

# THE COMMUNITY BUILDER

## Board Policies: Collections and Covenants

At this time of year, most of us have had our annual meeting and our new board members have been elected. Welcome to the Board! It's good to have new volunteers from the community, but as in my own association, it takes a little while to assimilate as to how the whole management thing works. A good start would be to provide (if not already available on your website) copies of the last six months of meeting minutes, the policies and procedures the board has adopted relative to collections, covenants enforcement, architectural modification procedure or process, member participation at board meetings, copies of all relevant contracts, and of course, at least the last three monthly financials and managers reports. This should provide a quick study for the new board member.

It is also a great time to review the current policies and procedures the board has adopted to see if the information is still valid, if there have been any significant changes in either the documents (by amendment) or in the statutes (which can change in some states fairly often). If you haven't adopted these guidelines, then maybe now is the time to think about them.

Policies and procedures adopted by an association are an operating process and ensure equal application to all, whether it is the enforcement of covenants, collections, architectural guidelines and procedures, formation of the agenda, handling business of the board meetings, handling owner's complaints, bidding out contracts, use of facilities, etc. While those guidelines provide structure, it should be realized Policies and procedure are living documents and should be reviewed and procedures changed to keep up with the times, or because of statutory changes or due to a change in the make- up of the Board. The one thing that remains constant is it should be done in writing, it should be made public to the members and that the policies and procedures, different than Minutes of a meeting, should be adopted in a different format and kept separate and apart so that changing them or amending them or reviewing them can be done efficiently. They should also relate back to the Minutes that reflect when they were formally adopted i.e. (Collections Policy, Minutes - June 2016). Again, posting them on your website or PORTAL, is also a good repository for reference.

There are certain aspects to the management of a community that are the same in every state: they are generally all subject to the hierarchy of the



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documents: Declaration (Covenants, Conditions and Restrictions (CC&R's), Articles of Incorporation (or Charter) and By-laws. These are three distinct and separate parts of the "documents" that provide guidance for different aspects of the business of the Association. They are generally subject to some type of statute that governs condominiums, co-ops and/or homeowners associations. This can be called statutes, vertical property act, the Act. And, most all associations are formed subject to a Not For Profit (or Non-Profit) Corporate Act, since the purpose of the Association is not a money making enterprise such as manufacturing or selling a product for profit.

Each of these acts requires that the Association conform in some manner. All meetings held under these acts are subject to Roberts Rules of Order, as the business of the Association is conducted by the Board at a meeting that requires the actions of the Board be recorded. Roberts Rules applies subject to the documents and the other laws, as there are requirements of these as well. Now you're probably going to think that we're going the long way around to get to the issue, and that is recordation of the Minutes of the Meeting. Because acts of the Board are recorded in the Minutes and should be taken subject to Roberts Rules, our managers have been trained in the appropriate manner to take Minutes. We have developed variations on a specific format that conform to the requirement of Roberts Rules. Minutes are not a transcript, as one would see taken by a court reporter in a court of law. The specific purpose is to report the business, which are the Motions made by the Board to enact the business of the Association. The specific purpose of the format is to keep the minutes neutral, with no exclamations, underlining or direct quotes that do not relate to the motion under consideration. If a conflict arises and escalates to the court room, the Minutes may either be the key to success, or can be quite damning. Corrections to Minutes are done in the margins of the minutes being approved and in the context of the current meeting minutes stating, "the Minutes of the January meeting are approved as corrected", they should not be retyped or corrected ahead of time.

By reviewing and perhaps modifying the policies and procedures the board will all be in sync as to what they expect during the year. It will provide a great guideline for the members and the manager as well.

