20 Questions Every HOA Board Should Ask About Financial Oversight

A practical self-check for stronger board financial oversight

Use these questions to see which financial oversight practices are in place and where the board may benefit from greater understanding, verification, or follow-up. Check each question you can confidently answer “Yes.” Leave other questions unchecked and revisit them together.

1 Bank Accounts and Cash

- [ ] 1. Does the board know every bank and investment account the association has?
- [ ] 2. Does at least one board member receive or view bank statements directly from the bank?
- [ ] 3. Does the adjusted bank reconciliation balance agree with the corresponding cash balance in the accounting records?
- [ ] 4. Are all bank accounts reconciled every month?
- [ ] 5. Does someone other than the person preparing the reconciliation review it?

2 Access and Movement of Funds

- [ ] 6. Does the board know who can access or move association funds?
- [ ] 7. Are payments and transfers approved according to the board’s procedures?
- [ ] 8. Does the board know who can add a vendor or change vendor payment instructions?

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20 Questions — Continued

2 Access and Movement of Funds (continued)

- [ ] 9. Are changes to vendor payment instructions independently confirmed before money is sent?
- [ ] 10. Are large or unusual payments supported by invoices, contracts, or other records?
- [ ] 11. Do large payments receive the approval required by the board's procedures?

3 Reserves, Budget, and Ongoing Review

- [ ] 12. Are transfers into or out of reserve accounts clearly documented and approved?
- [ ] 13. Does the board review reserve balances and reserve activity regularly?
- [ ] 14. Does the board compare actual income and expenses with the budget and ask about significant differences?
- [ ] 15. Does the board review unpaid assessments and understand why significant balances remain unpaid?
- [ ] 16. Does the board follow up on checks, deposits, reconciliation differences, or transactions that remain unresolved?

4 Electronic Transactions and Financial Access

- [ ] 17. Are credit card, debit card, ACH, wire, and other electronic transactions reviewed regularly?
- [ ] 18. Is access to financial accounts removed promptly when someone no longer needs it?

Complete the Self-Check

5 Red Flags and Follow-Up

- [ ] 19. Does the board have a clear process for following up when financial information is missing, inconsistent, or unclear?
- [ ] 20. Would the board's current review process be likely to identify a significant error or unauthorized transaction promptly?

What Did Your Answers Show?

Yes answers show practices the boardcan confirm are in place. Unchecked answers are opportunities to ask questions, verify information, or improve a procedure. Give special attention to access to funds, independent bank verification, approvals, and unresolved concerns.

Choose Your Next Steps

- [ ] Discuss the questions the board could not confidently answer.
- [ ] Choose two or three improvements to prioritize.
- [ ] Assign responsibility and a target date for each follow-up.

Want to Strengthen Your Financial Review?

Explore the free Monthly Financial Review Checklist and the companion Review Guide included with annual Board Briefings at smarthoafinance.com.

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