

Co-op Coalition Survey: Financial Management

Thanks to those who responded.

Best,
 Mike O'Dell, Director
 DC Cooperative Housing Coalition

 In a message dated 1/23/2017 4:55 A.M. Eastern Daylight Time, CooperativesDC@aol.com writes:

Dear Coalition Member,

Another Coalition member needs your help. This time, it relates to how your co-op manages its finances. Below are their questions. Please send your responses no later than Friday, January 3. Again, thanks for helping one another!

Best,
 Mike O'Dell, Director
 DC Cooperative Housing Coalition
www.CoopsDC.org

You are receiving this email blind-copied to protect your privacy.

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1. Which of the following best describes how your co-op manages its finances?
 - a. Everything is done in-house: either an employee or a Board member is responsible for all financial work (paying bills, balancing books, payroll, etc.)
 - b. We contract out all financial work either to an individual or to a company (What is the name of the individual or company?)
 - c. Other practice (please describe):
 2. What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)?
 3. What mechanism(s) do you use to provide oversight/quality assurance over your co-op's financial records?
 4. What are the major pluses and minuses to your co-op's current financial arrangement?
 5. If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software?

<50 units	1.b. Wm. Smith management company (plus auditors) handles all financial work. 2. N/A 3. Monthly statements from management company to all Board members. 4. Management company's financial statements are on a somewhat different basis than the auditors'/accountants' financial statements, which in turn are different from those used for income tax reporting purposes. 5. N/A
<50 units	1. b. Our management company Sigma Real Estate (formerly Simmons Management Group) handles all financial bookkeeping, paying bills and issuing financial reports. 2. The management company uses software but I do not know the name of the software. 3. Our management company places all financial reports (including invoices, disbursements, income statements) on our web site and is accessible only to board members. These reports are carefully reviewed each month by board members and discussed at the monthly board meeting.

	<p>4. Most of what we contract the management company to do involves the financial management. Our board actively engages in projects, soliciting bids and making major decisions on vendors.</p> <p>5. We have had the same system for more than 5 years. But the key is to have a very good financial staff with accurate and timely monthly reporting</p>
<50 units	<p>Which of the following best describes how your co-op manages its finances? Everything is done in-house: either an employee or a Board member is responsible for all financial work (paying bills, balancing books, payroll, etc.) We contract out all financial work either to an individual or to a company (What is the name of the individual or company?) <i>Delbe (me) provides the financial management for the building. The board keeps reconciles our statements in their own excel sheet to keep track of the expenditures. One board member should always match the bank statements to the financials to make sure the numbers tie out.</i></p> <p>Other practice (please describe): What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)? <i>We use Jenark</i></p> <p>What mechanism(s) do you use to provide oversight/quality assurance over your co-op's financial records? <i>Board reviews and keeps a separate excel to track expenditures.</i></p> <p>What are the major pluses and minuses to your co-op's current financial arrangement? <i>n/a</i></p> <p>If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software? <i>n/a</i></p>
<50 units	<p>1. We contract out everything to Shea Management in Bethesda. Barbara Shea is the principal.</p> <p>2. N/A</p> <p>3. As Treasurer, I review the monthly financial statements prepared by Shea Management. I also report on them monthly to our Board. On an annual basis, our accountants review the financial statements and provide recommendations for improvement.</p> <p>4. The largest plus is not having to write checks and prepare financial statements -- I would not have the time to do so myself. Another advantage is that we have two sets of eyes looking at everything -- Shea Management's and my own. And finally, the use of Shea Management provides continuity. We have had three Treasurers in the last two and one-half years (because the two prior ones moved out of the building). We would have had serious problems if we were doing all the financial work ourselves. The negative is that it is incumbent on the Treasurer to make sure that the oversight of Shea Management is occurring. Not all our Treasurers have done so.</p> <p>5. We have not made any significant changes within the last five years.</p>
<50 units	<p>1. b.</p> <p>2. n/a I don't know what the management company uses.</p> <p>3. a yearly audit by a CPA, Board budget approval and approval of all extraordinary expenses.</p> <p>4. No board member has to spend time on keeping the books. However, the audit cost \$6000+ dollars and presumably the financial portion of the management company's work is a significant cost as well if broken out.</p> <p>5. n/a</p>
<50 units	<p>1. b. We contract out all financial work either to an individual or to a company: All financial work is done by Linda Watts, the Director of Accounting at the Tilton Bernstein Management Company. As the treasurer, I review her work and present the annual budget she prepares to the residents at the cooperative's annual meeting.</p> <p>2. What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)? N/A.</p>

