

# Reserve Specialist® (RS®) Designation Application

## APPENDIX C: SAMPLE WORK PRODUCT

Please attach one Level I **Full** reserve study work product.

One sample Level I Full reserve study must be submitted to demonstrate that minimum report requirements and disclosures have been met. This Report must be an **actual report** prepared recently by the applicant (or under their responsible charge) for a client, not a marketing sample.

- Remove or disguise any names or logos (including company letterhead) identifying your firm or the client.
- Attach the list of required contents and disclosures as noted on the pages following, complete with page numbers identified. Applications that are missing any required content or disclosures automatically will be rejected.
- Note that all required information and disclosures must be contained within the Reserve Study document, not in cover letters or separate transmittal letters.

Name of Applicant \_\_\_\_\_

Date Sample Work Product was Prepared ▼ DATE  

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Submit completed application, Attachment B, and Attachment C with non-refundable application fee as directed on the application. The application and Attachments B & C **must** be submitted at the same time.

## Appendix C: Sample Work Product

# Reserve Study Required Contents

Each Reserve Study prepared by a Reserve Specialist or Reserve Specialist applicant must contain all of the following elements. Applicants **must** include this table with their work product submission, noting the page number where all the below required elements can be found in the sample work product.

▼ PAGE	▼ CONTENTS
_____	1. A summary of the association’s number of units.
_____	2. Association physical description (legal and physical narrative).
_____	3. General statement or opinion describing the association’s current reserve fund status (cash or percent funded).
_____	4. General statement describing the methods and objectives utilized in computing or evaluating the association’s Reserve Fund status (Percent Funded or otherwise).
_____	5. Fiscal Year (start and end) for which the Reserve study is prepared.
_____	6. A projection of starting reserve cash balance (as of above start date).
_____	7. A general statement describing the development or computation of the association’s starting Reserve Fund balance.
_____	8. The dates that field observations were performed for use in preparing the study.
_____	9. Recommended reserve funding (minimum 30 years).
_____	10. Projected reserve expenses (minimum 30 years).
_____	11. Projected ending reserve fund balance (minimum of 30 years).
_____	12. A tabular listing of the components in the Reserve Study.
_____	13. A tabular listing of the component quantities or identifying descriptions.
_____	14. A tabular listing showing each component’s Useful Life.
_____	15. A tabular listing showing each component’s Remaining Useful Life, where RUL=0=initial year.
_____	16. A tabular listing showing each component’s Current Replacement Cost.
_____	17. A general statement describing the Methods (cash flow, component, etc.) and Goals (Full Funding, Threshold Funding, Baseline Funding) of the Funding Plan, using Standard terminology.
_____	18. Identification of the source(s) of all information, including those utilized to obtain component repair or replacement cost estimates, provided to the reserve study provider of the study, including their name and relationship to the client.

*cont'd. on p. 3*

## Appendix C: Sample Work Product

### Reserve Study Required Contents, cont'd.

▼ PAGE	▼ CONTENTS
_____	19. A clear description of which one of the four Reserve Study "Levels of Service" (i.e.: Full, Update With-Site-Visit, Update No-Site-Visit, Preliminary, Community Not Yet Constructed) was performed.
_____	20. A clear statement of assumption used for Interest and inflation (whether zero or otherwise).
_____	21. Summary of any discussion of preventive maintenance with association representatives including a description of the extent of preventive maintenance being employed.
_____	22. Summary of any discussion about periodic structural inspection reports or the lack thereof.
_____	23. Statement showing the dollar value below which projects are handled through the operational budget. (Exceptions may be made for projects falling below this threshold which materially extend the useful life or remaining useful life of a component.)

## Appendix C: Sample Work Product

# Reserve Study Required Disclosures

Each Reserve Study prepared by a Reserve Specialist or Reserve Specialist applicant must contain all of the following elements. Applicants **must** include this table with their work product submission, noting the page number where all the below required elements can be found in the sample work product.

▼ PAGE	▼ CONTENTS
_____	1. <b>General:</b> Description of other involvement(s) with the association, which could result in actual or perceived conflicts of interest.
_____	2. <b>Physical Analysis:</b> Description of how thorough the on-site observations were performed: representative sampling vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.
_____	3. <b>Subject Matter Experts:</b> Recommended subject matter experts to be consulted to evaluate issues outside the scope of the reserve study provider’s expertise or business model.
_____	4. <b>Personnel Credentials:</b> State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.
_____	5. <b>Completeness:</b> Material issues which, if not disclosed, would cause a distortion of the association’s situation.
_____	6. <b>Reliance on Client Data:</b> Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant and assembled for the association’s use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.
_____	7. <b>Reserve Balance:</b> The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.
_____	8. <b>Reserve Projects:</b> Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.
_____	9. <b>Periodic Building Inspections:</b> Structural integrity evaluations are not included in the reserve study unless otherwise noted.
_____	10. <b>Maintenance:</b>
_____	a. Preventive maintenance is a critical aspect affecting a community’s life cycle costs and structural safety. It is encouraged that every association have a preventive maintenance plan prepared in conjunction with the reserve study (if required). The reserve study shall include a disclosure regarding the community’s preventive maintenance planning. The preventive maintenance plan should incorporate all applicable common elements, not just those components included within the reserve study.
_____	b. Any information provided by the client regarding ongoing maintenance or repair being performed with any component shall be included within the notes for that component in every full or with site-visit reserve study.
_____	c. The reserve study provider can only be aware of preventive maintenance plans or programs that have been disclosed by the client.
_____	d. The reserve study provider lacks information to incorporate necessary corrective maintenance costs and timing unless they have been provided with a copy of the most recent periodic structural inspection report.

## Appendix C: Sample Work Product

### Reserve Study Required Disclosures, cont'd.

▼ PAGE	▼ CONTENTS
_____	11. <b>Unfunded Components:</b> Unless specifically noted, the components included within this study have an anticipated remaining useful life within 30 years from the time the field observations used in preparing the study were performed.
_____	12. <b>Liability:</b> The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with these standards.
_____	13. <b>Scope Limitations:</b> Clear recommendations appear within the reserve study where the association has been advised to retain outside expertise to supplement the evaluation of the Reserve Specialist.  <i>FOR UPDATE REPORTS ONLY — These must be included in addition to the above.</i>
_____	14. <b>Previous Reports:</b> For update reports, this current reserve study is reliant on the validity of prior reserve studies.
_____	15. <b>Component Quantities:</b> For update with site visit and update with no site visit levels of service, the client is considered to have deemed previously developed component quantities as accurate and reliable.