

# TIPS FOR BEING A RESPONSIBLE ASSOCIATION LEADER

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Congratulations, you have been elected to your board. Now what? Your election should be a testament to your ongoing support of your association members and the respect of your industry peers. If you fulfill your job correctly, you'll end up with a great deal of satisfaction and pride, knowing that your leadership is helping your industry and helping to keep the property values up in your community.

Below are some of the critical tips for helping you be an effective leader for your community:

1. Read NRS 116, NRS 116A, NAC 116 and NAC 116A along with all of your governing documents. This is not only wise to help you make appropriate decisions, but it is required by Nevada law. You have 90 days to complete a form that will be going to the State of Nevada Ombudsman's Office *after you have done so*. Don't commit perjury by signing the form and then saying you will do it later. It is a serious matter.
2. Attend all Board of Director's meetings. When you don't attend, your opinions are not taken into consideration on all important agenda items and you may have critical information to share. Remember that all decisions are to be made as to what is in the best interest as the association as a whole, **not** a few neighbors who may have come to you with an issue. If you choose to remotely call into a meeting, all of the people in attendance must be able to hear you and you must be able to hear them. It is legal, however.
3. See if you are using timed agendas for the meetings. If not, you could have really, really, really long meetings with nothing accomplished. Some time directors just like to hear themselves speak and if the President is facilitating the meeting correctly, no discussion should be held on anything that is not on the agenda and, technically according to Robert's Rules, no discussion should be held until a motion is made. Doesn't happen in our industry but having a timed agenda will help the board from having 12 hour meetings. 12 hours is the longest meeting that I have heard about and it actually carried over to the next day when the manager quit.
4. Ask for a copy of the management company's contract. See what the contractual services and duties are and be prepared to pay more if the board is asking for something to be done outside of the contract. If the manager starts doing things outside of the contract, their own Errors and Omissions insurance may not cover any act that goes wrong.
5. Always ask questions if you don't understand a matter before the board. You should normally see the agenda at least 3 to 5 days before the meeting, ask the manager before the meeting vs. trying to stump the person putting the item on the agenda at the meeting. It may delay action as some research may be required.
6. Remember that you are a **fiduciary** for a Nevada Corporation, which is the highest standard of law there is when dealing with someone else's property and money. Following the business judgement rule will help to keep you out of trouble because a judge will be looking at what decisions a reasonable person would have made given the same information.
7. The Board's primary purpose and goal is to govern, based on the key documents, and key information for this unique Nevada corporation. All documents are different so don't assume that since you may have lived in an association previously that it will be the same. Very few are.
8. Ask if the association has created a mission statement and has the board adopted their top 10 goals for the year, if not try to get the board to do so as it really helps the board to focus on what needs to be accomplished over the next year vs. just handling what is thrown at them continually.
9. Be very mindful of the board/staff relationship. The board focuses on creating governance, policies, direction and vision while any staff manages the day-to-day operations within the context of the board's direction.

10. Treat any staff, whether through contracts or as employees with respect; it can be difficult to replace staff who are trained in the unique aspects of nonprofit management.
11. Ask for a copy of the current budget that was ratified by the owners at their last annual meeting as is required by law. Look at the financial statements to see where you are in relationship to the budget on a monthly basis as NRS 116 requires the board to do this every 100 days, but you do it monthly. The budget has defined those things that the owners voted to fund. IF you see that there is not enough money and the budget needs to be revised, have another budget ratification of the owners as you can do that more than once a year if necessary.
12. Ask for copies of the Committee Charters (job descriptions) and ask if there are any established Committees. If not, as why. Many association members just need to be asked if they will fill the positions not understanding that they could have volunteered at any time. If there are no Committee Charters, samples are available at [www.hoasupport.com/library](http://www.hoasupport.com/library). Think of your committee members as potentially your next board members UNLESS you are going to spend the rest of your life serving on this board. It is always nice to have some experience about the community before stepping up to run for the board.
13. Remember that Nevada law does not allow the board to meet in secret except for those things allowed specifically in Executive Session, NRS 116.31085, and that you can not make decisions outside of a properly noticed board meeting. Can the board meet at a workshop to discuss a topic that would be too lengthy to handle during a board meeting, yes! However, these instances should be far and in between as the law expects any decisions to be made in front of the owners at a properly noticed meeting.
14. Try to work to get social events together for the community. It really does build a sense of community and people brag about events going on in their community. Think about what it would do for property values. Starting with an ice cream social in the summer really works as the kids want to come and they bring their parents.
15. Your governing documents are an important reference tool when making board decisions. Don't find yourself outside of your limits by not looking at them when making decisions about a specific issue. They may help you a lot in reaching decisions that are productive for your community. The bylaws should detail any officer duties should you be asked to fill one of those roles, such as President, Vice President, Treasurer or the Secretary. Your documents could have all kinds of responsibilities that are not considered normal in others. They are all different.
16. Ask to see a copy of the certificate of insurance that shows an overview of insurance coverage for the association. NRS 116 is very specific about the types of insurance that are required to be purchased, but there are others that are recommended to protect you as a volunteer. Do you have the coverages required by law, the association's documents and required in the managers contract? They normally have in their contract that they will be an additional insured. IF this is not done, guess who gets to pay for any legal costs outside of the insurance coverage since it was in the management contract?
17. Ask for a copy of the Parliamentary Procedures Rule. Nevada law requires that you use the latest edition of Roberts Rules of Order and if you do not have a rule, guess who gets to use that huge 400 page booklet and decide how to do something. Robert's rules allows the body to make their own rules. DO it if it has not been done already.
18. Ask for a copy of at least the last 2 years of minutes from the manager. All minutes must be kept for the life of the association, in Nevada, so you should be able to get signed copies of those minutes. It will help you understand what actions have been taken in the past. Minutes are not a transcript of the meeting, but rather a document showing who was in attendance and the decisions that were made. The minutes MUST show how every director voted so it is clear if there are issues among the directors.

19. Speak positively about the association regardless of some internal feeling. Remember you are a fiduciary and this is a small industry. Your property values live with the way people promote and talk about your community. As a director, it is your responsibility to make sure those comments and references to your community are positive.
20. Ask for a copy of the reserve study. What method was used to calculate the funding plan? Was it baseline, threshold or Full funding? Anything less than full funding is a serious issue as the money may not be there when you need it. There are classes taught on this subject if you don't understand the issue. It will help you ask the right questions as a new study must be done every 5 years and the date starts from the last inspection date, in Nevada.

As you can see, this is only a start, but it helps a new director get their feet wet quickly to catch up with what their duties may be as well as what should be happening.