



Management and Board Responsibilities: A Checklist for Homeowners Associations

Residents who purchase units in condominiums, townhomes and co-ops, don't always understand the roles and responsibilities of the Board of Directors and the Property Management Firm. This checklist provides some insights.

TYPICAL DUTIES OF THE PROPERTY MANAGER

COMMUNICATION

- Maintain communication with the board, association members/owners, and vendors
- Respond to letters and log calls from owners
- Send notices of annual meetings

FISCAL MANAGEMENT

- Collect assessments
- Ensure bills are paid
- Produce financial statements
- Establish a draft budget for the board and implement budget policy
- Ensure tax forms are completed and taxes are paid, as appropriate

ADVICE AND CONSULTATION

- Advise the board on governing documents
- Refer the board to other professional advisors (e.g. attorneys, CPAs, engineers)
- Research insurance coverage and process claims

RECORD KEEPING

- Maintain files for each member of the association/owner
- Maintain records for the association
- Process initial Architectural Control Committee (ACC) applications

PROPERTY MANAGEMENT & MAINTENANCE

- Interview, hire, supervise and terminate association employees, when necessary
- Negotiate contracts – with board approval
- Monitor contract vendors such as landscapers and custodial services
- Inspect and maintain common elements
- Handle emergency situations

MISCONCEPTIONS ABOUT THE PROPERTY MANAGER'S DUTIES

Here are some things a property manager typically is *not* contracted to do.

A property manager does **NOT**:

- **Negotiate disputes between owners**
Managers may handle communications in the case of governing document violations.
- **Advise on legal matters**
Managers may recommend legal advice be solicited. Attorneys should be consulted.
- **Have to be available 24/7**
Managers should have procedures to handle emergencies and timely communication.
- **Have to be on-site whenever contractors are on the property**
Managers should do spot checks and a final inspection with a board representative.
- **Report to individual owners**
Managers contract with the board. Owners should address concerns directly to board members not the property management firm.

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TYPICAL RESPONSIBILITIES OF THE BOARD OF DIRECTORS

PRESIDENT

- Prepare meeting agenda
- Preside over meetings
- Appoint committees
- Execute contracts
- Perform day-to-day administration
- Act as spokesperson for the association

SECRETARY

- Maintain membership lists
- Give notice of mailings
- Keep meeting minutes
- Maintain association correspondence
- Preserve association history

TREASURER

- Understand financial accounting
- Review financial statements
- Prepare budgets (works with the management firm)
- Develop investment strategies
- Oversee tax filings and annual audits (works with CPA)
- Report on the financial condition of the association

FIDUCIARY RESPONSIBILITY

The Board of Directors has a fiduciary relationship with its members and is responsible for making good decisions for the association.

Directors are responsible for:

- Preserving property values
- Maintaining the property
- Establishing house rules and regulations
- Overseeing the organization's finances (including collecting assessments)
- Maintaining appropriate insurance coverage for common area liability and property damage
- Keeping members informed.

RESOURCES

Community Associations: A Guide to Successful Management
by Stephen R. Barber, CPM® and Vickie Gaskill, CPM®, ARM®, MPM®
Available in the IREM® Bookstore: www.irembooks.org

IREM® Course: CID201 - *Common Interest Developments: Managing Condominium Association Properties*

Available in IREM® Education: www.irem.org/education

Forms and Tools for Homeowners Associations

Available in IREMFIRST: www.iremfirst.org

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