

THE ROLE OF THE HOA BOARD OF DIRECTORS

The following outline provides an overview of the board roles and responsibilities.

Understanding the homeowners association concept:

- ❖ The homeowners association is the cornerstone of a planned residential community.
- ❖ It brings continuity and order to the community,
- ❖ It preserves the architectural integrity and it maintains the common elements.
- ❖ Properly run, the association promotes the concept of “community” and protects the neighborhood's property values.

Board of Directors

The association has responsibility for its common elements as well as the management and operation of the association's business affairs - - **all in accordance with standards established by the governing documents created when the community was first developed.**

Members of the board of directors of an association serve without compensation

The fact that the association is a not-for-profit corporation, or that the members of the board are volunteers and unpaid, does not relieve them from the high standards of trust and responsibility requires.

Acting through the board as a whole, a board member should:

- ❖ Enforce the documents (COVENANTS)
- ❖ Establish sound fiscal policies and maintain accurate records
- ❖ Develop a workable budget, keeping in mind the needs, requirements and expectations of the community
- ❖ Establish reserve funds
- ❖ Act on budget items and determine assessment rates
- ❖ Collect assessments
- ❖ Establish, publicize, and enforce rules and penalties
- ❖ Authorize legal action against owners who do not comply with the rules
- ❖ Select an attorney, an auditor, insurance agent and other professionals for the association
- ❖ Provide adequate insurance coverage, as required by the bylaws and local governmental agencies
- ❖ See that the association is protected for the acts of all parties with fiscal responsibilities

Operating a homeowner association carries with it many of the very same duties and responsibilities as overseeing any other business. Serving as a board member is a valuable experience that is undertaken as an opportunity to serve our fellow neighbors while protecting and enhancing the assets of the community.