



Board Member Roles and Responsibilities

MULCAHY

Community Association Cheat Sheet®

**BRINGING ANSWERS
TO COMMUNITY
ASSOCIATIONS**

This publication discusses significant points of law as they apply to community associations and is not intended to offer specific legal advice or responses to individual circumstances or problems.

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THE BOARD OF DIRECTORS

Association owner/members look to their board of directors to provide the caring leadership and service that makes living in their community association desirable. The board of directors is taking care of what might be one of the largest assets association members have – their homes. This is why owners expect their association to be run as a business and boards to be mindful of them as a part of the community. With these dynamics in play, association members can at times become passionate, opinionated and even cantankerous.

WHAT SHOULD BE EXPECTED FROM THE BOARD OF DIRECTORS?

- Expect the board to adhere to their fiduciary duty to the association.
- Expect the board to set-up voting for leadership of the association in an open and fair manner.
- Expect board members to have an approachable business-like manner.
- Expect the board to treat and oversee services and facilities as a business.
- Expect the board to fairly and consistently enforce the rules and regulations.
- Expect the board to fairly and consistently enforce the CC&Rs including the collection of assessments.
- Expect the board to give reasonable notice of CC&R violations and an opportunity to be heard.
- Expect that assessments be used for upkeep and improvements of the common areas.
- Expect that board members, in compliance with the governing documents, base decisions on what is best for the community as a whole.
- Expect open communication.
- Expect the board to give notice and hold regular board meetings and annual meetings in a timely manner and make available minutes of those meetings.
- Expect the board to follow the Arizona Open Meetings Law.
- Expect the board to review documents and adopt rules for the good of the association.
- Expect board members to support an owner's request to review records of the association as allowed by statute.
- Expect the board to prepare, or have prepared and follow an annual budget with concern for the future of the association.
- Expect the board to oversee the management company (should one be in place) which in turn oversees banking, budgets, insurance, utilities, landscape, taxes, etc.
- Expect the board to have a reserve study, and fund, in place and regularly funded.
- Expect the board to have records audited or reviewed yearly as stated in governing documents.
- Expect the board to protect the association and board by keeping the necessary insurances current.
- Expect the board, when necessary, to hire professionals for the good of the association.
- Expect the board to maintain active corporate status by paying the annual renewal fee.
- Expect each board member to place the interest of the association above their own.
- Expect each board member to play a participatory role: attending board meetings, knowledgeable-having researched board issues and ready to discuss and vote on association issues at the board meetings.

WHERE DOES THE NEW BOARD MEMBER BEGIN?

Start by learning the basics.

1. Read the association documents and the minutes of the previous year.

Declaration of Covenants, Conditions and Restrictions (CC&Rs):

Define the use of the land. It outlines the standards for the community and establishes restrictions on use of the common property. CC&Rs provide that assessments be used for the upkeep and improvements of the common areas. Additionally, the CC&Rs set forth the rights, duties and obligations of the individual property owners and the board of directors.

Articles of Incorporation: Sets forth the purpose of the corporation. It names the original board of directors, establishes membership and voting rights, and typically directs that the board adopt bylaws.

Bylaws: Sets forth the duties of the officers, sets the fiscal year and annual meeting date, quorum requirements, voting requirements and provisions for amendments.