



EJF REAL ESTATE

*Preparing for Budget Season:*

# **A STRATEGIC APPROACH FOR COMMUNITY ASSOCIATIONS**

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# AGENDA

**Here's what we'll cover in today's presentation:**

- Importance of strong budget planning
- Key milestones for budget preparation
- Common pitfalls to avoid
- Strategies to engage the community
- Best practices for successful budgeting

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# BUDGET SEASON TIMELINE OVERVIEW

## Key milestones for effective budget preparation

The budget season timeline outlines essential milestones that help ensure a smooth budgeting process. Starting from data gathering in August to final board approvals by November 1st, each phase is designed to promote thoughtful planning and community engagement.







# DATA-DRIVEN BUDGETING ESSENTIALS

Key components to review for informed budget decisions

- Historical Financials Analysis
  - Examine **three-year trends** to identify patterns and inform decisions.
- Vendor Contracts Review
  - Assess contracts for renewal and negotiate terms to optimize costs.
- Reserve Funding
  - Regularly review studies to ensure adequate funding for future needs.

# COMMON BUDGET PITFALLS

**Key mistakes community associations should avoid**

Avoiding common pitfalls is crucial for successful budgeting.

**Underfunding reserves** can jeopardize future projects, **while ignoring inflation** may lead to budget shortfalls. Ensure a conservative revenue forecast to maintain financial stability and foster **transparency** with homeowners for trust and credibility.



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# STRATEGIC BUDGETING FOR COMMUNITY SUCCESS

## Aligning financial plans with community values and goals

Strategic budgeting ensures that our financial resources directly **support community priorities**. By linking the budget to the plan for next year and future years, we can prioritize capital improvements and make informed decisions that foster long-term sustainability.

# ENGAGING THE COMMUNITY

**Effective communication fosters trust and involvement in budgeting.**

- **Host Budget Q&A Sessions**
  - Direct interaction allows homeowners to voice concerns and ask questions.
- **Share Budget Highlights**
  - Regular updates keep owners informed and engaged with financial decisions.
- **Use Visuals to Explain Changes**
  - Graphs and charts simplify complex information, making it more accessible.



# BEST PRACTICES

## Key strategies to enhance your budgeting process

- Start early and stay organized
- Involve your management team for insights (Manager is a resource)
- Document all assumptions and decisions made (so you know for next year)
- Review and adjust the budget annually (don't let it lapse, governing documents have requirements)
- Engage our Project Management team for long term planning of Capital Projects.
- Foster open communication with community members







# Q & A TIME!

*Process & best practices.*

**For additional community support/questions contact:**

- Your Manager or CFM
- **Sarah Steel**-Director of Project Management (Sarah.Steel@ejfrealestate.com)
- **Lisa Coffey**-Director of Association Outreach (Lisa.Coffey@ejfrealestate.com)