



# MULCAHY

## Community Association Cheat Sheet®

### *Is Your Association in Good Health?*

All boards should review the health of their association periodically. One step of that process should include a review of the association documents: 1) know what documents are under the association's oversight; 2) know where the documents are kept; 3) know how documents pertain to the association; and 4) ascertain what documents may be missing and if it is necessary to find them. Most documents are passed to the association at the time of transition and hopefully the new board was diligent in the proper management of the documents at that time.

However, regardless of age, associations should strive to have their documents under their oversight.

***Because associations are different, the following checklist is a guide to help your association review their documents.***

#### **Mulcahy Law Firm P.C. can help boards with the items marked with an\***

##### **\*Corporate Documents**

- Articles of Incorporation, signed and filed with Arizona Corporation Commission
- Bylaws, signed and kept with the association's records
- CC&R's, signed and recorded

*Note: All amendments must be kept with the original documents*

##### **\*Association Documents**

- Regular Board Meeting Minute Binder - Past and Present
- Executive Board Meeting Minutes - Past and Present
- Rules and Regulations Adopted
- Resolutions Passed by the Board
- Board and Committee Rosters
- Lot Files and current List of Owners
- All Association Correspondence

##### **Financial Documents**

- Financial Books, Records, Ledgers & Bank Statements - Past and Present
- Annual, Federal and State Tax Returns - Past and Present
- Audit, Review or Compilation of Association Books
- Budgets - Past and Present

##### **\*Rules and Policies**

- Collection Policy
- Enforcement Policy
- Fine Policy - If Separate of Enforcement Policy adopted

##### **Enforcement Files**

- Rules and Restriction Enforcement Records
- Violation Histories

##### **Architectural History**

- Architectural Guidelines, Standards and Files
- Architectural Submission Records - Past and Present (alternatively, in each owner's file)

##### **Important Documents**

- Reserve Study, with date of completion
- All Existing Contracts - Pool, Management Co., Trash, Security, Legal, Landscape, etc.
- Insurance Policies - Director & Officer, Workers Comp, Liability, Property, Fidelity, Earthquake, Flood, Non-Owned Auto, etc.
- Public Reports, Public Offering Statements and/or other Disclosure Documents (see reverse)
- Planned Communities only - Deeds for common areas of the association
- Plat Maps
- Original and revised landscaping and irrigation plans and drawings
- Set of "as-built" drawings for all buildings, facilities, water and sewer systems, roads, etc.
- Common Area Facility Plans such as pool house, roads, paint, etc.
- Square footage for common area facilities
- Warranty Information on facilities and materials
- List of construction sub-contractors
- List of paint manufacturers and colors, roofing materials, etc.
- Association Property Inventory – including all tangible association property
- Keys for facilities – pool, equipment room, club house, gates, etc.
- Schedule of major capital items (roofs, streets, etc.), with installation dates and life expectancy

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**Public Reports/Offering Statements  
Disclosure Documents/Miscellaneous**

- Statement that street, traffic, safety and regulatory signs are in conformance with state or local ordinances and association documents.
- Confirmation from local authorities that the fire hydrants are under the local government maintenance plan.
- Confirmation that City or County emergency centers have mapped the association for dispatch of emergency vehicles and that private addresses are visible.
- "Statement of determination" of public agency or utility responsibility for streetlights and sewer systems maintenance.
- Statement that appropriate public agencies have or have not released the completion bonds on the improvements where those bonds are required.
- Copies of certificates of occupancy and/or other permits issued by governmental bodies.
- Marketing and sales materials used by the developer.
- Contact information for Management Company and board members.

**TO DO LIST**

- Planned communities, determine if common areas have been properly transferred to the association and consolidate under the law for tax benefits
- Planned communities, change the address for property taxes with County Treasurer and Assessor and pay taxes annually
- Check and update, if necessary, the name and address of the statutory agent of the corporation with the Corporation Commission.
- Check existing contracts to determine liability for the association, contracts terms and cancellation policies.
- Read and understand your governing documents.
- Compile and maintain the pertinent documents listed on this check list in notebooks.

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**Creating a Healthy Association Requires:**

**Board of Directors**

- Board Member Orientation for new members
- Board Member Training and Continuing Education
- Governing Document Instruction provided
- Board Members apply their fiduciary duty
- Run the association as a business
- Board Members study issues and participate
- Board oversees maintenance of association documents
- Board stays abreast of changes in Arizona Community Association laws

**Communication with Association Members**

- Newsletter distributed periodically and consistently
- Web site, newsletters, bulletin board and flyers used
- Meetings properly noticed, 48 hrs. in advance
- Arizona Open Meeting Law followed
- Homeowner Forums used for member input
- Meeting minutes posted/ common areas/webpage
- Annual Meeting conducted per documents with reports from President, Treasurer & Manager
- Contact List of important persons made available
- Volunteer work supported and recognized

**Committee Work**

- Committee work supported and used
- Welcome Committee established and working

**Finances**

- Reserve study completed and updated
- Reserves funded annually
- Annual audit, compilation, or review conducted in accordance with governing documents
- Accurate and adequate operating funds maintained
- Working budget maintained
- Adequate assessment increases applied preventing special assessments
- Low assessment delinquency rate
- Communication and plans for payment established with delinquent members

**Social**

- Social activities provided 1-2 times a year
- A feeling of inclusion developed among the members, board and management

**A Plan**

- A strategic plan developed for all aspects of the association, capital improvements, social gatherings, large scaled maintenance, special projects, etc.

*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.*

**This checklist should be used as a guide only, as association documents vary.**