

For over 57 years, MAHC has been the partner of choice for Cooperatives across the country. Our technology, products and services are designed to add value to your community. You will find that nobody has the expertise that we do when it comes to helping you achieve your community's goals. Because of our commitment to community, we have become a leader positioned to provide actionable insights that deliver results for our Cooperative communities.



Focus on Leadership.

SO, YOU WANT TO RUN FOR THE BOARD

*It's Called Cooperative Living.
You Enjoy Living. And Your Home Cooperates.*

Leadership Series Handbook

CHARACTERISTICS AND QUALIFICATIONS OF BOARD MEMBERS

Most co-op bylaws specify the criteria that must be satisfied in order for a member to be eligible for election to the board of directors. The boards first step is to make certain that candidates meet the legal criteria for eligibility.

Characteristics of Board Members

People who are willing to spend time on the work of the co-op and are good at organizing are important to any organization, but good board members need more than willingness to serve. Qualified directors are respectful, deliberative, focused and fair. In general, an effective director will exhibit the following personal characteristics:

Vision-

An effective director must be able to think in terms of systems and contexts. People who focus on parts are useful to the organization, but the board needs people who not only understand how the parts function separately; but who also are drawn to the harmony of the whole. A good director must also be able to look beyond systems to the vision and values upon which the enter-prise is based.

DUTIES OF THE DIRECTOR

Duty of Care

Knowledge

By-laws, policy, history
State and local laws

Preparation

Know the current issues
Understand the proposals

Participation

Attend meetings
Participate in discussion
Ask questions, challenge

Duty of Loyalty

Uphold the mission statement

Justification for your actions

Organization's interests first

No benefitting yourself!
Be careful about conflict of interest

Support the Board publically

Even if you personally disagree

Used effectively, annual calendars become the road map for management and the Board of Directors to. It becomes the single source of all of the critical events, activities, compliance and renewal dates for the year.

Common items found in an Annual Calendar:

- Meeting Dates
- Routine preventative maintenance items
- Reserve projects
- Facilities Open and Closing dates
- Election milestones
- Budget Preparation Cycle
- Certificate of Deposit renewal dates
- Insurance renewal dates
- Contractor Walk through dates

Focus with Perspective-

Focusing on the job at hand and getting the work done is a primary job of any director, but an effective director must also be able to step back from the day-to-day activities and, when needed, look at something from a different point of view. A positive attitude is vital for this, as is a sense of humor.

Open-Mindedness-

An effective director is open to and willing to spend time learning. The director sees board membership as an opportunity to grow, learn and work with others, and actively embraces this opportunity. The director is able to remain objective in all discussions and to deal even-handedly with issues relating to the co-op. An effective director exhibits at least as many sophisticated listening skills as sophisticated speaking skills.

Consideration-

An effective director must conduct his or her duties with care, exhibiting thoughtfulness and consideration for the co-op and all its members, starting and ending every deliberation with the standard of what is right. An effective director maintains appropriate levels of confidentiality, leaves a good impression of the cooperative in all interactions, is an effective communicator and generates enthusiasm in others. The director will remember that he or she does not represent one or a group of members, but is charged with making decisions for the membership as a whole.

Essential Board Member Skills

Objective is key

I believe the most important skill for a board member to possess is objectivity. You need to look at all positions and possibilities and select the path that provides the greatest good for all members of the association. This may not be the path that benefits yourself the most but benefits the group. we call this “no personal agenda” approach to being a member.

There are many other skills that make a board member a great leader and practicing objectivity can help you cultivate them all. those include:

Dependability –

Making yourself available and attending board meeting at their scheduled times

Honesty –

disclosing any conflict of interests and looking out for the good of the community instead of your own business.

Engagement –

reading the board packet prior to the meeting, staying up to date on the association documents, giving thoughtful opinions at board meetings and have goals for the association to achieve.

“Determine Your Community’s Unique Characteristics,” discussion with your board about the purpose of your association and your core values. Every association is different and your values will be determined by your region, demographics, and size. Choosing these defining characteristics will help you keep the identity of the community in mind priorities and projects that your board wants to accomplish in the short-term, mid-term and long-term. they can be referenced for a detailed discussion about the community’s most pressing needs and important goals in the next few months, year, or several years.

