to keep your association's profile current.

**Q: How will AIM verify that information provided by an HOA is accurate so that buyers will have some assurance in the FiPhO score?**

A: AIM will not verify information. The score is useful to the board to measure the association's status. Fudging information (wishful thinking) does not provide them with the accurate score they need to know where the association stands. Multiple "claimers", all reviewing each other's changes, provides reasonable assurances of accuracy (just like we've come to expect with two signatures required on large financial transactions). Every change made to an association's profile requires the

“claimer” to certify that the change is appropriate, increasing their personal liability exposure. That user will be identified as the last person to make changes to that page. With full transparency, there is nowhere to hide.

**Q: What if an association hides or is not honest with their information to make them more attractive to buyers?**

A: The “claimers” misrepresenting association information have just significantly increased their liability exposure (their names are on that information). As soon as a new owner, reliant on that information, finds out they’ve been misled, I’m sure they’ll shortly contact their attorney.

**Q: Is it not risky to allow so many owners, board members, and managers... to enter and edit data about the Assn.?**

A: No. On the contrary, multiple eyes observing and contributing to the association’s profile ensure timely updates and overall accuracy.

**Q: Can Owners sign up as board members?**

A: They could, but the board or management would quickly use their power to “release” that owner from their claim to be a board member.