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ALLIANCE MESSENGER

ARE YOUR ASSOCIATION'S FUNDS PROTECTED?

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MANY OF US USE OUR COMPUTER to order products from Amazon, to pay our electric bill and to manage our bank accounts. Online commerce has grown exponentially over the past few years, but with the improvement in convenience and efficiency comes risk. We have all heard horror stories about identity theft, computer viruses, spy ware and cyber theft. If your computer is hacked, if your management company's network gets a computer virus, are your association's funds protected?

Most of us look to our anti-virus software, to our banks or to those "secure https:\\\" web sites as our protection, but are they really? I am not here to advise you on what type of encryption should be used or which anti-virus software is preferred. Instead, I am here to tell you that the risk of your association's funds being stolen is increasing and board members should take the appropriate measures to reduce that risk.

There are five steps that you can take to reduce the risk of cyber theft for your association:

- 1. LIMIT ONLINE BANK ACCESS.** There should be a limited number of individuals with any online access to the association's accounts. Additionally, the online account access should be restricted to specific and known IP addresses. If the bank will only allow online access from within the management office or from the individual board member, you can reduce the possibility of someone using your bank information in a fraudulent manner. Many banks can meet this requirement.
- 2. INCREASE PASSWORD SECURITY.** A hacker will look for any evidence of login and password information. Sometimes, spy ware can even detect key strokes and thus capture an individual's password. Passwords should be changed often and never stored in an accessible

file. The use of a random password generator, or "key fob", (a device that generates a random PIN number where the PIN number is electronically changed every minute) can greatly increase online security. The key fob is a second level password that can prevent a thief from accessing your account in the event the online access information is compromised. Many banks can accommodate the use of key fobs.

3. BANK RECONCILIATIONS. Bank reconciliation should be performed monthly for each of your accounts. This provides assurance that your funds are not co-mingled with other associations' and promptly alerts you if your funds have been influenced by outside sources. It results in financial reporting on which you can depend.

4. WIRE AND ACH TRANSFERS. While having the ability to move funds electronically greatly improves the efficiency and accuracy of your accounting, it can also represent a risk. To ensure strong internal controls, all electronic fund movement should require the signature and approval of two executives of your management company (generally the CEO and the Senior Accountant). Two signatures on all electronic fund transfers can greatly reduce the ability for a cyber thief to transfer funds out of your account.

5. FIDELITY BOND. Anyone with access to your association's funds should be covered by a fidelity bond. This helps to recover funds in the event of a loss. The bond should be sufficient to cover all the funds of the association.

The security and integrity of your association's funds are a critical part of the responsibility of both the management company and the board of directors. Make sure that your banks can protect you, that your management company can protect you and that YOU can protect you.

ENCOURAGING HOMEOWNERS TO BECOME BOARD MEMBERS

COMMUNITY ASSOCIATIONS INSTITUTE/ALLIANCE ASSOCIATION MANAGEMENT



TEN GREAT REASONS TO PROVIDE YOUR HOMEOWNERS WITH TO ENCOURAGE VOLUNTEERISM FOR YOUR ASSOCIATION'S BOARD OF DIRECTOR OPPORTUNITIES AS THEY ARE AVAILABLE:

1. Invest in your self-interests. Protect your property values and maintain the quality of life in your community.
2. Correct a problem. Has your car been towed, or do you think maybe maintenance has been neglected?

3. Be sociable. Meet your neighbors, make friends, and exchange opinions.
4. Give back. Repay a little of what's been done for you.
5. Advance your career. Build your personal resume by including your community volunteer service and network with other neighbors.
6. Have some fun. Association work isn't drudgery. It's fun accomplishing good things with your neighbors.
7. Get educated. Learn how it's done—we'll provide the training you need to be an effective board member.
8. Express yourself. Help with creative projects like community beautification and preservation.
9. Earn recognition. If you would like a little attention or validation, your contributions will be recognized and celebrated.
10. Try some altruism. Improve society by helping others.

