



Gold Star Community® Scoring Guide

Mandatory Documents

The following documents must be submitted with a Gold Star Community® application / renewal. Applications will not be scored if any of the following documents are missing:

- Insurance requirement from the association's governing documents
- Insurance Schedule OR Certificate for all insurance policies
- Capital Budget
- Operating Budget
- Current Balance Sheet
- Component / Funding Schedules from most recent reserve study
- Most recently audited / reviewed financial statements.

General Characteristics Section

These are general questions about the basic operations of the community association. Some of the questions on this section are based on statutory requirements or standard items required in association governing documents. Incorrect answers to these questions by the applicant will result in an automatic failure for the entire application. For this section, those questions are:

1. Minutes are kept for Owners meetings. *(If answer is no, automatic failure).*
2. Minutes are kept for Board / Trustee meetings. *(If answer is no, automatic failure).*
3. The association prepares an annual budget in accordance with governing documents. *(If answer is no, automatic failure).*
4. Annual membership meetings are held in accordance with governing documents. *(If answer is no, automatic failure).*
6. The association holds an annual election of board members *(If answer is no, automatic failure).*
10. The association has \$_____ of General Liability Insurance.
This amount meets or exceeds the minimum amount stated in documents.
Question 10 must be evaluated in comparison to the governing documents. If amount of liability insurance is inadequate to meet the requirements in the governing documents, the application is an automatic failure.
11. The association has \$_____ of D&O Liability Insurance.
This amount meets or exceeds the minimum amount stated in documents.
Questions 11 must be evaluated in comparison to the governing documents. If amount of liability insurance is inadequate to meet the requirements in the governing documents, the application is an automatic failure.
13. Resolutions are made part of meeting minutes *(If answer is no, automatic failure).*
14. The association provides resale packets to new owners as required by law. *(If answer is no, automatic failure).*

Financial Section

This section seeks to obtain a financial position of the community association as well as policies and procedures on financial controls. As with the general characteristics section, certain questions are considered critical to the sound financial operation of the association and certain answers to these



questions by the applicant will result in an automatic failure for the entire application. For this section, those questions are:

1. The association has adopted an annual budget and, at least 30 days prior to implementation, has provided a written copy to all owners. *(If answer is no, automatic failure)*
2. *B) The community association's failure to address internal control weaknesses will result in an automatic failure of the application.*
3. The association has a fidelity bond for person handling association funds. A "no" answer on this question will result in an automatic failure if any of the following conditions apply:
 - a. *Community assets exceed \$100,000*
 - b. *Governing documents require a fidelity bond*
5. *A & B – must be evaluated along with the answer to question 4 as well as the physical nature of the community. If the association is not funding reserves according to the reserve study, the application is an automatic failure.*
7. The association contracts for audit or accounting services in accordance with the governing documents. *If the applicant does not contract for services specified in the governing documents, the application is an automatic failure.*

Scoring guideline:

4. The association has performed or updated a Reserve Study in the past five years using an independent reserve professional. *This question must be evaluated along with the physical nature of the community association. If the community is such that few or no physical items exist for which reserves would be necessary, the community may be excused from not performing a study. In all cases, the reserve study must be within 5 years of age.*

If the reserve study is completed by an independent reserve professional and is within 5 years of age, award 4 points. If the reserve study is within 5 years of age and is performed by someone other than an independent reserve professional (CPA, accountant, manager, management company, etc.) award up to 3 points at your discretion and with the physical nature of the community as part of the calculation.

8. Delinquencies: *0% - 4 points; 0.1-2.5% - 3 points; 2.6-5% -2 points; Above 5% - 0 points*

Rules, Architectural, Communications Section

This is the section which causes many communities to stumble and fall short of a passing grade. This section seeks to determine those programs and activities which create a community within an association. Many times, an otherwise qualified community association will fail the Gold Star application due to the lack of communication programs, community events, and special community services. There are no questions which cause an automatic failure, however the lack of special programs and services under questions 7 and 8 will often lead to a shortfall in points on this section and, thus, a failing grade.



Gold Star Community® Recognition Program
Scoring and Instruction Sheet for: _____ -

Judge's name: _____ Application received by CAI on _____.

Please read attachments. Attachments are supportive information to ensure the association is in compliance with intent of question. They are part of the application. Applicants must meet the minimum point scored in each section to receive the Gold Star rating.

Scoring:

Part I General Characteristics.

- The Total possible points for this section is 36. Minimum points to qualify is 27 (75%).
- Questions are worth 2 points each. Question 19 is extra credit.

Please indicate your score for this section _____

Part II Financial

- Total possible points for this section is 36. Minimum points to qualify is 27. (75%)
- All questions are 4 points each
- Question 2 has two parts. If the answer to part A is "No", award four points. If the answer to part A is "yes", and the answer to part "B" is yes, award two points. If the answer to part A is "yes" and the answer to part B is "no", award no points.
- Question 3 – see scoring guide.
- Question 4 is worth up to four points based on who performed the reserve study (professional vs. community association volunteers) and the characteristics of the community association.
- Question 5 has two parts. Award four points if the figure in part B equals the amount detailed in the reserve study. If not, award 1-3 points, based on your discretion.
- Questions 6 has two parts. Special assessments are not necessarily bad. The reasons for special assessments are crucial. Use your discretion in scoring this question.
- Question 7 scoring: An audit receives 4 points
A Review receives 3 points
A Compilation receives 2 points
Other receives 1 point
- Question 9 scoring: Score this question up to 4 points based on your judgment of the policy provided, if any.

Please indicate your score for this section _____

Part III Rules, Architectural, Communications

- Total possible points for this section is 36. Minimum points to qualify in this section is 27 (75%)
- Questions 1-4 are four points each.
- Question 5 is worth eight points – award one point for each box selected.
- Question 6 is worth four points based on your discretion of the answers provided.
- Questions 7 and 8 – award a maximum of four points each based on your discretion of the answers provided.

Please indicate your score for this section _____

Judges Comments: *(Continue on reverse or attach a separate sheet if more space is required)*
