

# Hidden Hazards: Avoiding Common Mistakes Community Association Board Members May Not Realize They Are Making

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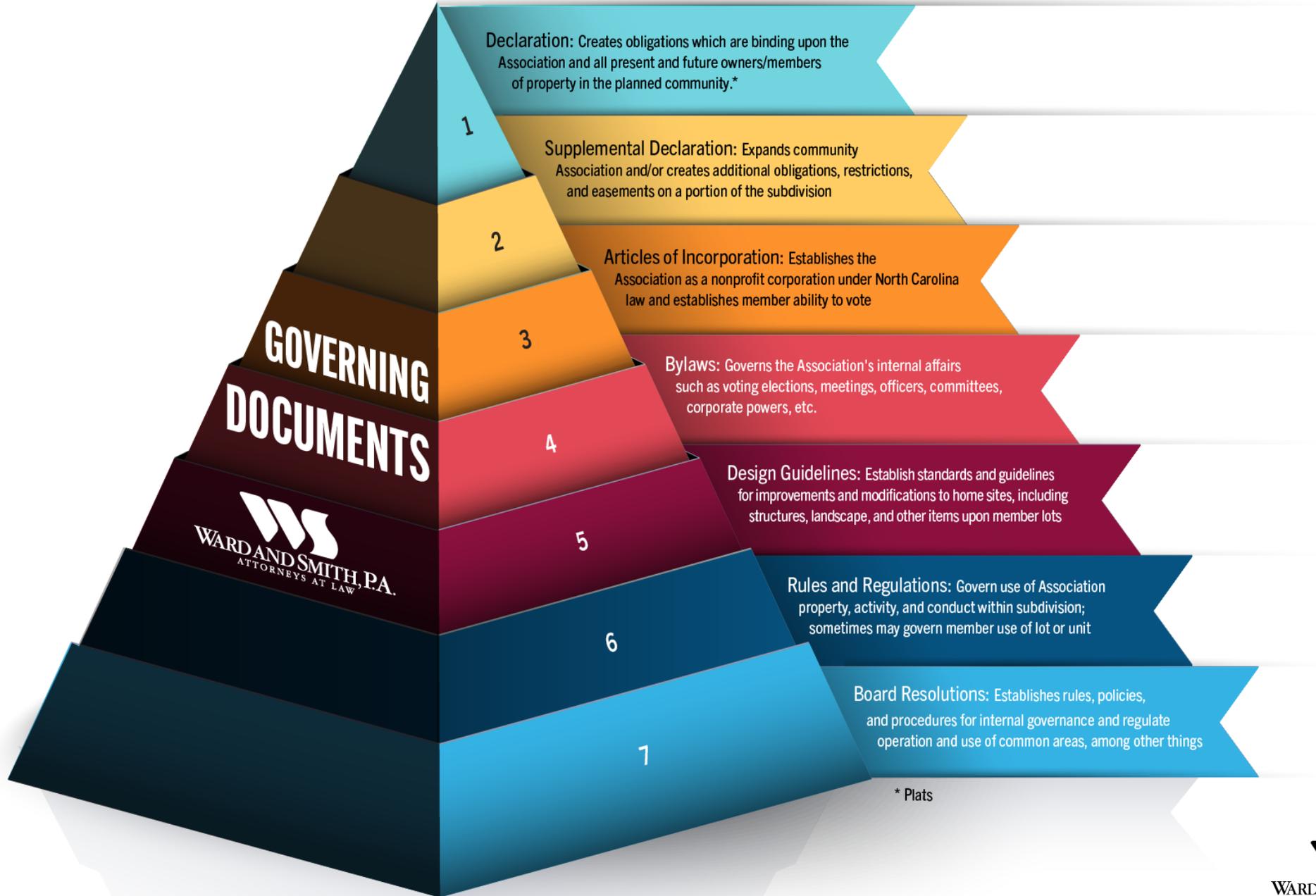




Failing to understand the roles of  
Manager, Board Member, Officers,  
and Committee Members

Failing to  
understand the  
hierarchy of  
governing  
documents





A hand is holding a smartphone with a lock screen. The lock screen features a blue padlock icon and a numeric keypad. In the background, a laptop is open, displaying a webpage with a green bar and several images. The overall scene is dimly lit, suggesting an office environment.

