

COMMUNITY ASSOCIATION GOVERNANCE GUIDELINES

Governing fairly, responsibly, and successfully should be the guiding principles for community association boards. How? Embrace the following guidelines. They'll help your association board increase harmony, reduce conflict, and build a stronger, more prosperous community.

In accordance with community governing documents and applicable laws and regulations, boards should:

CONDUCT REGULAR MEETINGS. Hold at least one membership meeting annually and regular board meetings as needed. Provide homeowners with appropriate notice and encourage involvement.

CONDUCT ELECTIONS. Hold fair and open elections that provide all candidates an equal opportunity to express their views. Associations should allow a representative from each candidate to observe the vote-counting process.

SET AN OPERATING BUDGET. Determine expenses for maintaining community common areas, facilities, equipment, and amenities, hiring professional partners, insuring the community's assets, and more.

PLAN FOR AND FUND RESERVES. Commission a reserve study when professional expertise is warranted and plan for anticipated long-term expenditures as part of the annual budget-development process.

COLLECT ASSESSMENTS. Levy and collect assessments and other fees from homeowners in a timely and equitable manner.

FULFILL FIDUCIARY DUTY. Act within the board's authority, exercise due care, act in good faith, and act with ordinary care in the best interests of the association.

GOVERN WITH TRANSPARENCY. Share critical information and rationale with residents about budgets, reserve funding, special assessments, and other issues that impact their financial obligations to the association. Give residents an opportunity to ask questions and engage in dialogue on these matters.

PROVIDE ACCESS TO RECORDS. Allow homeowners reasonable access to appropriate community records, including annual budgets and board meeting minutes.

DISCLOSE CONFLICTS OF INTEREST. Reveal all personal and financial conflicts before assuming a board position and, once on the board, before participating in any board decisions.

COMMUNICATE AND ENFORCE RULES. Ensure rules are readily available to all residents and owners. Uniformly enforce all rules, including architectural guidelines. Request input from residents when developing new rules, and communicate new rules effectively.

ESTABLISH AND ADHERE TO AN APPEALS PROCESS. Allow residents an opportunity to correct violations before imposing fines or other sanctions. The board or a board-appointed committee should adhere to standard procedures for resolving disputes.

FORECLOSE ONLY WHEN NECESSARY. Initiate lien and foreclosure proceedings only as a last step in a well-defined debt-collection procedure and only after other, less-disruptive measures have failed to resolve a serious delinquency.

COMMUNICATE. Provide regular communication (emails, flyers, newsletters, website, etc.) with residents to report substantive actions taken by the board.

KNOW AND FOLLOW THE LAW. Govern the community in accordance with all applicable laws and regulations, and engage legal counsel as appropriate. Regularly review governing documents to ensure legal compliance and to determine whether amendments are necessary.

CONTINUE LEARNING. Commit to staying informed of trends related to community association board governance.

UNDERSTAND AND COMMUNICATE RIGHTS AND RESPONSIBILITIES. Ensure homeowners, residents, and association leaders recognize and accept their roles in the community. Strike a reasonable, logical balance between the preferences of individuals and the best interests of the community as a whole.

LEAD BY EXAMPLE AND MAKE A PLEDGE FOR CIVILITY. Commit to fostering a climate of open discussion and debate, mutual respect, and tolerance between all who live in, work in, and visit your community.

Note: Community association boards should consult with the appropriate professionals to ensure their association is governed in accordance with applicable governing documents and laws. Some governing documents and laws may require adherence to the above principles or principles like them.

To learn more about how community associations are organized, governed, and managed, see CAI's *Community Association Living: An Essential Guide for Homeowner Leaders*, at www.caionline.org/CALiving.