

## **A FIELD GUIDE FOR BOARD MEMBERS**

### ***Ten Common Mistakes Made By Board Members***

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Serving on the board for a community association can be a challenging and thankless job, but sometimes it is more challenging than it needs to be. If you avoid the following ten common mistakes, it should make things a little bit easier.

*Not Running The Association Like A Business:* Trying to be a ‘good neighbor’ can cause unintended consequences. A community association is typically formed as a Nonprofit Corporation. It is a legal entity whose purpose is to act in the best interests of the association as a whole. Unnecessary issues can arise when an association is not run like a business. In short, it is important to act in a professional manner and follow the procedures laid out in the governing documents.

*Not Keeping Records:* It is vital to keep copies of all the records, including board minutes, member meeting minutes, communications with the association attorney, architectural modification documents, contracts with vendors, and financial accounting. Without a copy of the records it can be difficult to justify the actions of the board, such as expenditures of association funds.

*Not Promptly Collecting Assessments:* Boards often focus on the handful of owners who are severely delinquent, but it can cost the association twice in much in lost revenue for numerous owners to be a little delinquent. Also, it becomes more difficult to collect delinquent assessments the older they become, so the best remedy is to encourage everyone to pay on time.

*Not Uniformly Enforcing The Covenants & Architectural Guidelines:* Enforcing the covenants goes to the heart of maintaining the condition and value of the neighborhood. From a legal standpoint, the covenants and other restrictions must be applied uniformly. This means all of the restrictions must be evenly enforced on all the owners.

*Not Utilizing Professional Assistance:* In a perfect world, the board creates policy and oversees management of the association. The challenging role of a board member can be made less daunting with the assistance of management companies, attorneys, accountants, and other professionals.

*Not Communicating With Residents:* Most of what a board does is not seen by the owners. It is imperative the association keep the owners informed about the actions of the board, and in this day and age, communication is made easier through the use of websites and emails.

*Overestimating The Power Of The President:* Each person sitting on a board has an equal vote in deciding the business of the association. The officer designations (such as President, Treasurer, and Secretary) only grant specific administrative duties. For instance, the President presides over the board meetings and signs contracts for the association. Even though the President signs contracts, he or she can only sign contracts already authorized by the board. So the ‘power’ lies in having a vote on the board and not in a particular title.

*Failure To Maintain Confidentiality & Mudslinging:* Once a board votes on a matter it becomes the official action of the association. There is nothing more divisive in the neighborhood than publicly airing disputes within the board. In addition, certain confidentialities are required to be maintained; such as the names of delinquent owners, or the names of those who are violating the covenants.

*Using Residents As Vendors:* It may seem tempting to use a resident as a vendor in order to save money and help out a neighbor, but it rarely ends well. When the inevitable break-up happens it can cause very bad feelings within the subdivision. There may also be insurance issues if the resident vendor doesn’t carry liability coverage, workers compensation, etc...

*Maintaining Order & Safety At Meetings:* The board is responsible for maintaining order and safety at the member meetings. This includes staying within the set agenda and minimizing abusive behavior by owners. Hiring an off-duty officer to attend the meeting as the ‘sergeant-at-arms’ and to speak briefly about neighborhood safety can be very inexpensive. My experience is that a meeting runs much more smoothly when an officer is present.