Using work emails to communicate among  
the Board, with the Attorney, and with  
Members

Recording (audio/video)  
meetings without policy in place  
regarding retention/destruction



# Taking action by email without unanimous consent



Minutes include "manuscript" information rather than record of action that was taken

SAMPLE BOARD MINUTES

MINUTES

BOARD OF DIRECTORS MEETING

\_\_\_\_\_, 20\_\_ -  
a.m./p.m. - a.m./p.m.

# Sample Minutes

Board Members Present: \_\_\_\_\_  
Board Members Absent: \_\_\_\_\_  
Others Present: \_\_\_\_\_

The meeting was held at \_\_\_\_\_ a.m./p.m. in the \_\_\_\_\_ of \_\_\_\_\_

The chairperson, \_\_\_\_\_, certified quorum and called the meeting to order.

\_\_\_\_\_ presented a report on the progress of the Annual Report. He/she stated that the report would show progress in comparison to the Association's Strategic Plan in areas such as recruitment, hiring of staff, etc.

\_\_\_\_\_ presented a financial report. He/she also led the Board in a discussion of the insurance coverages currently paid for by the Association.

Upon motion by \_\_\_\_\_ and a second by \_\_\_\_\_, the Board unanimously approved the minutes of the \_\_\_\_\_, 20\_\_, Board meeting.

Upon motion by \_\_\_\_\_ and second by \_\_\_\_\_, the Board approved by a vote of 3-2 Draft Recommendation No. 9 to establish a line item in the annual budget for professional development of staff in an amount determined each year by the Board (copy attached).

Upon motion by \_\_\_\_\_ and second by \_\_\_\_\_, the Board unanimously approved making another \$5000 payment on the Association's bank loan.

The meeting was adjourned at approximately \_\_\_\_\_ a.m./p.m.

