

# Fraud Prevention: Red Flags Roadmap

**Don't miss the signs! Navigate fraud prevention upfront to avoid problems down the road.** Most homeowners' association (HOA) board members are hardworking volunteers who want to make their communities better places to live. They are homeowners, too, after all! Board members should be familiar with signs of questionable activity so they know how to recognize them if they ever occur. Here are the top five areas to look for possible red flags:

## Bookkeepers

Volunteers in any organization have personal lives. When life gets hectic, we sometimes take it to "the office" with us. However, if you notice a drastic change in a member's behavior, this could be an area of concern.

## Revenue

A drop in revenue can happen to any association. However, if it's an unexpected drop, board members should immediately look for discrepancies in their financial records.

## Bookkeeping

Mistakes happen. We're all human. However, if you see the same errors happening consistently, it's time to investigate further.

## Checks, Statements, and Receipts

Make sure any association checks are only written to authorized companies and that they are deposited promptly. Ensure bank statements match HOA financial statements, accompanied by the original receipts.

## Vendor Payments

Ensure all vendor payments are made in full and on time. Double-check for any duplicate payments.

Want to learn more about keeping your association safe?

We're happy to help navigate you in the right direction! **Contact FirstService Residential Texas today**



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