HOA Bookkeeping Doesn't Have to be Painful

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If you're a leader or volunteer in a homeowners association, you probably got involved because you loved the idea of forging community connections and improving your neighbors' daily lives. Maybe you wanted to facilitate better management and protect everyone's property values. You probably weren't thinking, "Best of all, I get to help with bookkeeping! I can fill my spare time with accounting and paperwork and filing extra taxes, woohoo!"

But if you're a member of a self-managed HOA, bookkeeping is one of your biggest responsibilities. It may be a chore no one wants, and yet it has to be done—and done excellently. If that thought instantly triggers a flood of stress hormones, we have good news for you: HOA bookkeeping doesn't have to be torture. HOA-specific software can simplify, streamline, and even automate many of your bookkeeping tasks, freeing up your time and energy to engage with your community.

HOA Bookkeeping doesn't have to be a chore.

HOA bookkeeping is a complex undertaking. It involves multiple ongoing responsibilities:

- Creating and adhering to budgets
- Managing the general ledger
- Allocating funds for neighborhood needs
- Paying vendors and staff
- Staying on top of bills
- Tracking income and expenses
- Monitoring bank accounts every day
- Maintaining accurate financial records
- Conducting annual audits
- Filing taxes accurately and on time

It's a lot to manage, especially for busy volunteers who are juggling careers, families, and personal projects, along with the need to eat and sleep. You can either hire a property management company to do this work for you, or you can handle it yourself. Financial management and compliance may feel difficult, risky, and downright overwhelming, but they don't have to be. PayHOA offers a solution to ease your mind and your workload: Let HOA bookkeeping software do the heavy lifting for you. Our software is specifically designed to meet the unique financial needs of self-managed HOAs. Software can help you perform financial tasks like these:

- Balance your ledger.
- Budget so you can plan for the future.
- Track dues and fees.
- Complete your payroll.
- Keep accurate records.
- Protect residents' sensitive financial information.
- Share records safely and easily with your team.
- Ensure compliance with federal regulations.
- File taxes correctly.
- Compile monthly and yearly reports.

If you just breathed a sigh of relief, that may be a sign that you need the support HOA bookkeeping can provide. You need hours of your life back, a reprieve from stress and headaches, and the peace of mind that comes from knowing you're not handling this huge responsibility alone.

How can you be confident the decision to invest in HOA bookkeeping software is right for you and your HOA?

Should you outsource bookkeeping or do it yourself?

When you agree to take on your HOA's bookkeeping, your neighbors will put tremendous trust in you. That trust can quickly become a heavy burden if you don't have the support and tools you need. Sadly, a recent study found that only 64% of residents surveyed felt confident that their HOA was handling its finances honestly. If you're great with numbers and enjoy a hands-on approach, your instinct may be to do all the work yourself to make sure it's done right. Sure, internal bookkeeping gives you control and oversight, but even so, it may be daunting. If you're new to the role of managing HOA money, the learning curve can be steep, and you'll quickly realize the work never ends.

For all these reasons, outsourcing all of your responsibilities to a property management company may feel like an attractive option. Having someone else take on all the paperwork, tax forms, and oversight? Yes, please. But here's the problem with hiring a third party to manage your HOA: It presents costs, risks, and complications of its own.

Costs

HOA management companies that also provide bookkeeping may charge tens of thousands of dollars each year. And, even if you only hire an out-of-house Bookkeeper, you may be looking at hundreds or even thousands of dollars per month in retainer fees, commissions, and hourly rates.

Risks

Sharing control of your financial documents and records is nerve-wracking. You need a trustworthy bookkeeper to handle these sensitive documents and important numbers, and you can't just hire any accountant; you need someone who is familiar with the specific laws, procedures, and regulations required for HOA bookkeeping.

Complications

When neighbors complain about HOA management, their complaints aren't usually with the HOA itself—they're with the property management company. The bottom line is that no one cares about your community the way you do. A manager living out of state doesn't care that the sidewalks need repair, the gym equipment needs updating, and the neighborhood kids are begging you to fund more ice cream socials. You care. Your neighbors care. Chances are, you're going to do a better job and take more personal ownership than an anonymous manager living halfway across the country.

Whether you hire an invisible remote manager or not, the bookkeeping has to be done. That leaves two options: either your HOA slogs through all the bookkeeping work yourselves, or you outsource your bookkeeping. Investing in HOA-specific bookkeeping software may be the happy medium you've been looking for: You continue self-managing your HOA, but you also benefit from expert bookkeeping support. PayHOA's bookkeeping software, coupled with our team's personal support for your questions and needs, can help your organization stay legally compliant and financially stable without the risk and expense of hiring a property management company.

Software helps you avoid common HOA bookkeeping pitfalls.

Although every HOA is different because every community is unique, all HOAs face similar struggles in bookkeeping. If you're looking to make life easier for your volunteers and board members, HOA bookkeeping software can help you avoid these common pitfalls:

Reconciliation delays

Keeping HOA accounts reconciled is one of the biggest challenges and daily stressors HOA leaders face. HOAs have money flowing in and out from multiple streams, and it's a lot to keep up with. Our software automates most of the reconciliation process for you, making your job much simpler. It sets you free from that hanging-over-your-head feeling so you can sleep soundly, confident that your accounts are in good shape.

