

Common Mistakes New Board Members Make

The operation of an association is one of our purest forms of democratic government. Simply put, owners nominate and elect fellow residents to represent their interests on the board of directors and to govern their association according to the Declaration of Condominium and its Bylaws.

The individuals who serve their association in an elected capacity are an absolute cross section of our society. Some people have had extensive business experience, which can be helpful. While others have no experience at all, which in some cases can be just as helpful.

There is no real practical experience or training that will prepare anyone for being on the board of directors of an association. It is a unique business in that you are dealing with friends, neighbors and a group of very different personalities. For the inexperienced, there are common mistakes in administering an association. Some mistakes can be rectified through education and practical experience. Most can be solved with a lot of common sense and on-the-job training.

The most common mistakes for new association officers and directors are the following:

- **Not being familiar with the association documents and state statutes.** Many owners may be aware of the rules and regulations but not the declaration and bylaws. These documents set forth how your association will be administered and governed.
- Many board members are **unaware of their personal liability** while serving on the board of directors. Certain decisions and actions by the board can result in litigation, and the Board may be held accountable on a personal basis. Being aware of this may help some to act more judiciously. As a director, you have a fiduciary responsibility to all of the unit owners. Rely on an attorney who specializes in association law, and your professional community association manager to guide you.
- Some new Board members will selectively **enforce rules while ignoring others** who may be violating the same or different rules. This is not only unfair but it can also warrant legal action against the association.
- Many new board members are **unaware of the community association manager's true function.** If there is a management company just what is its contractual responsibilities? Being unaware not only creates friction but also hinders everyone from performing their jobs efficiently. I suggest having the board meet with their respective managers, review their job responsibilities with them and talk about the way the board would like to interface with them or their firm.
- Some officers and directors are **unaware of their specific responsibilities.** Actual job descriptions can clarify these duties. Usually, the association bylaws will provide a "job description" with a list of duties.
- **Conducting association business and meetings in private** can get some boards in trouble. Check your documents and state statutes to make sure you are not in conflict with open meeting requirements.
- Directors may be **unfamiliar with standard insurance coverage requirements.** This one single area will produce most of the litigation against an association, especially if the association is not properly covered.
- Some board members may **be unfamiliar with requirements for reserves** for capital repairs and the calculations of same.
- Some directors may be **unfamiliar with standard accounting practices and procedures.** Allow someone with knowledge in this area to take the responsibility for this all important area.

This list is comprised of only the most common mistakes that seem to be repeated by new officers and directors. They are all correctable and with the right experience and guidance, can all be conquered.