8) Planning and Directing - ANNUAL CALENDAR

One of the most important roles of the Board is establishing the direction of the association and allocating resources. The resources you have to allocate are dollars and human resources. Dollars take the form of the assessments you collect for operations & reserves and human resources are the time of your community management team, the Board and other volunteers. One way to use these resources wisely is to create an annual plan. Creating an annual plan may occur as part of the budget process while you determine the projects you want to complete for the coming year.

when the association is involved in a legal matter of any kind. The board has a duty to protect the association and all of its interests. Sharing information with others who do not have that requirement could negatively impact the outcome of that legal matter.

THE BOARD MUST SPEAK WITH ONE VOICE.

Once debate is concluded and a decision is made, each board member should support the decision and communicate it in the same way. This validates the decision-making process and maintains the consistency of the operation.

6) Celebration

- **No matter how diverse your community residents are, you all have one thing in common - where you live.**

Celebrate this commonality and have some fun. Move through your business in an organized and efficient way, and then celebrate accomplishments and acknowledge volunteers. Celebrate at the end of your board meetings, celebrate at the annual meeting and celebrate by hosting special events.

7) Determine Your Community's Unique Characteristics and Create The Master List

Respect –

providing information and opinion in a non-confrontational and non-judgmental fashion. Disagree agreeably and if the majority opinion is different than your own accept that and stand united as a board once a decision is made.

Courage –

As a board member you'll have to make some tough decisions. No one likes to raise assessments but if it is necessary to maintain the property values then it is important to be able to make that difficult decision and stand by it. defend your decision with facts and do not take attacks personally. Being a board member can be a rewarding but sometimes thankless job.

Purpose –

true leaders are purpose-driven and treat board meetings professionally. they do not allow meetings to go off course or become argumentative. There should be ground rules for the conduct at all meetings and if someone starts going off on a tangent have the fortitude to keep the meeting on track and wait until after the meeting to discuss off-topic items or rehash old items that have been settled long ago.

With all of these skills in you repertoire and realizing that overlaying them all is objectivity, your community will be poised to make the best, unbiased decisions and will thrive.

Qualifications of Board Candidates

When nominating an individual for election to the board, the nominating committee or co-op member should consider the following qualities in a prospective director.

Personal Attributes

- Integrity and good character.
- Inquisitive mind, with ability to ask good questions.
- Community leader, capable of working with people.
- Ability to analyze and use good judgment, maintain confidentiality.
- Good formal or informal education background.
- Ability to express ideas clearly.
- Loyalty.
- Emotional stability.
- Energy and creativity.
- Willingness to attend regularly scheduled and special meetings of the board of directors, as well as any director training seminars.

5) Consistency

- **Communities that are successful have boards of directors who understand that their role is to make policy and then apply those policies consistently across the association.**

Neighbors and friends don't get special treatment, and owners that challenge board decisions aren't ostracized.

Once a new policy is adopted, a community association manager is charged with implementing the policy as written. Rules, regulations, and collection policies are all applied uniformly to all owners. This won't eliminate all potential conflicts, but it is an important step in the right direction.

Another way to demonstrate consistency is through communication practices, specifically by maintaining confidentiality, and speaking as "one voice."

Confidentiality is required to protect the privacy of members, as board members have access to financial information as well as enforcement actions in process. For example, the association will receive notification if a mortgage holder files for foreclosure or if an owner files for bankruptcy. Maintaining confidentiality of this information is a duty and a sign of respect. Confidentiality is also necessary

This is where the real value of the planning process is realized. By publishing the plan and an annual calendar the members and the board are all literally on the same page. Once expectations are established and you have a solid understanding, you can move forward.

4) **Commitment**

- **Implementing your strategic plan occurs over a period of time, and requires your commitment.**

Incorporating the results of your plan into your reserve study and the operating budgets for future years is critical. Generally speaking, you should begin or reevaluate your plan six months before the beginning of your fiscal year so that the planning results can be included in your next budget.

Challenges may arise when the needs of the community change or additional opportunities become available during the year. While it's tempting to want to stray away from the plan, it's important to focus on executing the current plan. This is not to say that you should ignore emergencies or issues of life and safety, but all other distractions should be pushed to a future year of the plan.

