

# A new Welcome Wagon

## Accounting firm focuses on neighborhood associations

By CATHRYN STOUT  
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There is a neighborhood association in east Shelby County where homeowners pay \$2,000 a year in dues and the annual budget is a million dollars.

It's the Keith Collins Co.'s largest account.

The fact that the neighborhood association management firm exists at all and grows by 20 percent a year is evidence of the complex nature of modern-day neighborhood associations.

Once just a cluster of streetmates who organized block parties, neighborhood associations — especially in the suburbs — have evolved into professionally managed organizations with budgets that rival many small businesses.

It's a trend that company founder Keith Collins first noticed in the 1990s as a cer-

tified public accountant with an established accounting firm.

"Each one of these associations is a non-profit organization, so it's like working with all of these different corporations," said Collins.

In 2001, Collins began concentrating on the niche market full time by providing book-keeping services to 20 homeowner associations. Earlier this month, he and his staff of 10 celebrated landing account No. 100.

The company's Germantown office is a  
*Please see* **ASSOCIATION, B5**

*Continued from page B1*

## ASSOCIATION

nerve center for neighborhood leaders. The firm helps associations enforce covenant agreements, negotiates with contractors for landscaping services, sends out correspondences about upcoming meetings, and collects and manages association dues.

"There's just a lot of work that goes on behind the scenes and a lot of communications," said Collins.

Sometimes, those communications include "friendly reminders" to members to pay their dues and cut their yards. Other times, they are more aggressive notices warning entrepreneurial homeowners about covenants banning renting their homes.

"Self-management is very hard because it pits neighbor against neighbor," he added.

The cost of the company's expertise varies depending on the size of the neighborhood and value of the homes.

For a neighborhood with 200 lots where home prices range from \$300,000 to \$400,000, the monthly management fee will be \$500 to \$750, said Collins.

That fee is worth the peace of mind it brings, said Gray Carter, president of the Southridge Place Neighborhood Association, which started working with the firm 15 months ago.

"I'm not an attorney, and I'm not a CPA," said Carter. "He's relatively inexpensive for what we get."

Houses in Southridge Place range from \$425,000 to \$675,000. And this year, homeowners will pay \$800 in dues.

Collierville's subdivision regulations require that associations maintain their own common spaces, fencing and entrance signs, said David

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There is precedent in Tennessee allowing for the prohibition of leasing homes through amending a neighborhood association's master deed or declaration of covenants, conditions and restrictions.

An experienced real estate attorney can draw up the amendment language, which usually contains exceptions for medical reasons and for title conveyance through inheritance.

Typically, existing homeowners are excluded from the leasing ban so that they may have the ongoing option to rent their home until the home is sold to another party. Once the amendment is passed by the required vote of the members and is recorded with Shelby County by the attorney, the prohibition is legally in place and enforceable.

— Source: Keith Collins

Smoak, the assistant to the Town Administrator.

That takes up much of Southridge's budget.

A few years ago, Southridge's 131 homeowners also financed a \$70,000 drainage improvement for their community out of the association's six-figure budget, said Carter.

These kinds of maintenance projects force today's neighborhood associations to be more savvy than the organizations of yesteryear.

Outsourcing some of the neighborhood's business duties, said Carter, gives his family time to focus on the equally important personal touches that it takes to run a neighborhood.

"The day folks are moving in, if my wife is not there with a plate of cookies or a cake, then it's an odd thing," he said.

— Cathryn Stout, 529-2320