Overcomplicated manual systems that don't translate from volunteer to volunteer

> *So first, you enter the information by hand into this ledger we've been using since 1976, then you add up all the numbers from column 27.5, subtract the total from column 3, then enter that tally into this custom software that Neighbor Bob designed called Turbo Geronimo—it only works every other Tuesday, mind you—then you...*

Sound familiar? If this feels like the way your HOA bookkeeping responsibilities were handed down to you, it's time for a change. Many well-meaning HOA boards feel stuck using outdated, inefficient systems they inherited from previous leaders. At best, trying to train new volunteers on those systems can be annoyingly complex. At worst, these cumbersome systems may deter people from volunteering and may even lead to financial errors. HOA software helps you automate, simplify, and standardize your bookkeeping. Bring your HOA into the modern era by investing in software specifically designed to fit HOA needs, and you'll find out how much easier life can be.

Lack of tax and audit understanding

Unless you won the HOA Leadership Lottery (not a real thing, but wouldn't that be nice?), it's unlikely anyone on your leadership team came into their role already possessing expertise in HOA taxes. Most self-managed HOA boards are comprised of volunteers who care about their neighbors and have stepped up to donate their time and energy. They didn't sign up to become CPAs or tax lawyers, and they shouldn't have to. That's where PayHOA's software can fill the gaps in your team's knowledge. Our software and support team know how to:

- Determine which tax forms your HOA should file.
- Track income and expenses in an organized way.
- Reconcile accounts regularly.
- Prepare and file HOA tax forms.
- Design regular reports to keep everyone accountable and aware all year long.

HOA-specific bookkeeping software is a game-changer.

If your HOA board members and volunteers are reluctantly dragging themselves to meetings, or if your calls for new HOA volunteers are yielding only the sound of crickets, it may be time to reduce your team's workload. Here are a few ways HOA bookkeeping software changes the game:

You'll have less turnover.

Using software makes life easier for board members and volunteers, so people are less likely to burn out. They'll spend less time crunching numbers and processing papers and more time enjoying the meaningful aspects of volunteer work.

Build trust with transparency.

Nothing torpedoes trust like financial miscommunication, missteps, or mismanagement. Keeping track of your neighbors' dues and your neighborhood's expenses is no small task. Residents rely on their HOA to track and manage funds wisely. Software facilitates convenient tracking and transparency, providing regular reports so everyone knows what's happening and where your money is going. It can flag discrepancies or errors early on, which prevents confusion, conflict, and fraud.

Automate tasks.

Our automated payables and receivables integration takes these tasks off your hands. This leaves you free to devote more time to the HOA jobs that require a personal touch. Automating cumbersome tasks gives your HOA leadership more time to:

- Dream about property improvements.
- Plan social gatherings.
- Listen to neighbors' thoughts and concerns.
- Cultivate community connections.

Chances are, if you have offered to serve your HOA, this is the kind of work you love, the real reason you wanted to get involved.

File taxes with no stress and total confidence.

It's hard enough to file your own taxes—learning to file on behalf of an HOA is a Big Job. And if it's not done right, the consequences can be serious. Failing to file correctly or on time could lead to the nightmare of audits, fines, and penalties, plus the misery of losing your neighbors' trust. Our software can help with compliance and filing. We can help you:

- Store financial documents digitally.
- Track income and expenses.
- Differentiate between exempt and non-exempt income.
- Identify and rectify any discrepancies early, so you don't have unpleasant surprises come tax time.
- Decide which forms your HOA should file.
- Prepare federal and state tax forms.

When you invest in PayHOA's bookkeeping software, you don't just get software; you also get access to a dedicated support team of actual humans. When you have a question, you can talk to an expert who can help you make the best decisions for your situation.

Reap the benefits of regular reports.

HOA bookkeeping software will compile regular financial reports for you. Unless you have someone on your HOA board whose favorite hobby is Creating Reports For Fun, it's doubtful your team is fighting over who "gets" to handle this important responsibility. Our reports offer advantages like these:

- Monthly and yearly reports will keep your leadership team on the same page.
- You'll avoid conflict and surprises by tracking income and anticipating expenses.
- We'll help you create an annual budget based on your monthly bank reconciliation, so you can budget using numbers, not guesswork.
- Build community confidence by sharing up-to-date reports with residents.

For an additional cost, our team can also help with:

- 1099 preparation
- 1120H preparation for the IRS
- Paper check processing

An HOA bookkeeping system simplifies your work.

If your HOA has been stuck in the past, relying on outdated systems that lead to headaches and frustration, you don't have to stay stuck. An HOA bookkeeping system is the solution you need to streamline your efforts and simplify your responsibilities.

Go digital.

Chuck the beat-up paper ledger and lose the clunky filing cabinets. When you bring your HOA online, you'll enjoy the freedom of digital financial management. You'll have easy access to all your forms and records without the hassle of paper storage. And when anyone has a question, digital bookkeeping makes it easy to look up the information you need.

Standardize procedures.

Bookkeeping software helps your team work efficiently so everyone feels comfortable using the same systems and tools. We standardize your processes for tracking income and expenses, storing data, collecting fees and dues, and reconciling your accounts.

Be transparent.

Software will keep important financial information at your board's fingertips. They'll have immediate access anytime they need to view your community's accounts, transactions, reports, and returns. And you can easily share financial reports with your community, keeping them in the loop about where and how their dues are spent.

Get trained.

We know that adopting a new system takes time and involves some learning. Our team is here for your team. We'll walk you through the software, answer your questions, and equip you with all the know-how you need to feel confident about making the change. And we're confident that once you start using our software, you'll never look back.

Ready to ease your workload?

Self-managing your HOA is a big responsibility, and bookkeeping may be the HOA's biggest responsibility of all. At PayHOA, we want to help your homeowners' association achieve financial stability and success. At the same time, we want to ease your workload, helping you spend less time stressing at your desk and more time enjoying life with your neighbors. Contact us to find out how our bookkeeping services can make your life easier today.