Related Skills/Experience

- Experience in business management, including performance evaluation if the co-op has employees.
- Specific knowledge of property management, accounting, real estate or other relevant field.
- Active interest in cooperative affairs as a member.
- Ability to organize.
- Experience on other boards, working with community-based organizations.
- Knowledge and understanding of finance and ability to read financial statements.
- Demonstrated involvement in the cooperative's committees or activities.

RECRUITING BOARD MEMBERS

It is the board's responsibility to provide for its own succession. Recruitment is a year-round activity that requires all board members' participation. The final action of an effective board is to make sure that time for the Annual Meeting rolls around, there are great new board members ready to take over where parting board members left off.

Before recruiting individuals for the board, think about what the board as a team is charged with, and what will make the board as a team most able to fulfill its leadership responsibilities in ways that will benefit the entire co-op. The board members must be able to work together to fulfill the board's responsibilities, while representing the diverse interests of the co-op. First decide what qualities and skills you want this group to have. Then determine what qualities and skills are lacking in the group. Target your recruitment based on filling these gaps.

Some members will stand out immediately as good candidates for the board. Others will have more subtle qualities that make them potentially good candidates. Individual board members must provide the pieces that fit together to form an effective group, but no individual board member is required to have every skill or leadership quality necessary to the group as a whole. One board may need a person with particular skills and experience, while another board may need someone very different. The goal is to build an effective group; each individual is only one piece of this equation. Sources of good board candidates may be:

- People who have participated actively at co-op (or other group) meetings or events.
- People who have shown initiative, diplomacy, knowledge and judgment in addressing issues facing your co-op or another group.

- **Allocating Resources and Prioritization**

In this final step of the planning session, the group talks about each item on the list, estimates the financial and human resources required and assigns a priority to each item. Review the collection of items on the master list and ask these questions:

- Is this consistent with our values?
- Is this an obligation of the association?
- Is this a member need or expectation?

3) Communication

- **Communication is essential in all aspects of operating a community association.**

The board must effectively communicate with their professional manager, business partners and service providers. We are going to focus our discussion on the importance of communicating with the association members.

The first step is to align expectations. It's important for the members to understand what services to expect, what major projects are expected during the year and how all of this will impact their families.

- **Once expectations are established and you have a solid understanding, you can move forward.**

help with the discussion. A facilitator is a neutral party who is responsible for keeping the discussions on point and for making sure that everyone participating has equal opportunity to share ideas and opinions. You want to walk away from the session with a plan that was developed by all board members – not by the president, or the loudest voice in the room. The most sustainable plans are developed by all members sharing ideas and opinions.

- **Brainstorm the Master List**

The first part of the planning session involves all participants sharing ideas, priorities, and projects. Make sure you have a current, mid-term and long-term perspective. What do you want to complete in the next year? Three years? Five Years? The goal is to have a master list that can be used for a detailed discussion. This is the portion of the planning session that benefits the most from the services of a facilitator because the facilitator can assure that all attendees participate, that differing opinions can be shared in an accepting environment, and that all ideas receive the same consideration. The facilitator may also use a variety of tools to create a list that is manageable as the group moves into the next phase of the planning day. The 'Master List' Action sheet included in this whitepaper will be useful to you or a facilitator to complete this task.

- People who are demanding change and will take on responsibility to effect change.
- People who help a meeting simply by being there-through their people skills, organizational
- skills, sense of humor or positive spirit.
- People who inspire trust or are seen as team builders.
- Good listeners.
- People enjoy having their strengths recognized by their peers. If someone turns you down, invite

Pre-Screening Board Candidates

Recruitment and nomination is one of the key reasons to invite non-board members to attend a board meeting. Committees are composed of people who are not board members. It gives the person a chance to try out the board and gives the directors a chance to assess whether the person would be a strong candidate for the board.

Some questions to consider when pre-screening potential candidates for the board:

- What gaps would this person fill in the current board?

- Why would this person make a good board member? What will he or she contribute?
- Would this person be interested in serving on the board? Why or why not?
- Would this person have time for the commitment required?
- Is this person willing to share power and work constructively with the group?
- Is there any reason this person should not be on the board?

Interviewing Board Candidates

Before the Annual Meeting (preferably several months before the meeting), the board should decide on a slate of candidates. Current board members should volunteer to meet one-on-one with candidates to discuss the benefits and responsibilities of serving on the board and to recruit members to run for the board.