LANDSCAPE & LAWN CARE TIPS

COURTESY OF TEXAS LANDSCAPE LADY

SUSTAINABLE LANDSCAPE TIP

An alternative to mulch, which is made from wood and has to be replaced once a year, is decomposed granite (aka "DG" in the trade). DG works well to keep weed seeds from germinating, keeps soil moisture in and allows some aeration of the soil (in planting beds, but not on roads or paths where it becomes compacted). It is aesthetically pleasing, especially if it is contrasted in the same planting area with an attractive river gravel or rock.

PLANTS OF THE MONTH

Looking around the damaged landscape after our cold winter, what seems to have survived well? Several plants made it through unscathed. Knockout Roses, Burford Hollies, Rosemary, German Iris, and Dwarf Yaupons seem to have come through the winter without missing a beat. Because of these results it is good to use some of the tried and true green shrubs as mass plantings and fill in with those marginal ones that may receive some damage in harsh years.

LAWNCARE

Cool weather is finally over and tender vegetable plants can be set out now.

Prune, trim and fertilize spring blooming trees and shrubs such as Azaleas, Bridal Wreath, Indian Hawthorns, Redbuds, Flowering Peach.

Fertilize your lawn with an organic or biosolid fertilizer. NO weed and feed EVER.

Turn the compost in your bin.

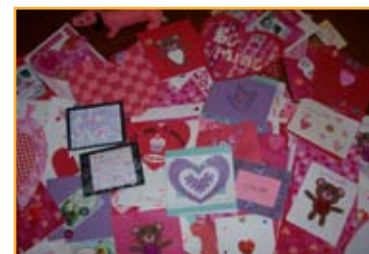
Remove the last of the winter damage from trees, shrubs and ground covers.

Replace lawn areas where possible with ground cover (living) or non-living mulches.

ALLIANCE DOES MORE THAN MANAGE

Alliance Association Management participated in a local radio station's valentine "Card-Raiser" in February - Cards for Kids by Mix 94.7. Fifty employees from the Alliance team got together following a monthly staff meeting and created 171 homemade cards!

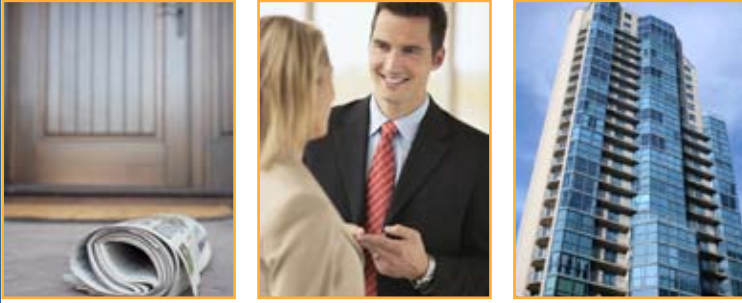
Alliance is thankful to have such a caring team who embraced the card-raiser and crafted away. The cards made were quite creative and each card carried a loving valentine message for kiddos who have missed school and home



valentine festivities due to being in the hospital.

All cards contributed to radio station were delivered to children in the Austin and Central Texas hospitals over the valentine's weekend.

FHA CERTIFICATION ASSISTANCE PROGRAM



THE FEDERAL HOUSING ADMINISTRATION, OR FHA, has updated a number of “rule changes” to their loan underwriting criteria and procedures. Associa, the leader in community association management, has created this educational document to help boards of directors navigate this new information, including helping you understand if your association qualifies, and if so, what the implications of these rule changes may be.

DECISIONS YOU MAY BE FACING - As a condominium association board of directors, you have a number of options and decisions to make regarding this matter.

IS FHA CERTIFICATION NECESSARY? The industry consensus is that it is desirable to attain and maintain FHA certification to ensure that your owners and buyers have the full complement of financing options available to them. Given the challenging nature of the marketplace, FHA certification can be essential for many buyers and sellers.

WHO IS RESPONSIBLE FOR DOING IT? There are a number of varying opinions from association attorneys, lenders, sellers and buyers as to the responsibility for FHA certification and possible strategies which a condominium board should consider.

Associa has created an FHA Certification Assistance Program to aid your condominium association through this process. Please contact your Community Manager or local Associa office to learn more about our FHA Certification Assistance Program and how we can assist your community today.

