



# 2024 Board Member Primer for Community Associations in Florida

## **Congratulations on your appointment to the Board of Directors at your community.**

Community Association Boards are very different in form and function than other boards. Why?

1. Your community board is a political organization.
2. It is run by unpaid volunteers.
3. The shareholders all have very significant investments.
4. The shareholders will RARELY agree on a common set of goals and objectives.
5. You can't go home and leave it behind - because your job is your home!

No matter how successful you may have been in business, government, politics, military, education, or any other entity, you can never be fully prepared for your experience on a community association board. In order to help you understand the game better, we have put together this brief primer, which we hope helps you get up to speed faster.

# 1 Understanding the Community Association Concept

The community association is the cornerstone of a planned residential community. It brings continuity and order to the community; it preserves the architectural integrity and it maintains the common elements. Properly run, the association promotes the concept of "community" and protects the neighborhood's property values. In many cases, it collectively makes available recreational and other facilities that might not otherwise be affordable or available to residents on an individual basis.

Deed-initiated community associations have become an essential part of the overall concept of residential property ownership in today's marketplace. Purchase of a home or lot often brings with it mandatory membership in an association which then provides the structure for operation and management of the residential development. With membership comes certain maintenance obligations, financial responsibilities, and a commitment to abide by use restrictions and other rules of the association. To a degree, it necessitates individual conformity for the good of the whole.

The association's responsibilities may be limited to basic maintenance functions, or they may be expanded to include sophisticated and extensive upkeep of the property as well as delivery of special services to individual homes (e.g. back door trash pickup). To be successful, its officers and directors must uniformly and fairly govern the community, and it must have a reasonable level of participation by each of its members over time.

# 2 The Role of Today's Community Association Board of Directors

The association has responsibility for its common elements as well as the management and operation of the association's business affairs - - all in accordance with Florida statutes and standards established by the governing documents created when the community was first developed. To the extent that an association (typically a non-profit corporation) has such authority and control, it is its board of directors that carries out these duties and responsibilities.

Members of the board of directors of an association serve without compensation unless the bylaws of the association provide to the contrary. The board's authority includes all of the powers and duties enumerated in general law, as long as these powers are not inconsistent with the provisions of the documents governing the association.

To be effective, a community association needs a strong board of directors that understands its role and pursues it with passion and a concise mission in mind. Here is an overview of board roles and responsibilities.

- **President**
  - o The president is vested with all the powers generally given to the CEO of a corporation.
  - o The president executes contracts, orders, and other documents in the name of the association.
  - o The president serves as spokesperson for the board of directors in most matters relating to general association business and is generally presumed to preside at all meetings of the board and the membership.
- **Vice President**
  - o Is vested with all the powers which are required to perform the duties of the association president when, and only when, the president is actually absent or otherwise unable to act.
  - o Often, the vice president will chair one or more substantive committees like that of architectural review.

- **Secretary**
  - o Is responsible for keeping and maintaining a record of all meetings of the board and the membership and is the custodian for most of the official records of the association.
  - o As the custodian for the minutes and other official records of the association, the secretary is responsible for ensuring access to those records by the members of the association and their authorized representatives.
  
- **Treasurer**
  - o The treasurer is the custodian of the funds, securities, and financial records of the association.
  - o When the association has a manager or Management Company that handles the funds on a daily basis, the treasurer's duties include overseeing the appropriate people to ensure that the financial records and reports are properly kept and maintained in accordance with sound accounting practices.
  - o Unless the by-laws otherwise specify, the treasurer is responsible for coordinating the development of the proposed annual budget and for preparing and giving the annual financial report on the financial status of the association.

### **A Recap of the Board Member's Role:**

Acting through the board as a whole, a board member should:

- Enforce the documents
- Establish sound fiscal policies and maintain accurate records
- Develop a workable budget, keeping in mind the needs, requirements and expectations of the community
- Establish reserve funds
- Act on budget items and determine assessment rates
- Collect assessments
- Establish, publicize, and enforce rules and penalties
- Authorize legal action against owners who do not comply with the rules
- Review local laws before passing rules or sending bylaws to membership for approval
- Appoint committees and delegate authority to them
- Select an attorney, an auditor, insurance agent and other professionals for the association
- Provide adequate insurance coverage, as required by the bylaws and local governmental agencies
- Inform board members of all business items that require their vote
- Inform members of important board decisions and transactions
- See that the association is protected for the acts of all parties with fiscal responsibilities
- Attend and participate at meetings

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### **Fiduciary Relationship and Responsibility**

The members of the board of directors and each officer of the association have a fiduciary relationship with the members of the association. This fiduciary relationship imposes obligations of trust and confidence in favor of the corporation and its members. It requires the members of the board to act in good faith and in the best interests of the members of the association. It means that board members must exercise due care and diligence when acting for the community, and it requires them to act within the scope of their authority.

# 4

## Florida Association News (FAN)

FAN is THE online resource for thousands of board members, CAMs, owners and service providers in the community association industry. It includes the latest thoughts from the brightest minds on Community Association Management topics in Florida.

FAN's online resource includes:

- **FAN Blog**
- **FAN Monthly Newsletter** - Sent to you via email every first Thursday of the month.
- **FAN Search** - The search engine for board members, CAMs, owners and service providers in HOAs and condos. Some call it Google for community associations.
- **Virtual Webinars & Events** - A list of upcoming educational webinars and events, ranging from board certification courses to ESA webinars. Past course recordings are also available.

### The following are 16 great articles for new board members:

1. [7 Habits of Highly Successful Board Members](#)
2. [9 Steps to an Effective Board Meeting](#)
3. [Understanding Your Role as a Board Member](#)
4. [Save Money by Hiring a Management Company](#)
5. [Your Manager is your "Agent", not a vendor](#)
6. [Understanding the Board Meeting Agenda.](#)
7. [Your fiduciary duty as a Board Member](#)
8. [Understanding GAAP and Accrual Accounting](#)
9. [Seven Critical Attributes of a Property Manager](#)
10. [How to be Politically Smart on your Board](#)
11. [Meeting Minutes - Guidelines for HOAs and Condos](#)
12. [Understanding your Governing Documents](#)
13. [Association Insurance Basics](#)
14. [Architectural Committees Procedures, Standards, and Self Help](#)
15. [Selective Enforcement: A Grossly Misunderstood Concept](#)
16. [What do Board Members do?](#)

### The following are 12 helpful webinars:

1. [Insurance Renewals](#)
2. [All About Assistance Animals](#)
3. [Reserve Funding Methodologies](#)
4. [9 Steps to An Effective Board Meeting](#)
5. [Florida Friendly Landscaping Course](#)
6. [Amending Governing Documents](#)
7. [The Violation & Fining Process CEU Course](#)
8. [EV Charging Stations](#)
9. [Fair Housing Act & Discrimination](#)
10. [Electronic Voting](#)
11. [How to Prepare Your Community for Hurricane Season](#)
12. [Self-Management to Professional Management](#)

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