APPROVED: \_\_\_\_\_, Secretary

\_\_\_\_\_  
\_\_\_\_\_, Chairperson

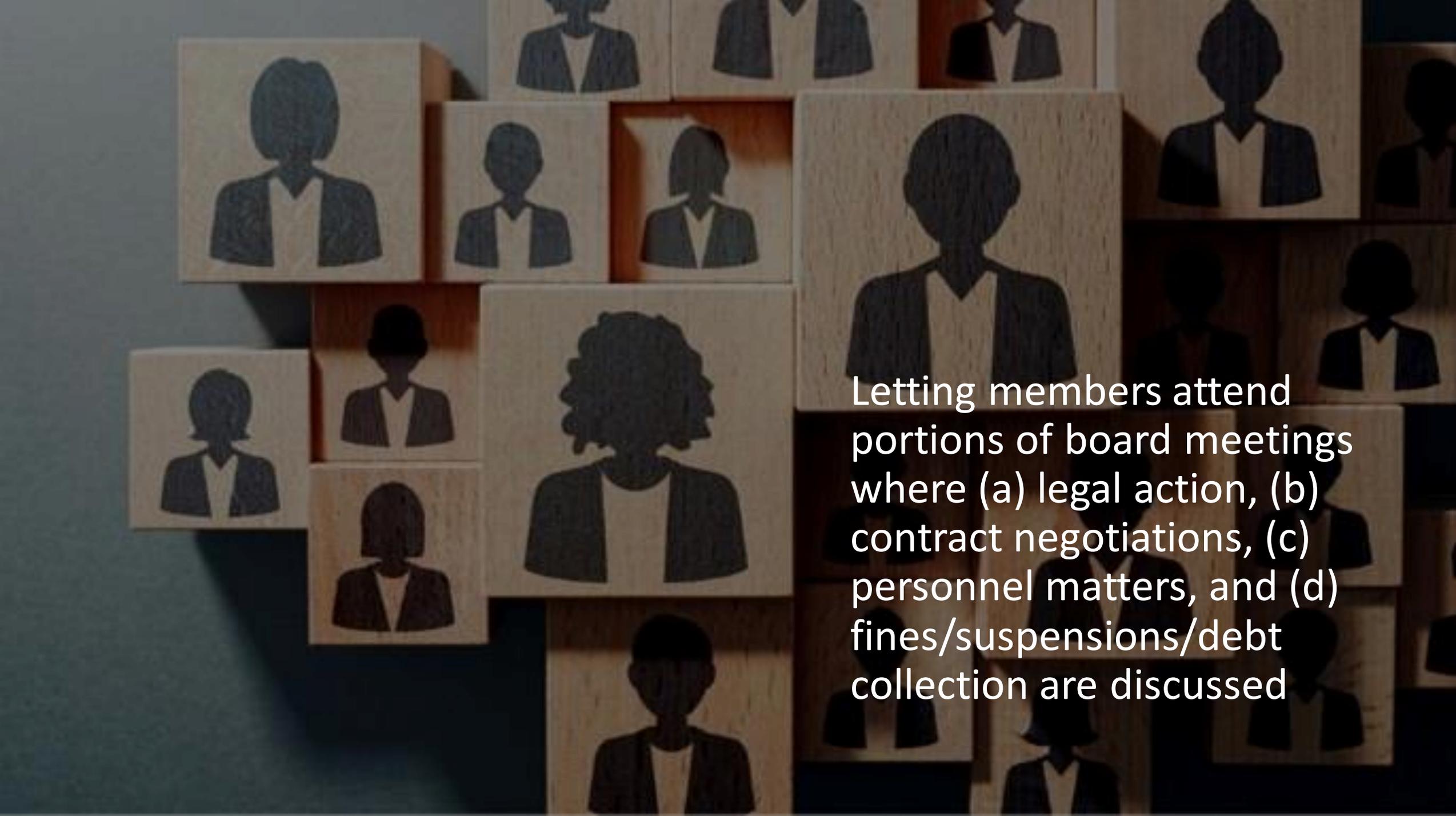
Attachments



Failing to include start and finish times on meeting agendas

Having members approve annual meeting minutes





Letting members attend portions of board meetings where (a) legal action, (b) contract negotiations, (c) personnel matters, and (d) fines/suspensions/debt collection are discussed

# Failing to understand insurance coverages

- General Liability Insurance
- Property Insurance
- Crime and Fidelity Insurance
- Workers' Compensation Insurance
- Director and Officer Liability Insurance
- Umbrella





Failing to notify  
insurance carrier  
in a timely manner  
when legal action  
is threatened  
against the Board  
and/or Association

—

Sharing the  
names and  
contact  
information of  
delinquent  
owners outside of  
the Board



Fining for violations that are NOT violations



Not having attorneys review  
contracts before they are executed

A wooden house model is in the foreground on the left. In the background, a hand is holding a pen over a document, suggesting a contract or legal agreement. The background is blurred.

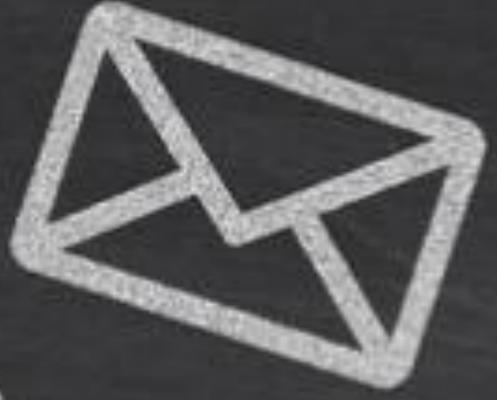
Failing to keep track of vendor contracts  
and automatic renewal provisions

A hand holding a magnifying glass over a miniature wooden house and stacks of coins, symbolizing financial scrutiny. The background is a bokeh of warm, out-of-focus lights.

Not considering  
reserves and/or  
reserve studies –  
especially in the  
context of  
condos and  
townhomes

A magnifying glass with a black handle and a silver frame is positioned over a thick stack of papers. The papers are slightly blurred, suggesting a large volume of documents. The background is dark, making the papers and the magnifying glass stand out. The text is overlaid on the lower portion of the image.

Inadequate record keeping – Poor documentation of meetings, decisions, and financial transactions



Sharing attorney  
correspondence  
with membership



**Questions?**