SHEDDING LIGHT on NEW BULBS

COURTESY OF COMMUNITY ASSOCIATIONS INSTITUTE- MARCH 2010

Standard incandescent light bulbs may soon become a thing of the past. Under the Clean Energy Act of 2007, the sale of energy-inefficient incandescent bulbs will be phased out over a two-year period, beginning with 100-watt bulbs in January 2012. Compact fluorescent lights (CFLs) have become the most popular replacement choice. The typical CFL uses 66 percent less energy and lasts up to ten times longer than an incandescent bulb.

Making the switch to CFLs doesn't require that you throw out all your incandescent bulbs right away. Even a gradual change can result in significant savings. Just replacing your home's five most frequently used light fixtures can save you more than \$65 each year, as CFLs provide the most savings when a lighting source is used for at least two hours a day. You can continue to use incandescent bulbs for fixtures that are only on for a few minutes at a time, such as closet lights, changing to CFLs as your supply of incandescent bulbs runs out.

One important point to know about CFLs is that they contain an average of four milligrams of mercury (about the amount that would cover the tip of a ballpoint pen). The mercury is sealed within the bulb's glass tubing, and no mercury is released when the bulb is intact or in use. Special caution must be taken when disposing of used bulbs or cleaning up broken bulbs, however. Some states require used CFL bulbs (broken

and unbroken) to be taken to local recycling centers for disposal. And if a bulb breaks in your home, you should follow the Environmental Protection Agency's guidelines to clean up the debris:

BEFORE CLEAN-UP: AIR OUT THE ROOM

- Have people and pets leave the room, and don't let anyone walk through the breakage area on their way out.
- Open a window and leave the room for 15 minutes or more.
- Shut off the central forced-air heating/air conditioning system, if you have one.

CLEAN-UP STEPS FOR HARD SURFACES

- Carefully scoop up glass pieces and powder using stiff paper or cardboard and place them in a glass jar with metal lid (such as a canning jar) or in a sealed plastic bag.
- Use sticky tape, such as duct tape, to pick up any remaining small glass fragments and powder.
- Wipe the area clean with damp paper towels or disposable wet wipes. Place towels in the glass jar or plastic bag.
- Do not use a vacuum or broom to clean-up the broken bulb on hard surfaces.

SHEDDING LIGHT on NEW BULBS, Continued

CLEAN-UP STEPS FOR CARPETING OR RUG

- Carefully pick up glass fragments and place them in a glass jar with metal lid (such as a canning jar) or in a sealed plastic bag.
- Use sticky tape, such as duct tape, to pick up any remaining small glass fragments and powder.
- If vacuuming is needed after all visible materials are removed, vacuum the area where the bulb was broken.
- Remove the vacuum bag (or empty and wipe the canister), and put the bag or vacuum debris in a sealed plastic bag.

CLEAN-UP STEPS FOR CLOTHING, BEDDING AND OTHER SOFT MATERIALS

- If clothing or bedding materials come in direct contact with broken glass or mercury-containing powder from inside the bulb that may stick to the fabric, the clothing or bedding should be thrown away. Do not wash such clothing or bedding because mercury fragments in the clothing may contaminate the machine and/or pollute sewage.
- You can, however, wash clothing or other materials that have been exposed to the mercury vapor from a broken CFL, such as the clothing you are wearing when you cleaned up the broken CFL, as long as that clothing has not come into direct contact with the materials from the broken bulb.

- If shoes come into direct contact with broken glass or mercury-containing powder from the bulb, wipe them off with damp paper towels or disposable wet wipes. Place the towels or wipes in a glass jar or plastic bag for disposal.

DISPOSAL OF CLEAN-UP MATERIALS

- Immediately place all clean-up materials outdoors in a trash container or protected area for the next normal trash pickup.
- Wash your hands after disposing of the jars or plastic bags containing clean-up materials.
- Check with your local or state government about disposal requirements in your specific area. Some states do not allow such trash disposal. Instead, they require that broken and unbroken mercury-containing bulbs be taken to a local recycling center.

FUTURE CLEANING OF CARPETING OR RUG: AIR OUT THE ROOM DURING AND AFTER VACUUMING

- The next several times you vacuum, shut off the central forced-air heating/air conditioning system and open a window before vacuuming.
- Keep the central heating/air conditioning system shut off and the window open for at least 15 minutes after vacuuming is completed.