	<p>3. I review Tilton Bernstein's work every month.</p> <p>4. No specialized financial knowledge required. (I am a lawyer.) Con: We rely heavily on Tilton Bernstein doing the job right.</p> <p>5. If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software? N/A.</p>
<50 units	<p>1. Our management company handles finances, subject to review by the Board.</p> <p>2. Don't know.</p> <p>3. Annual outside audit.</p> <p>4. We believe that in relying on a company with a significant financial operations capacity, we benefit from economies of scale and experience that would be difficult to achieve with an internally managed operation.</p> <p>5. Have not made changes in the last 5 years.</p>
50 – 149 Units	NONE
150 – 199 Units	<p>1. Which of the following best describes how your co-op manages its finances? B- CFM Management for Financials Only contract</p> <p>2. What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)? – BuldingLink</p> <p>3. What mechanism(s) do you use to provide oversight/quality assurance over your co-op's financial records? – Finance Committee and annual audit – Goldklang Associates</p> <p>4. What are the major pluses and minuses to your co-op's current financial arrangement? Works well, pros- time consuming that we do not have to perform. Cons - none</p> <p>5. If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software? No changes [but] transition between financial management companies are painful. Also, it is very rare that a coop is fully satisfied with the financial management company.</p>
200+ Units	<p>1. Which of the following best describes how your co-op manages its finances?</p> <p>a. Everything is done in-house: either an employee or a Board member is responsible for all financial work (paying bills, balancing books, payroll, etc.)</p> <p>b. We contract out all financial work either to an individual or to a company (What is the name of the individual or company?)Zalco Realty, Inc.</p> <p>c. Other practice (please describe):</p> <p>2. What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)? N/A</p> <p>3. What mechanism(s) do you use to provide oversight/quality assurance over your co-op's financial records? Financial Statements are reviewed monthly. In addition, we have an annual Audit conducted by a CPA Firm</p> <p>4. What are the major pluses and minuses to your co-op's current financial arrangement?, done by experienced, knowledgeable professionals capable of handling various aspects of the finances</p> <p>5. If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software? N/A</p>
200+ Units	<p>1. b. We contract out all financial work either to an individual or to a company (What is the name of the individual or company?) - Associa</p> <p>2. What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)? - Associa uses C3 / Citrix. They use Strongroom for A/P.</p> <p>3. What mechanism(s) do you use to provide oversight/quality assurance over your co-op's financial records? Onsite mgmt reviews monthly statements for accuracy.</p> <p>4. What are the major pluses and minuses to your co-op's current financial arrangement?</p>

	<p>Have been financial only mgmt for a long time and it works well. Need a professional accountant to prepare monthly statements, etc.</p> <p>5. If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software? N/A</p>
<p>200+ Units</p>	<p>1.a. Which of the following best describes how your co-op manages its finances? In House with a contract CPA for monthly reconciliations. Payroll outsourced.</p> <p>a. Everything is done in-house: either an employee or a Board member is responsible for all financial work (paying bills, balancing books, payroll, etc.)</p> <p>b. We contract out all financial work either to an individual or to a company (What is the name of the individual or company?) Our monthly book balancing performed by Matthews, Carter, & Boyce 11320 Random Hills Road Suite 600 Fairfax, VA 22030-3600 703-218-3600 Noel Kim & Susan Rosenberg</p> <p>c. Other practice (please describe):</p> <p>2. What software does your co-op use for bookkeeping or issuing payments (e.g., Topps, AppFolio, etc.)? TOPS Software</p> <p>3. What mechanism(s) do you use to provide oversight/quality assurance over your co-op's financial records? For checks, multiple staff approve invoices and one prints checks. All checks signed by Board Members. Checks over \$5k signed by two directors. One staff member responsible for deposits and accounts receivable. Fidelity Bond insurance policy and employee theft policy in place. Bank statements sent to the Board directly from the bank. Monthly reconciliations and financial statement generation by external professional CPA firm monthly. Annual external professional audit by a separate CPA firm.</p> <p>4. What are the major pluses and minuses to your co-op's current financial arrangement? Pluses are cheaper than a management company. Minuses is that volunteer Directors have to take a larger role in supervision and routine financial operations.</p> <p>5. If you've changed how your co-op handles its finances within the past 5 years, what were the major lessons learned in the transition between firms, staffing, or software? No change at [our co-op]. We did move to a new payroll firm and are looking into changing to cloud accounting software for better automation of task currently done manually, accounting-wise.</p>