

## What is involved in Serving on a Board of Directors for a Homeowners Association?

To be an effective Board Member, one must be:

- Able to attend quarterly Board meetings in the evenings for approximately two hours.
- Able to be reached during the day by telephone for emergency consultation.
- Able to participate in walk-through inspections of the entire complex at least one time each quarter, if needed.
- Able to review and monitor the financial status of the Association with the assistance of the Association's Property/Financial Management Company's staff and the Association's CPA, as needed.
- Able to put personal considerations aside and base decisions on the greater good for the Association for the current time period and for the future of the Association.
- Able to keep **strictly confidential**, while serving on the Board, and after leaving it, those items that are either Privileged and Confidential exchanges between the Association's legal counsel, and the Board of Directors, or other items of a confidential nature such as the individual accounting for each Member, disciplinary correspondence between the Association, the Board and individual Members, and similar items of a fiduciary nature.
- Able to be bonded, which is a requirement by the Association's insurance provider for Directors and Officers Insurance and for the Association and Board's Fidelity Bond.
- Able to be emailed. In the fast-paced proceedings that are sometimes needed, the more quickly Board Members can communicate with one another, the better it is for the Association.

To assist Board Members, the following list of responsibilities is provided:

Once the Members elect the Board, the new Board meets and elects officers from among the Directors.

The **Board President** calls meetings to order, coordinates the meeting agenda (in advance) with the Property/Financial Management Company Representative, and Chairs the proceedings.

The **Board Vice President** acts in the absence of the President.

The **Board Secretary** oversees both the Minutes for accuracy as transcribed by Property/Financial Management Company Representative and the in-

coming and out-going correspondence for the Association, all of which is usually produced upon direction of the Board by the Property/Financial Management Company Representative. In the absence of the Board President and Vice President, the Board Secretary acts in the place of the Board President, calling the meeting to order and chairing the meeting.

The **Board Treasurer** oversees the financial reports for accuracy. The Treasurer receives the packet of invoices and checks for review and first-step approval. The Treasurer then passes the Treasurer-approved invoices and checks to a second Board Member (agreed upon by the entire Board of Directors) for a final review and co-signing of checks. Most often, the Treasurer chairs the Finance and Budget Committee(s).

Regardless of title, no one Board Member is more or less important than any other.

The remaining **Directors** do not hold an elected office on the Board. They fill the positions of "**Director-at Large**" and act as liaison between the Membership and the Board, as well as chair, or sit as members on, key committees.

While the foregoing position descriptions map out primary responsibilities, all Members of the Board are equally responsible for all of the meetings' Minutes, for the content of all the financial reports, for all the correspondence to and from the Board, and for all actions taken and decisions made by the Board.

If necessary, the Board can meet with only four of the ideal seven Board Members present. An occasional absence of a Board Member, while not desired, can be accommodated.

The **Property/Financial Management Company Representative** takes the Minutes of the meetings subject to review and approval of the Board Members, particularly the Secretary of the Association.

The Property/Financial Management Company provides for full general ledger accounting detail, presenting each Board Member with a general ledger report (approximately 32-40 pages) each quarter, subject to review and oversight by the Board, most particularly the Treasurer. The Association's books are examined annually by an independent CPA.

The Property/Financial Management Company provides a written Manager's report to the Board each quarter prior to the Board Meeting. The Manager's report updates the Board on the status of any on-going agenda items, correspondence to the Board, telephone calls, repairs, vandalism, bids and

proposals, specifications for pending projects subject to the review of and approval by the Board, reports on on-site inspections conducted with the landscape maintenance contractor, the janitorial services contractor, the ancillary contractors such as plumbers, pavers, painters, repairmen and any consultants or other specialists engaged by the Board.

The Property/Financial Management Company receives all invoices, writes all checks to pay the invoices, and then sends the invoices and unsigned checks to the Treasurer for review and approval. The Property/Financial Management Company works closely with the Treasurer and the chairs of any related Finance and Budget Committees. The Property/Financial Management Company sends out all payments at the direction of the Board.

The Property/Financial Management Company keeps all non-financial files, and sends out correspondence at the direction of the Board.

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