



## ***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.

**Rules and Regulations:** Serve as design guidelines or clarification of the CC&Rs to assist homeowners in regulating exterior design, appearance and use of the property. Rules and Regulations are adopted by the board of directors.

**2. Know where to find the state statutes** that govern your association or condominium and have a working knowledge of them:

**Arizona Revised Statutes: [www.azleg.gov](http://www.azleg.gov)**

To access Arizona Revised Statutes (A.R.S.) online. From the home page, select "Arizona Revised Statutes" at the side of the page under "General Information". Scroll down the new page to the title you want to search, select and click on the actual title (i.e. title 33) to have the title open. The chapters, articles and sections follow, each listed respectively in numerical order. You can also find A.R.S. information on the MULCAHY website at [www.mulcahylawfirm.net](http://www.mulcahylawfirm.net).

*The following Arizona state statutes may govern your community association:*

**Title: 10 Corporations and Associations**

Chapter: 24 General Provisions – Non Profit Corporations, A.R.S. Sections 10-3101 - 10-11635

**Title: 33 Property**

Chapter: 9 Condominiums, A.R.S. Sections 33-1201 -33-1270  
Chapter: 16 Planned Communities, A.R.S. Sections 33-1801 - 33-1816

*Not on-line?* Most libraries have computers and will help you with a search or they may have the Arizona Revised Statutes in bound editions.

**3. Learn**

- The board should set up a mentoring program to have experienced members train new board members.
- The board should maintain a board book of resolutions, and important actions taken by the board for review.
- Use professionals to help train board members. Many professionals associated with community associations will attend a board meeting to educate the members. For example: ask a landscaper to come talk about maintaining trees, an attorney to talk about the importance of boards, etc.
- Learn the basics of parliamentary procedure.

**BOARD MEMBER RESPONSIBILITIES**

**President** - The community association president is required to fulfill many different roles, but the primary role is leader and manager. The president does not have the authority to do anything beyond the approval of the board.

The president is the official spokesperson for the board and the association who will work closely with the board, manager and residents to establish the overall goals of the association. Working cooperatively is essential to the success of the association.

The president should come to the meetings prepared. He/she should understand and use parliamentary procedures and be an effective communicator. The president of the board of directors has a difficult task in that he must conduct a productive business meeting of the board of directors in front of the owner members. The meeting may contain items that are controversial and upsetting to board members and owner members.

The president is responsible for the association's fiscal well being, including directing the budget process, collecting assessments, ensuring that reserves are adequately funded and that insurance coverage is sufficient to protect the board of directors and the association.

The president cannot do everything, he/she will need to delegate to knowledgeable people and use committees and their findings for the good of the association.

**Vice President** - The vice president substitutes for the president in his/her absence. He/she conducts meetings and presides over the board meeting when the president chooses to stand down from the chair. The vice president should keep himself/herself up to date about programs and agendas so that he/she is prepared to chair the meeting in the event of an emergency. Association bylaws may list additional responsibilities.

**Secretary** - The association secretary is the official recorder of the association's activities and is responsible for ensuring that accurate board meeting minutes are taken, error free, safely maintained in a notebook and kept indefinitely. Once recorded, the minutes are presented for approval by the board at a subsequent meeting. Once approved, minutes may be posted, placed on the website or in the newsletter for owner/members to review. Minutes are the official record of the association and as such can be used by a court of law in court proceedings. It is important to remember that minutes should contain what actions the board takes, not who said what in a discussion. Executive Meeting Minutes are not subject to review by owner members and should be maintained in a separate notebook.

The board of directors may choose to have a professional minute taker. A professional will compile the minutes and ready them for the board's review at the next meeting.

Other secretarial duties will include filing documents and attesting to the validity of the documents by signing them. The secretary prepares and distributes board meeting notices, and also notes actions taken on authorized projects. Additionally the secretary is responsible for all board of directors' correspondence.

**Treasurer** - The treasurer shall have the responsibility for association funds and shall be responsible for keeping and maintaining a complete set of financial and accounting records, ensuring the financial stability of the association. The treasurer is responsible for reviewing and understanding the association financial records each and every month, being able to give a complete review as to the association's financial status to the board at the board meeting. Additionally, the treasurer has the responsibility for overseeing the preparation of the annual operating budget. Other key responsibilities include monitoring the progress of the annual audit or financial review and ensuring the timely filing of appropriate tax returns and monitoring insurance for the board as well as the association.

The treasurer should also oversee a reserve program and assure adequate funding. If a management company maintains the association accounts, it remains the treasurer's responsibility to review and have a working knowledge of the accounts. The treasurer should also put in place safeguards and internal controls to protect association assets and prevent the misuse of association funds. The treasurer must be able to ask probing questions to receive answers regarding association funds and accounting procedures.