

10 COMMON MISTAKES BOARD, S MAKE

Wednesday, February 15, 2015

Presented By: Tom Skweres, Regional Vice President and

Janice Subasic, Licensed Community Manager

ACM Community Management

1. **Failure to orientate and educate.** It is essential that the board members read and understand their governing documents, rules and regulations and State Statutes. The board should know what is expected of them including how meetings should be run and establish that everyone is on the same page.
2. **Too many closed meetings.** Board meetings are a gathering of the board to conduct business (i.e. vote). So while a board may meet to communicate with each other how to handle association issues at an open meeting, a board should minimize these information discussions. This includes having open elections where proper notification is provided to all residents
3. **Not being prepared or running meetings properly.** Board meeting notices must be posted and it is important that an agenda is prepared and followed for the meetings. Meetings should be run professionally, courteously and respectfully. The minutes of the meeting are important tools and they should contain sufficient information and not be overly detailed.
4. **Fiscal irresponsibility.** Board members not taking the time to read and understand the financials of the association can cause a lot of problems. It is imperative that board members not fall into a false sense of security and assume that everything is running smoothly. Boards must be prudent with their investment decisions and maintain their funds in low risk investments, while earning a reasonable rate of return for the association. There should also be proper checks and balances including obtaining two signatures on checks.
5. **Selective enforcement or failure to uniformly enforce the governing documents.** Often time's boards are accused of playing favorites. This would include a board member(s) attempt to institute new policies and ground rules without doing their homework. Over regulating can pose a problem. Rules and regulations should be reasonable it is important to be fair and consistent.
6. **Failure to maintain confidentiality or generating gossip.** There are often times when boards discuss confidential items it is wrong for board members to knowingly disseminate confidential items to the residents. In doing so they are opening themselves as well as the association to possible litigation.

7. **Failure to hire experts and professionals in their respective fields.** Includes ignoring responsibilities to fulfill fiduciary duties in maintaining the property. Also not reviewing and evaluating contracts to see when work and maintenance tasks should be performed.
8. **Micromanaging and abusing their power and authority.** It is important that the board works with their management company for the daily operations of the property. Board members should not be making decisions in self interest. Failure to disclose personal interest can create conflict within an association. Other issues include a board member bullying or telling other members how they should vote.
9. **Failure to clearly define the roles and responsibilities.** It is imperative that the board of directors, committee members, and management all know their roles within the organization.
10. **Failure to collect overdue assessments.** While boards sympathize with owners during hard times especially being neighbors delaying the collection of assessments actually jeopardizes the cash flow of the association. Making the association unable to fulfill its financial obligations and could unintentionally set a precedent for other unit owners to make late assessments payments without fear of legal action. Boards should have a collection policy whereby if a unit owner at a certain period of time is past due the board will pursue legal action.