



The Elite Insider

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2014 Elite Awards

Congratulations to all 2014 Elite Award Winners! We received numerous nominations over the past couple months from Board members and community members. Winners were chosen by judges within the community association industry. All winners received an engraved trophy and a monetary prize!

AND THE WINNERS ARE:

Community of the Year

Ellington Place Apex Homeowner's Association, Inc.

This community not only overcame the challenges they faced at the start of their community but have planned to grow their community for the future.

One challenge was being left with numerous major projects to be completed after turnover from developer. Literally hundreds of hours and large expenditures were expended by the Board to accomplish these tasks.

Even though this community is new, they have started pro-

grams such as a Nextdoor website. And, in the future they will be starting a Facebook page. These sites allows residents to meet, greet and communicate. They have also started a most "beautiful" home of the month that lasts for three months. The winning homeowners receive a gift card and special recognition by having a sign in their front yard for having a wonderful looking home. In the near future there are plans to have a garden club, community street fairs and a college scholarship.

Volunteer of the Year

Paul Butterfield, Terrington Homeowners Association, Inc.

Paul goes out of his way in many aspects for the community. He is directly involved in the care of plants, shrubs etc. He heads the Architectural committee in the neighborhood, is in charge of the Landscape committee, attends all HOA board meetings, gives input on how to improve, schedules various meetings with contractor's, attends meetings with town officials

and has a great dedication towards the community. He also has a passion to get more of the community involved, including going door to door to speak and find homeowner's to join the newly formed Architectural committee.

Volunteer of the Year

Denise Griffith, Draymoor Manor Townhome Association, Inc.

Denise is the consummate professional, committed to her role on the Board and respectful of other Board members and homeowners. She is thoughtful and provides insight and positive recommendations that bring the community and Board together. Other members of the community see Denise participate in community events like decorating the gazebo for the Christmas holiday, or walking the neighborhood to identify shrubbery that needs trimming and plants that have died and need replacement. She always has a positive approach to problems and treats every one of the residents as valued members of the community.

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Office Hours

Mon.-Thurs. 8:30-5:30

Friday 8:30-1:00

Join our team in the fight against Type 1 Diabetes!

The Elite Management Professionals team will be participating in the 2014 Walk to Cure Diabetes- JDRF. We welcome you to come be a part of our team. Go to the following link to participate. http://www2.jdrf.org/site/TR/Walk/Chapter-TriangleEasternNC4488?team_id=166205&pg=team&fr_id=3900

We thank you for your support of the JDRF organization!

Does your HOA need worker's comp insurance?



WORKERS COMP.

The N.C. Workers' Compensation Act requires all employers with three or more employees to carry workers' compensation insurance. The purpose is to ensure that employees injured by an accident while working have a safety net to cover lost wages and medical expenses.

The Act, however, has a very technical definition of "employer." This leads to confusion as to whether non-profit owners associations are covered. In particular, many residential, commercial, and mixed-used property and condominium owners associations (collectively, "POAs"), which often consider themselves to have fewer than three employees, question whether they are covered by the Act and required to purchase insurance.

As explained here, there are good reasons to believe that all North Carolina POAs are subject to the Act, even if they may not have any traditional employees.

Who is an 'employee'?

The Act specifically defines "employee" to include every "executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation." Because POAs have elected board members pursuant to a charter or bylaws, these board members meet the technical definition of an "employee" under the Act.

Thus, all non-profit organizations, including POAs with three or more

corporate officers or directors, even if the officers and directors are volunteers and unpaid, clearly need to obtain workers' compensation insurance.

The good news for North Carolina POAs is that workers' compensation insurance rates are based on risk, which should be low for this type of entity. Furthermore, the Act allows corporate officers to opt out of coverage.

Roll the dice?

So what's the risk of not getting the insurance? First, there is the risk of the costs associated with a workers' compensation injury.

Without insurance, the POA would have to pay an injured "worker" for two-thirds of the "worker's" average weekly wages, as well as all medical expenses related to any work injury. If the "worker" dies, the "worker's" estate would receive certain payments.

While the risk of injury to a POA board member may seem minimal, unexpected trips, falls and other accidents occur frequently in the workplace. Furthermore, it is not uncommon for POAs to have a maintenance employee who would face a much more significant risk of injury on a day-to-day basis or for POAs to hire what they believe to be independent contractors, only to find out after an injury that the "contractor" is deemed to meet the technical legal requirements of an employee, with the POA then finding itself on the hook for any injury sustained.

