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 comment 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
- Advise on legal matters
- Have to be available 24/7
- Have to be on-site whenever contractors are on the property
- Report to individual owners

Managers may handle communications in the case of governing document violations. Managers should have procedures to handle emergencies and timely communication. Managers should do spot checks and a final inspection with a board representative. Managers contract with the board. Owners should address concerns directly to board members not the property management firm.
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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