

HOA BOARD QUICK TUTORIAL

Please review this “quick summary” of the important aspects of serving as a Board member of your HOA. For more detail on any topic below, feel free to contact Beven & Brock or utilize our website at www.bevenandbrock.com. We appreciate your service as a Board member.

OPERATING AS A BOARD MEMBER

- 1) As a Board member you are a fiduciary, which means thinking and deciding issues on behalf of what is best for the entire association. This may conflict with your personal preferences at times, but operating this way is key to the success of your HOA.
- 2) Volunteers - As a volunteer, you should only do what is essential, and not feel like you are the “onsite manager” or “HOA Police” which entails daily involvement potentially.
- 3) Team work: as a Board member, you don’t carry the burden alone. Decisions should be made in the context of the team (i.e. Board) and never less than that. Insist on a full and active board.
- 4) Board roles: every board member should have a specific job to do, and be accountable to the rest of the board. The role of Secretary and Treasurer are clear as to their roles, however the other positions can fill a variety of important tasks: maintenance liaison, community relations, management liaison,
- 5) Decisions - make them ONLY at meetings, not by email or casual conversation. Decide as much by “policy” as possible, so that you only have to make the decision once, and your manager can carry out the policy.

MEETINGS

- 1) Have them on a regular basis, same date, time and place and have 4-10 a year, subject to your by-laws. Meetings should not last more than 60-90 minutes. This will encourage attendance.
- 2) Preparation: every board should have material in advance of the meeting and review it, so that the meetings can be about brief discussion and a decision. Come to meetings with an objective mind, ready to consider all sides of an issue prior to voting.
- 3) Agenda and minutes: this doesn’t have to be complicated. The Secretary is responsible for the preparation and the Beven & Brock web-site has templates for both. Minutes are to be brief, not a narrative. Agenda must be posted in the common area four days prior to the meeting. Minutes to be available to owners 30 days after the meeting even if just in draft form.
- 4) Communicate the action list from the meeting to the manager as soon as possible after the meeting if the manager does not attend.
- 5) Set a reasonable time line for tasks to be accomplished otherwise you will find yourself overwhelmed.
- 6) Open Forum - a portion of every open meeting where owners can address the Board for a specified period (i.e. 3-5 minutes). It is required, and the Board doesn’t have to respond to the owner.
- 6) Executive Session - a meeting where the board can meet privately, however should not be over used, it is only for specified purposes: contract negotiation, member disciplinary hearing, litigation. Do as much in the open as possible.

FINANCIAL

- 1) Review monthly financials and they don’t have to be complicated. Most important items: owner delinquencies, and budget comparison report. Treasurer should lead the way in this, and Beven & Brock web-site has a tutorial.
- 2) Be consistent with collections - treat every owner the same even if they are on the Board.
- 3) Reserves - engage a professional to obtain/update the Reserve Study annually and complete the required annual disclosures.
- 4) Follow the recommendations of the reserve study, but if you choose not to, at a minimum fund the reserves at 10% of the budget. This is required by lenders.

MAINTENANCE

- 1) All vendors should have license and insurance (liability and workers comp, if they have employees). A W-9 form is also required. Don't hire a vendor on your own without making sure that these items are completed. It will delay payment and could put you at risk if there is an injury, or property damage.
- 2) Develop trusted vendor relationships so that obtaining bids for routine jobs are not necessary.
- 3) Avoid using vendors where Board members have a pre-existing relationship.
- 4) For major work such as roofing, water intrusion or painting, utilize a consultant to avoid liability.
- 5) For other work, the Board should prepare a job scope, or specifications, such that the manager can obtain bids that can be compared. This is best for work that is matching something that already exists.
- 6) For emergencies, manager has the ability to approve work regardless of cost. Board may specify a liaison to discuss with manager.
- 7) Small jobs (routine) under \$500.00, should be able to be approved by manager without entire Board involvement.

MANAGEMENT

- 1) Your manager is highly qualified, certified, and has many years of experience. Allow them to handle issues for the Board, without Board oversight between meetings except as manager may need to clarify an issue with a single board member between meetings.
- 2) The manager will provide a management report a few days prior to the Board meeting updating the board on all pending issues, and informing the Board of new issues that have come up between meetings. The manager will not be expected to update Board members between meetings, except for emergency situations as determined by the manager.
- 3) The Board should advise the manager immediately after each meeting as to the action items that require attention between meetings.

COMMUNITY

- 1) Find ways to engage the owners, such as a summer BBQ, community yard sales, or holiday events. This increases community and helps to fight apathy which is a big problem in many associations.
- 2) Welcome new owners and make personal contact with them.
- 3) Make sure you have and follow the following Rules: Election Rules, Dispute Resolution Rules, Architectural Review Guidelines and a Fine Policy. This will make your HOA function more smoothly and within the law.
- 3) Be reasonable and sensitive to owners in developing and enforcing rules.
- 4) Violations and rules enforcement: allow the manager to guide you. Different issues require different approaches for resolution.

INSURANCE

- 1) Invite your insurance agent to a Board meeting once a year to review the policy and confirm that you have appropriate coverages in place.
- 2) It is advisable to carry Worker's Comp coverage, even though you don't have employees, since the determination of employees is very broad.

Thank you for serving your community. Beven and Brock is here as a resource for you and your Board.