Possible fines

North Carolina POA board members and officers should also take notice that the Act imposes a daily fine on employers for failing to purchase insurance. This fine varies from \$50 to \$100 per day, based on the size of the employer. Although the Industrial Commission generally does not assess such fines unless

an uninsured claim is filed, these fines could reach back for years and become substantial.

Of greater concern to North Carolina POA board members and officers is the fact that "any person who, with the ability and authority to bring an employer in compliance" with the requirements of purchasing insurance and who "willfully fails" to do so is guilty of a Class H felony.

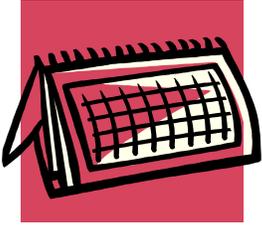
Furthermore, the person would be personally liable for 100 percent of the benefits owed to an injured employee who otherwise would be paid by insurance. The POA employer itself also can be liable for a Class H felony and a Class 1 misdemeanor.

Because of the criminal nature of these penalties, the POA's Directors and Officers Insurance would not apply. Most POA board members confront with this information will likely believe that responsibility for substantial workers' compensation costs, fines, and even criminal liability is more than they signed up for.

Conclusion: In light of the substantial risk associated with not purchasing workers' compensation insurance and the relative inexpensiveness of such coverage, it is prudent for all North Carolina POAs to verify that they have sufficient workers' compensation programs in place.



Calendar of Events and Office Closings



NOVEMBER

November 5th– Board Orientation 6:00-8:00 pm at Elite Management Professionals. Come join us to review the important role of serving on the Board, how to review the financials statements, governing documents and review your community websites. Please contact Dawn Hatcher to register.

2015 Budget Approval– Finalize 2015 budgets by November 15th. This will provide time for ordering coupons, setting annual meeting dates and communication with the homeowners. Let's work together to see if we can make this happen for 2015!

November 27th and 28th– Thanksgiving All Offices Closed

DECEMBER

December 9th– Holiday Open House

December 24th, 25th and 26th– Christmas All Offices Closed

JANUARY 2015

January 1st 2015– New Year's Day All Offices Closed

Contractor Caution

Finding a contractor who will perform quality work at a reasonable price can be a daunting task. It's always a good idea to ask for and check references and to contact the Better Business Bureau and your state licensing bureau to see if there are complaints against a prospective contractor. In addition, the following warning signs can alert you to unscrupulous, disorganized, inexperienced or financially troubled contractors who may deliver broken promises, bad work and blown budgets rather than professional results.

First Impressions: In any business, first impressions are important. How a contractor presents himself and maintains his truck, tools and equipment are good indicators of how well he'll take care of you and your job. He should look neat and professional, and his vehicles and equipment should be clean and in good repair.

Beware Low Bids: Price is always an important consideration when selecting a contractor, but don't let a low price or a special deal blind you to a potential problem—both can be signs that you should be wary. A bid far lower than others may indicate the contractor isn't experienced enough to know the actual cost of the job or he never

intends to finish the work. Disreputable contractors may bid low to secure a contract and then tack on extra charges as the job progresses.

Take Your Time: If you are pressured during the bidding process by tactics such as "limited-time offers," look for a different contractor. Hiring a contractor is not a split-second decision; for this reason, many states give homeowners three days to cancel a home improvement contract — without obligation — after signing it. A prospective contractor should take his time as well, carefully reviewing the specifications of your job before submitting his bid. If he doesn't take notes and measurements and make material and labor calculations, or if he simply names a price based on a similar job, he may not be detail-oriented or thorough enough to do a good job.

Beware Materials Discount: A prospective contractor may offer you a discount, hoping to earn your future business following a job well done, but be wary if a contractor offers materials at a discounted rate. Small contractors rarely buy materials in the high volumes necessary to yield big discounts, and unless they severe-

ly overestimated quantities for a previous job, they rarely stock large inventories of material. Discounted materials are usually seconds, ungraded or below-grade minimums for code, any of which would compromise the quality of your project.

Only 20% Up Front: While the price may be right, what about the terms of payment? In general, don't choose a contractor who asks for more than 20 percent of the total cost of a job up front. While some projects require a large initial payment to cover a deposit for products like cabinets or special-order ceramic tile, it doesn't apply to commodity materials like roofing and lumber, which a legitimate contractor will usually purchase on account with at least 30 days to pay.

Beware Cash-Only Jobs: Finally, a contractor who works on a cash-only basis raises a big red flag. Not only does paying in cash limit your financial recourse if problems arise, the contractor is likely not operating a legitimate business, which includes paying taxes and insurance. Look elsewhere for a professional to perform the work.