Some tips:

- Stress vision, achievements, momentum, development (not tasks, problems, recurring crises). Be enthusiastic. Stress the positive.

of a comprehensive plan, it does not include many factors that contribute to the overall health of the community. Some of these factors are changing demographics, local economic conditions, and aging landscaping and design elements. A complete plan will also consider the needs and wants of the individual community members.

• **Determine Purpose and Values**

Set aside one to two hours to discuss the purpose of your association and your core values. Every association is different and your values will be determined by your region, demographics, and size, so determine what makes your community different. The “Determine Your Community’s Unique Characteristics” Action Sheet included in this whitepaper is a great exercise to help kick off this discovery.

• **Develop the Agenda for the Planning Session**

Select a time when all board members can attend and a location that offers minimal disruptions. It is recommended that you not conduct this session in conjunction with a board meeting at the end of a long day. Instead, opt for a Saturday morning, or a weekday when you can begin by 1:00 in the afternoon. The goal is to create four to six hours of uninterrupted time.

When developing the agenda you will also need to decide if a facilitator will be used to

Conduct some general research into your surrounding community to determine factors that will impact your association and its members. Gather information about the status of the employment and housing market in your community. Keep track of plans for new development or other changes to property use in your area. If there are other community associations in your neighborhood, develop a process for exchanging information with them.

Investing time to learn about your community will not only create a strong basis for service to the association, it will also establish a solid foundation to begin the process of developing an effective plan.

2) Planning

Most successful businesses have embraced the concept of strategic planning, and the results attained drive the direction, resources, and decisions made in the daily course of doing business.

Strategic planning guides leadership and unites employees and partners through common goals and objectives. Since the benefits of developing a strategic plan are generally positive, why don't community associations enthusiastically proceed along the same path? One answer is that many community association volunteers believe that the 30-year reserve study is their plan. While this financial tool is an important part

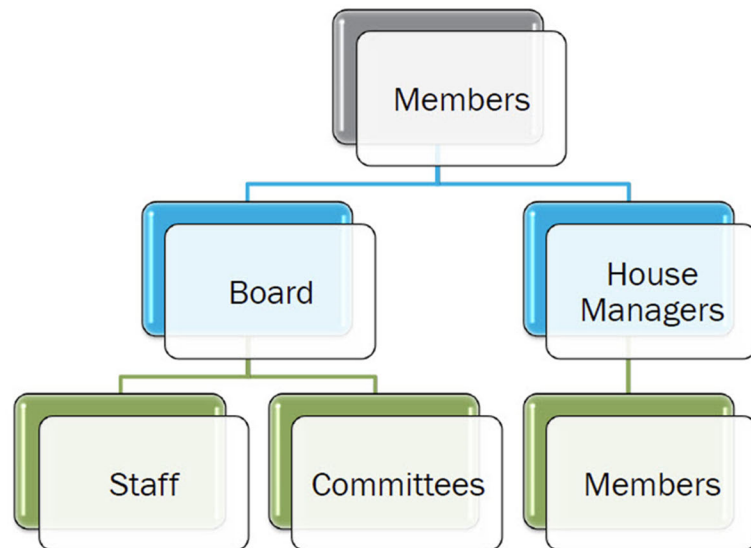
- Give members a realistic overview of the expectations in terms of time required, responsibilities, etc.
- Let members know what strengths you think they would bring to the group, and why you're enthusiastic about having them, in particular, on the board.
- Offer to answer any questions they have. Ask how you can help.

Suggested questions for potential candidates:

- Please summarize your previous co-op experience.
- Why do you want to serve on the board of directors?
- What do you believe are the primary challenges facing the co-op?
- What insights, skills, and experience do you have that will help the co-op meet these challenges?
- Are you committed to the mission of the organization?

- Can you contribute the time necessary to be an effective board member?
- Can you place the cooperative's purpose and interests above professional and personal interests when making decisions as a board member?

DUTIES OF THE BOARD



expense report, along with this year's budget and the most recent reserve study.

- **Do you understand the human resources available to your association?**

Allocating human resources, including the time of the volunteer board of directors, is just as important as the financial resources. Therefore, it is essential to be aware of the services outsourced to professionals versus the services that are absorbed by volunteers. Do you have a professional management firm? Will you be delegating projects to volunteer committees? Every association is different so a quick assessment of human resources will be helpful to the planning process.

