

A FIELD GUIDE FOR BOARD MEMBERS

Board Code Of Conduct

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This marks the seventh installment in a series for board members about commonly faced questions and issues. Many of these challenges require a combination of legal, political and practical solutions. Hopefully these articles will be useful for board members in determining what is in the best interest of the association.

Homeowners have a variety of motivations for serving on the board of directors, but it is still important for all of the directors to be on the same page regarding their basic fiduciary duties to the association. For this reason it is helpful to adopt a written code of conduct, sometimes also known as a code of ethics. After the code is adopted by a vote of the board, it should be signed by each of the directors.

To further emphasize the significance of the code, it can be incorporated into the bylaws by amendment. In this way signing the code can become a requirement for sitting on the board. Once it is in the bylaws, the code will provide firm guidance for future boards.

I prefer to call the code of conduct an Agreement to Serve. Incoming board members may not want to think in terms of how their 'conduct' might be scrutinized and judged. Also, keep it short and simple. The code can appear intimidating if it sounds overly formal or contains endless pages of do's and don'ts. Following is an example of an Agreement to Serve. Keep in mind that there are many variations on how they can be drafted, so it is important to have it first reviewed by legal counsel.

AGREEMENT TO SERVE

I agree to serve on the board of directors for _____ ("Association") and I also agree to be guided by the following principles:

- To attend and participate in all meetings and communications to the best of my ability to be present.
- To respect parliamentary procedure at all meetings, to refrain from speaking out of turn, and to participate in a business-like manner.
- To maintain confidentiality with respect to the board's "executive session" meetings, discussions, and communications.
- To accept the board's decisions, even if I disagree, as I understand there may not be unanimous support for every action taken by the board.
- To promote the goals and interests of the Association in a constructive manner, rather than create unnecessary conflict among the homeowners.
- To disclose to the board any financial conflicts of interests.
- To do my best to ensure that the Association's finances are well managed.
- To uniformly enforce the covenants and other governing documents.
- To place the best interests of the Association above my personal interests; the interests of a particular homeowner; or the interests of a faction of homeowners.
- To resign from the Board if I find I can no longer maintain this agreement to serve.

Dated: _____ Signed _____