

HOA Reserve Fund Checklist for Board Members

A practical guide for homeowner and condominium association boards · 2026 edition

A reserve fund pays for the replacement and major repair of the components an association owns in common, such as roofs, paving, elevators and pools. Boards that plan these costs years ahead avoid sudden special assessments and keep dues predictable for owners.

1. Know what your reserve study covers

- List every common component with its estimated useful life and remaining life.
- Record the current replacement cost of each component, based on recent bids where possible.
- Check whether the study is a full study with a site visit or an update without one.
- Note the funding plan the study recommends and the percent funded today.

2. Update the study on a schedule

- Many professionals recommend a full study with a site visit every three to five years and lighter updates in between.
- Your state law or governing documents may require a specific schedule; check both before setting yours.
- Update sooner after major repairs, storm damage or large changes in construction costs.

3. Turn the study into the annual budget

- Include the recommended reserve contribution as its own budget line, not as leftover operating money.
- Keep reserve money in a separate account from operating funds.
- Explain the contribution to owners in the budget package: what it pays for and when.

Warning signs. Reserves below the study's recommendation for several years in a row, components past their useful life with no money set aside, or a funding plan that depends on future special assessments.

4. Monitor through the year

- Review the reserve balance and every reserve expense at each board meeting.
- Approve reserve withdrawals only for the components the fund was built for.
- Keep invoices and board minutes for every reserve project, ready for the auditor or a reviewer.

5. Questions to ask your manager or accountant

- Are we contributing what the study recommends this year?
- Which components are due in the next five years, and are they funded?
- How would a 10% rise in construction costs change our plan?

This checklist is general information for association boards, not legal or financial advice. Requirements vary by state and by governing documents.