

## How to Select an HOA Lockbox Provider?

Lockbox is a service whereby a financial institution takes responsibility for processing payments mailed to a designated PO Box. This service is ideal for processing homeowner association payments because it reduces internal processing/handling costs and reduces posting delays to help improve the association's cash flow.

Several factors should be considered before selecting a financial institution to handle an association's incoming receivables. For instance, each financial institution sets its own parameters dictating how often the PO Box contents are reviewed and how quickly the payments are processed, but the most efficient financial institutions will review an association's PO Box and post the payments daily.

A homeowners association should also consider the document imaging, archiving, and reporting system provided by the financial institution. More advanced systems will offer real-time web access to the images of incoming receivables. Additionally, these systems should facilitate report generation, and allow a property manager to search incoming payments by factors including unit ID, check number, and check amount.

Lastly, a property manager must ensure that the financial institution has procedures in place to handle lockbox payments received on delinquent units. It is essential that the financial institution provide the association tools to manage these incoming items because of the legal ramifications of accepting an HOA payment on a delinquent property.

Lockbox Services benefit homeowners associations because they streamline accounts receivable processing, minimize keying errors, reduce delays, improve cash flow, and decrease internal processing/handling costs; however, not all Lockbox systems are "created equal" so it is very important to ask about the factors detailed above before contracting a financial institution to process your lockbox payments.

To learn more about Lockbox Services, call Cesar de la Noval at (305) 256-3311.

*Executive National Bank is a privately-owned community bank that has proudly served South Florida since 1972. This federally insured institution holds a national charter and offers a full range of banking services including lockbox, homeowner association accounts, commercial loans, mortgages, remote deposit capture and CDARS®. To learn more about Executive National Bank, please visit [www.executivebank.com](http://www.executivebank.com) or call Kathrina F. Saladrigas 305.274.8382.*

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