- **What is important to your members?**

If improving the landscaping is important to you, it is likely that you will be most familiar with others in your community who share the same desire. As a decision maker for the entire community, it is necessary to have some form of outreach to clearly understand the priorities and needs of all the members in your community. Ask your committee representatives for their perspective on needs, conduct an annual survey, or develop a task force to ask members what is important to them.

- **What conditions are present in your general community?**

guide them in their decision-making processes.”

The most important elements for running your board like a pro.

DEVELOP A PROACTIVE PLAN TO LEAD YOUR COMMUNITY

1) Preparation

- **Do you understand the legal structure of your association?**

This first question focuses on the foundation of your community and your role as a board member. You must have a basic understanding of the specific requirements needed to comply with your governing documents as well as state and federal law. Without this basic understanding, you cannot form the basis for your decision-making process.

- **Do you understand the financial condition of your association?**

The objective of this question is for you to look at the big picture, not at how much it costs to change a light bulb. You will need four documents to provide you with the necessary information: the most current month's balance sheet and revenue and

Board Member Starter Guide

You take pride in your home and in being part of a great community. When you saw an opportunity to make things even better, you decided to step up to the challenge and take on a more active role with your Cooperative. But, as the newest board member, you are probably asking yourself: “Now what?”

Don't worry. We've seen it all, and we know all about the stress and responsibilities of being a brand-new board member. That is why we've put together a resource guide to help.

In this book, we're giving you the collective knowledge of our 40+ years of experience working alongside countless board members to improve their communities. Keep reading to learn the fundamental roles and responsibilities of the board, how to find success in your new position, and the next steps you need to take as the newest board member.

“Welcome to the board, your role is to govern.”

Not all directors know the meaning of governance. Some join the board with experience in their own work settings --- making administrative or tactical decisions each day. This is not governance.

Through board development directors will better understand their governance roles.

Too many boards are quick to fall to tactical and management discussions. This is evidenced in discussions that quickly tumble from strategic to tactical. For example, a discussion about increasing the profit potential of the annual conference. Discussion begins with the venue and budget but is distracted when a director asks, "Will the banquet include a choice of three entrees?"

Strategy is characterized as long-term and visionary. Tactical discussions are low level, usually the responsibility of committees or staff. Seldom are they appropriate at the board table.

"The board has a fiduciary role to govern, and it is responsible for advancing the strategic plan and the budget. These two documents serve as roadmaps. The board will decide the destination and the staff will manage the details."

These phrases should be mantras in the boardroom.

Nose In, Hands Off

An international phrase to position governance: "Nose in, hands off" suggests directors should focus their efforts on the agenda, board duties and general oversight. Hands off reminds them to leave the tactics to committees and staff. "Nose in" is NOT an invitation to micromanage.

with your manager can make or break the success of your community.

Managers are professionals who advise board members and help them make the best and the most fiduciarily-responsible decision they can. Managers do the leg work, find solutions, educate, and execute.

The most common misconception is that the manager makes the decisions and controls the board. The exact opposite is true. Communities and associations are non-profit businesses that are run by a board of directors who makes the decisions. The manager is like a CEO who executes the decisions of the board and is the 'face' of the board to the owners and residents."

10) Ignoring the Advice of Professionals

Boards will often make the mistake of not seeking or respecting the advice of professional partners and service providers, like the association accountant, lawyer, or manager. It's essential to understand that these professionals are there to provide reliable information and insights.

Remaining open to their guidance will ensure you're equipped to make sound decisions. Don't rely on your own expertise or lack thereof. The best board members realize they aren't the experts and that they must rely on the opinions of outside professionals to help

decision was made, explain the time and energy spent to review options, and listen to feedback. Regular and clear communication builds trust and prevents gossip from getting perceived as the truth.

8) Being a No-Show

It's easy to get caught up in all the work that comes with being a board member; however, it's crucial to remember why you chose to serve on the board: to make your community a place where people love to live and want to stay. Regularly interacting and engaging with residents promotes transparency and allows them to see how the board works to improve the community.

9) Misunderstanding the True Function of the Manager

A critical relationship for every board member is the one with their community association manager. Many board members are unaware of the managers true role and function, which can create friction and prevent everyone from doing their jobs correctly.

Your manager works for the corporation as an entity, advises on key aspects of your association's operations, and serves as your representative with other service providers. Building and maintaining a strong relationship

There are related phrases. "Nose to the grindstone," would remind directors they are accountable for certain duties. "Hands off" will remind directors to avoid fraternization with staff.

