



## HSVPOA Controller Address at Board Retreat

### Description

At the Hot Springs Village Board Retreat on May 12, 2021, the Village Controller and Corporate Treasurer, Coreena Fetterhoff, addressed the Board.

The Controller said she has been with the POA about two and a half years. She is over the Accounting, IT, and Member Services Departments, with a total of 26 employees.

### What Does the Accounting Department Do?

Fetterhoff said, “the Accounting Department plays a vital role in running business as it helps in tracking both revenue (money in) and expenses (money out) while assuring compliance with all statutory requirements. Additionally, it also provides quantitative financial information to management, property owners, lenders, and other stake holders, who use it for making informed business decisions.”

“The Accounting Department is responsible for a large number of administrative functions that are essential to the proper operation of business. The main functions of this department are:

- To maintain and record all business transactions accurately and comprehensively in a systematic way that data can be retrieved and reviewed at any time.
- To maintain adequate internal controls to safeguard its resources.
- To provide a basis for performance, assessment, and create accountability across the organization
- To support management in the decision-making process, through the appropriate presentation of the financial data and to plan, based on anticipated resources and needs

These areas include the following:

- Receivables – creates invoices to customers for assessments, utilities, and events

- Payables – processes expense invoices after verification of authorization, processing payments in a timely manner to take advantage of our early-pay discounts
- Collections – responsible for keeping track of overdue invoice payments from customers and uses a variety of methods to collect payments, such as letters, phone calls and third-party collection agency placement
- Purchasing and Contracts – responsible for monitoring compliance with internal procedures to improve financial decisions and mitigate financial risk
- Internal Recording – identify and develop new or enhanced work processes and maintain financial controls via reconciliations and adherence to applicable GAP standards
- All of these practices are implemented to prevent any fraud and theft.
- Financial statements – create financial records that are used in the preparation of budgets, forecasts, and other decision-making reports, to reflect the company’s financial results and compliance with applicable accounting framework for reporting purposes
- Taxes – responsible for sales and use tax, property tax reporting and payment, in addition to coordination with the external CPA firm for annual corporate tax filing
- Budget – assists the rest of the company with the formulation of a company-wide budget, used to plan for expenditures, including operational and capital for the upcoming year.”

### **Member Services Team**

“The Member Services Team is responsible for ensuring the accuracy in customer service to our members. They welcome the guest members in the POA lobby, providing the first impression of HSV’s member services. They assist with sales from member items, including but not limited to annual cards, decals, and other items for property owners. There are nine Member Service employees.

“Staff is required to maintain working knowledge of POA policies and structure to better serve the members.

“Responsible for customer service needs and accurate maintenance of the member database records such as deeds, purchases, etc.”

### **IT Department**

There was a separate presentation for the IT Department. The IT Department has three employees.

### **Revenue/Expenses/Capital**

Fetterhoff said that concerning her budget, the revenue is \$405,000 and her expenses are threemillion, 60 thousand dollars. The capital expense for this year is \$200,000.

### **Accounting Committees**

- Finance and Planning Committee (Chair Larry Steiner) “The Finance and Planning Committee assists and advises the Board on governance and oversight responsibilities, related to fiscal management and planning. Some of their current projects include reviewing the seven-year operating and maintenance tables that are provided by staff. Coming shortly, the committee will be tasked with assisting in review of the 2022 budget,” stated Fetterhoff
- Coreena continued, “we also have the Audit Committee which is currently chaired by Tucker Omohundro. The Audit Committee provides approval, oversight, and evaluation of the independent auditors. The committee discusses with the auditors the scope and schedule of the annual audits and matters relating to financial operations, controls, and reporting to the Property Owners’ Association. The Audit Committee acts as a liaison between the Board and independent auditors in overseeing the POA’s compliance with legal and regulatory requirements.

### **Capital Project**

The only capital project Coreena has for 2021 is \$200,000 for a new phone system across the organization.

### **Obstacles**

The Controller said, “our biggest obstacle, I feel like I am on repeat with the rest, but I promise that I didn’t work with them to come up with this...recently the POA as a whole and at the department level has faced many new changes. Many of these changes are taking in the Accounting and Member Services Team, who have been working diligently towards improving our accuracy, efficiency and service to better serve both the organization and the community. There have been many improvements taking place so far. We’ll continue to work towards greater success.

Coreena continues, “the largest obstacle our department is facing currently is accomplishing the many goals we have set out for ourselves, both short and long-term, in a timely manner. As our community continues to grow at a more rapid speed than in recent history, our staff’s responsibilities and workloads have increased to keep pace with the influx. The influx, along with staffing issues has required the staff to take on more responsibilities to accomplish our tasks timely. While this builds a better team environment, it also increases the stress level associated with the job. There has been some turnover in our department, primarily due to the stress-to-compensation ratio.”

“Due to turnover, at times the department has fought to maintain the day-to-day activities, resulting in slower than desired progress towards making larger process changes. The fact is, there just aren’t enough hours in the day for us to accomplish everything as quickly as we’d like, especially when staffing continues to be an issue,” stated Fetterhoff.

We are still able to maintain and do what we need to, but as I mentioned, everybody has to take on a

little bit more, which kind of puts the stress-level-to-the-compensation ratio a **little** out of balance. So, that is something I think, across the organization, we have found. That is it in a nutshell,” Coreena finished.

## Questions

Director McLeod said he had never seen revenue from an accounting department.

Fetterhoff said, “that includes our member services. While a lot of our fees, they get allocated to the respective departments. There are some items that stay in-house within our department.”

McLeod asked, “\$400,000 worth?”

Coreena said, “That is going to be a combination of several things but that also includes our transfer fees, membership assignment rights, those types of charges. Those are still designated to administration. Along with, when we are utilizing discounts and rebates that are available through the state for example. We’ve collected probably \$50,000 to \$70,000 back just in rebates. All of that is what’s coming into this pot.”

Property Owner Jan Parker asked if the new \$200,000 phone system comes out of the operation budget. Coreena said the new phone system was over above the operational cost. Coreena explained, “Accounting, Member Services, and IT are not revenue-generating departments. We are service departments. We are here to help the rest of the organization function. We don’t bring it in. We also try to make sure we don’t spend too much of it out, but we’re not your money-makers. We’re ‘keep your day-to-day business going’”

Director Chris Jones inquired as to Coreena’s short and long term goals. He said he would get with John Paul for that list.

Jones asked about the three million-plus budget. Coreena said there is a lot that goes into the general overhead expenses that don’t get allocated out. “A good example would be attorney fees. That goes to this budget,” stated Coreena.

By Cheryl Dowden, May 15, 2021

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