



Who does what? Differences between Property Managers and Directors

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Are you confused about who does what?

For most members of the condo community, the Property Manager is the face of the condo corporation or home owner's association. They are responsible for day-to-day running of things– they look after the bank accounts, handle the checks, field correspondence, and interact with owners more frequently than the Board does. Because of this, I find that people can be confused about the difference between the roles of the Property Manager and the Board of Directors. I've heard board members ask "Why can't I just let my Property Manager look after everything?" and "Isn't it their job to do this? I don't have time to look after all of this stuff". Owners also have trouble knowing who is responsible for what: when should they contact the Board and when should they contact the Property Manager? In this post, I'll answer these questions, and hopefully, the difference between the roles of the Property Manager and the Board of Directors will be clear by the end.

Understanding the different roles

To understand the different roles, I like to think of a condo like a coffee shop. The property management company is like the staff that keeps the shop running: baristas, managers, cleaners, etc. They are the people that interact with everyone on a day-to-day basis and do everything to make sure that the coffee shop does everything a coffee shop should. While they have some flexibility to solve problems as they arise, they are not responsible for major decisions – financial or otherwise.

What does the board do?

The Board of Directors acts like the corporate executives at the head office. It's up to them to set the prices, operating procedures, and make the decisions that shape the direction of the company. The success of the enterprise is their responsibility; the staff just carry out their decisions. It's not the barista's job to ensure the coffee shop is selling coffee for the optimal price or that the products are the best value. Similarly, the Property Manager isn't responsible for making the best financial decisions for the condo corporation; they do not have a fiduciary responsibility.

The difference between the roles of the Property Manager and the Board of Directors:

Property Management	Board of Directors
Manages	Governs
Under contract to work as agent of condo corporation	Is a fiduciary to corporation
Work within constraints defined by contract with board	Reviews options and renders decisions
Provide options (e.g., quotes)	Oversees the implementation of decisions
Implement decisions	Seeks cost savings (asks Property Manager to help)
Is not responsible for saving condo money	

The condo board has the responsibility to make the choices that are in the best interest of the condo corporation. This is why the property management company can't simply be left to look after everything. As an entity, the condo Board of Directors is responsible for making all the critical decisions regarding the maintenance of the building/grounds, condo's finances, and must uphold the Condo Act (provincial legislation), the declaration, bylaws, and rules. It is up to the board to make sure that all the relevant documents are accessible by the owners.

A good Property Manager is a tremendous asset for any condo corporation. They can simplify the job of the board, but they cannot assume the responsibility for that job.

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