Trust but Verify

The phrase "trust but verify" was made famous by President Reagan after the signing of a treaty with Mikhail Gorbachev. The Russian leader quipped, "You repeat that at every. meeting," to which Reagan replied, "I like it."

Application at the board table suggests that directors ask the appropriate questions and trust the answers. For example, "Do we have conference cancellation insurance?" demonstrates duty of care. But there isn't a need during the meeting to ask how much. it costs and what is the name of the insurer. Clarification and additional questions can be asked after the meeting to "verify."

Board Governs, Staff Manage

This phrase balances the partnership of the board and staff team. Directors should focus on governance. Staff are responsible for management and administration. Add it as a footer at the bottom of agendas. Print it on bookmarks to include in board packets.

Fiduciary Role

Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board members should exercise reasonable care in all decision making,

without placing the organization under unnecessary risk. Be sure directors understand they are fiduciaries on behalf of stakeholders and should comply with the duties of care, loyalty and obedience.

We are in the Weeds

Empower directors and staff to recognize when discussions have fallen to tactical levels. Everyone at the board table should feel empowered to offer, "This discussion feels like we are in the weeds." Also remind directors, "Boards don't do committee work at the board table."

The Brain of the Organization

According to corporate governance consultant Badri Meouchi with Tamayyaz based in Lebanon, "In so many ways the board acts very much like the brain. It thinks, debates with itself and decides on the strategic direction, and then puts in motion the acts that have to happen for that strategy to be executed."

The brain does not walk, it gives instructions to the legs for them to do the walking, and it also monitors how and where we walk. If a big ditch is sighted by the brain, it instructs the legs accordingly so as to avoid it.

In summary, no matter how it is conveyed, the board has to understand its legal and essential role in governance. Discussions should be deliberate, produce results and avoid micromanagement.

pressure of being on the board, while also reducing the board's workload. For example, if the board needs a new landscaper, they can appoint a committee to develop landscaping specifications and interview companies that management has vetted through the vendor approval process. Committees can also fight apathy by organizing events like National Night Out or a social for getting to know your neighbors, giving the association a way to build a sense of community and get people to meet each other."

6) Inaction.

No matter what type of community you choose, the role of the community association board is the same: to make decisions that help the community thrive. Rule enforcement, maintenance, assessments, and communications are all done to ensure the community's value is enhanced.

"You are elected to make decisions. No one is going to get it right 100% of the time, but you should at least try to make a difference because sitting stagnant doesn't help your community."

7) Ineffectively Communicating

Effective communication is one of the most important tools available to promote a positive and cooperative spirit. Board members must frequently communicate information, goals, progress, and outcomes to the membership. It's crucial to educate residents about why a

the street leave their trash cans out ALL YEAR and never receive a second letter, they're going to think, 'Why do I have to follow the rules and they don't?' It's easy to see how quickly a normally-satisfied homeowner could become disenchanted with the community if this happens frequently. No one enjoys citing violations, but remember, everyone who lives in the community agreed to the rules when they joined, and consistent enforcement of those rules is essential to keeping the community running harmoniously."

5) Not delegating properly.

Serving on your association's board of directors requires a lot of time, effort, and resources. Governing and leading a community can be challenging, and as a part-time volunteer, it's hard to accomplish everything—there simply aren't enough hours in the day.

That's why establishing committees to help share and divide the workload is essential. With support from various committees, board members can focus on fulfilling their duties more efficiently. Committees also offer homeowners a way to get involved on their terms without assuming a board member's full responsibilities.

You should try to engage the community by creating committees that can help draft policies or work on various projects. This allows others to get involved without the

Successful Board Member

Board members are never alone in their efforts to improve and maintain their community. Association partners will work closely with your board to help ensure things are handled in a timely and professional manner. Whether these partners have already been selected, or you're helping choose them for the first time, remember always to use your business judgment. Be sure to vet each partner carefully and ask for references and referrals when possible. And don't forget to make sure they have the experience and resources to back up their promises.

Being a Board Member in a Co-operative Business

Co-operative businesses are governed and run by boards of directors. They manage the staff, create policies and procedures, and make decisions that benefit the business. Their job is to make sure the co-op is healthy and functioning well. A co-op board is made up of members of the co-op, who are elected at its AGM.

What is a board of directors?

Every co-op has a board. The board is a group of members that has been elected to make decisions for the co-op on behalf of all the other members.

Boards come in all shapes and sizes and have varying degrees of responsibility.

Responsibilities of the board

The board of directors is central to the operation of a co-operative business. Directors discuss matters affecting the co-op, make decisions that shape and guide the co-op, and prepare information and recommendations to members to discuss and decide on. Much of what a board does is responsive, reacting to events, ideas, and opportunities facing the co-operative. It's important for directors to think about the future and look for ways to improve their practices and the co-op's well-being. This list gives an overview of the important responsibilities of the board of directors:

1. **Manage Financial matters of the co-operative:**
It's important for the board to have a strong understanding of the co-op's financial position. This can be done with support from staff or an accountant (depending on the size of the co-op). The board should lead the creation of an annual budget, monitor revenue and expenses, and present the annual return and budget back to the members at the annual meeting. Some members of the board will have signing authority on the coop's accounts and their signatures will be required for items like cheques, agreements, checking accounts, annual returns, and applications.
2. **Strategic Planning:** The board provides leadership to the organization and shapes its direction. It creates, updates, and maintains

"A community association is a corporation and it's designed to function as a business. It's important to keep the association's — not your own — goals in mind. Diversity of thought is a positive addition to any association board, so separate yourself from any potential conflict of interest and listen to your fellow elected board members."

The most important skill for a board member to possess is objectivity. You need to look at all positions and then select the path that provides the greatest good for all members of the association.

This may not be the path that benefits you the most but benefits the group. We call this the 'no personal agenda' approach to being a board member."

4) Selective enforcement.

Another common practice that is detrimental to a community association's success is selectively enforcing association rules. Selective enforcement can occur because of favoritism towards owners or in more subtle ways, like not consistently monitoring violations.

"Imagine that instead of consistent and fair enforcement, a community checks for trash can violations only once a year, then sends out a bunch of violation letters, and doesn't follow up until next year. Most homeowners upon receiving the letter will comply and follow the rules. But when they see their neighbor across

they usually go hand-in-hand: not raising assessments and deferring maintenance.

While no one likes making the unpopular decision to raise assessments, as a board member, it's your duty to budget wisely. That means protecting, maintaining, and enhancing the community—all things that cost money. You can't wait for items to fail; you must be proactive and set realistic budgets for repairs and necessary maintenance. Deferring maintenance because you don't want to raise fees will cost your association in the long run.

As your community ages you need to set realistic repair and maintenance budgets to take care of the little things as they break down. Proactive maintenance, such as caulking and roof inspections, ensures that you catch problems when they are small before they turn into water damage inside a home. Neglecting this leads to deferred maintenance and more costly repairs."

3) Letting personal agendas get in the way of community agendas.

one of the recurring board mistakes was board members using their board position to carry out personal agendas. This includes hiring friends as vendors, making decisions that only benefit their home or their friends' homes, and taking feedback personally.

strategic plans that include the co-op's agenda, goals, and key opportunities. The board should regularly identify projects and manage the co-op's investments.

3. Create policies and procedures: The board will create policies when first incorporating the co-op, and on an ongoing basis. Some policies will be created in response to the co-op's business, or as challenges and opportunities arise. These policies relate to things like finances, membership, conflict of interest, information and technology, safety, and elections.
4. Give the co-operative a voice: Both the board and the management will promote the co-op to the public. The board, as representatives of the members, should speak on behalf of the co-op when working with partners, funders, media, or other audiences. They should provide information to members at meetings and give direction to staff. It's good to have a communications strategy for the board and management that outlines how the co-op communicates with other parties, so everyone is sharing a consistent message.
5. Management: Depending on the size of the co-operative, the board may directly manage the day-to-day affairs. In larger co-ops, the board usually provides oversight to managers or an executive team. The board will have the final say on many important decisions and may have to deal with conflict or debate that could arise. For example, it is the board's job to

decide how to allocate the co-op's profits. To do this, it needs to take several things into consideration: adding to reserve funds, investing in the co-op, and distributing profit to members. Decisions like this can lead to conflict, but the co-op can help avoid this by including members in the discussion (and listening to their ideas).

6. Engage the members: At the end of the day, the co-op exists to serve its members. The board should engage members in important decisions and happenings with the co-op. The board can help ensure members have a sense of ownership with their co-op by communicating openly with them.

BOARD ORIENTATION

The best way to become familiar with the co-op when joining the board as a new director is through an orientation session. Generally, the board president conducts the orientation, but you may choose to hire an outside trainer to work under the board's guidance. The orientation should not be restricted only to new members; it should be open to all board members.

Below is a sample outline of topics to include in an orientation. Providing board manuals for the new members will make it easy for them to follow the orientation and bring them up to speed quickly. The orientation agenda and the board manual layout are similar. You can use the board manual as an outline

these documents can be overwhelming, they are in place to protect your investment and learning them will help you make practical decisions and avoid violations.

Governing documents are the documents that establish how a community must run: what's allowed, what's not allowed and how to make changes to the rules. The governing documents are comprised of three key sections: Bylaws, Rules and Regulations, and covenants, Conditions and Restrictions (CC&Rs) and they are all unique to your community. They include important information like who's responsible for property maintenance, pet regulations, parking and more.

"Acting before checking your governing documents can be hazardous. I know of a board that approved a community association bank loan to build a new structure. After they spent considerable association funds, they applied for the loan, only to discover the documents required a community majority to approve the loan. When the membership didn't approve the loan, they were left with an incomplete structure and quite an eyesore.

2) Money matters.

Two very popular community association board practices landed on the list of major no-no's and

As a co-op director, I agree to abide by this Statement of Agreement. I agree that if, in the opinion of the majority of co-op directors, I have violated the letter or spirit of this agreement, I shall resign my position on the board immediately and shall not cause continued disruption to the co-op and the co-op board.

Biggest mistakes board members make and how to avoid them

1) Not knowing your community's governing documents.

Governing documents are the documents that establish how an association runs, what's allowed, what isn't allowed, and how to make changes to the rules. The governing documents are unique to your community and are comprised of three key sections:

1. Bylaws
2. Rules and Regulations
3. Codes, Covenants, and Restrictions (CC&Rs)

Knowing your limitations and duties, as described in the governing documents, is key to successful leadership. While

for the orientation, since it contains current working documents.

BOARD PERFORMANCE STANDARDS

Codes of Ethics and Conduct are working agreements that set guidelines for ethical behavior and conduct. These agreements clearly state expectations about how the board will conduct business and clarify any uncertainty which may exist regarding the authority exercised by the board or individual directors.

Many boards adopt formal Codes of Ethics and Conduct that set guidelines for ethical behavior and conduct. While it may seem that ethical and respectful behavior can be assumed of all directors, many co-ops find that it helps to have a formal agreement to make sure that everyone is on the same page, and to more swiftly and effectively deal with any lapses in judgment. Adhering to a formal set of guidelines may provide a degree of legal protection for directors in case of a lawsuit related to the board's actions or decisions.

Board of Directors Code of Conduct

As a co-op director, I pledge to do my best for the co-op and will:

- Devote the time needed to fulfill the responsibilities of the position.
- Attend all regular and special board and committee meetings.
- Be prompt, attentive and prepared for all board and committee meetings,
- Contribute to and encourage open, respectful and thorough discussions by the board.
- To enhance board understanding and cohesiveness, attend and actively participate in the board's training sessions and annual planning retreat
- Consider the business of the co-op and its members to be confidential in nature.
- Disclose any personal or organizational conflict of interest in which I may be involved, and refrain from discussing or voting on any issues related to that conflict.
- Be honest, helpful, diligent and respectful in my dealings with the co-op, other directors and the co-op's management, staff and members.
- Refrain from becoming financially involved or associated with any business or agency

that has inter-ests that are, or could be perceived to be, in conflict with the co-op's interests.

- Work for continued and increased effectiveness in the co-op's ability to serve its member-owners.
- Be a team player and agree to abide by the majority action of the board, even if it is not my own personal opinion.
- Present the agreed-upon view of the board of directors, rather than my own, when I speak on behalf of the co-op to employees, members, shoppers and the general public.
- Refrain from asking for special privileges as a board member.
- Work to ensure that the co-op is controlled in a democratic fashion and that all elections are public, fair and open to the participation of all members.
- Strive at all times to keep members informed of the co-op's status and plans and of the board's work
- Continually seek opportunities to learn more about the co-op and its operations and about my responsibilities as a board member.