Introduction to the Annual Checklist and Calendar for Housing Cooperatives



BERENDSON ACADEMY

Introduction to the Annual Checklist and Calendar for Housing Cooperatives

As a board member of a housing cooperative, it is essential to maintain compliance with legal requirements and ensure the smooth operation of the community. An annual review process serves as a proactive approach to stay organized, address potential issues, and promote effective governance.

This checklist provides a comprehensive guide of key areas for the board to review each year, ranging from financial practices and document maintenance to legal obligations and community engagement. By regularly assessing these components, the board can effectively manage resources, uphold policies, and foster a positive living environment for all members.

Accompanying this checklist is a yearly calendar, designed to help you schedule important reviews, meetings, and deadlines. By integrating these practices into your cooperative's annual routine, you can enhance transparency, accountability, and the overall well-being of your community. Together, we can ensure that our housing cooperative remains a thriving, legally compliant, and well-managed environment for all residents.



Action Item	Date Completed
Administration	
Your corporate status. To maintain good standing, your corporation usually needs to pay a fee and submit specific documentation to a state agency, as required by state law. What's the risk if your status lapses? You may expose yourself to personal financial liability.	
Your registered agent designation. Your association is likely required to appoint a registered agent, although the title may vary by state. Legally, you must maintain a registered agent in your state to serve as the designated person who receives official notices on behalf of the association.	
Professional licenses. Does your association or its manager need to hold any licenses? Many states now require community association managers to be licensed. Make sure that all necessary licenses are up to date and current.	
Bond Requirements. Verify whether your association is subject to any bond requirements. Check if there are specific bonds mandated by law, stipulated in your governing documents, or outlined in any contracts. Additionally, ensure that individuals who manage your association's funds are bonded to protect against mishandling or misappropriation of funds.	
Conflict of Interest Policy: Review the policy to ensure board members disclose any potential conflicts and adhere to established procedures.	

Vendor Contracts Review: Regularly evaluate vendor relationships to ensure competitive pricing and quality of service.	
Your contracts. Just as you create a calendar for your governing documents, it's essential to do the same for your contracts. Review all your vendor contracts to ensure they still meet your needs. Additionally, check if you need to provide notice to avoid auto-renewal and confirm that you are within the appropriate timeframe.	
Diversity and Inclusion Policies: If applicable, review existing policies to ensure they promote inclusivity and equitable treatment among members.	
Documents	
Board Minutes and Resolutions. Are minutes prepared for each board meeting? It's important to record all board actions accurately. Make sure copies of these minutes are kept in the office for future reference.	
Document Retention Policies To establish your document retention policies, start by reviewing your state law. If you're uncertain about what records to retain, such as contracts or other documents, consult your attorney for guidance. For documents related to taxes, reach out to your tax advisor for advice on retention requirements**.**	
Changes to Documents. Have there been any amendments to the Declaration, Bylaws, or Articles of Incorporation? Additionally, did the board take action to amend its Rules or Architectural Guidelines? Keeping track of these changes is crucial for ensuring that all governing documents reflect the current regulations and policies of the association.	

Legal Updates and Document Compliance. Have any laws changed that require updates to your governing documents? It's essential to assess whether you need to comply with any new legal requirements. Keep in mind that the legislative landscape is continually evolving across the country. Regularly review your documents to ensure they align with current laws.	
Non-Legal Updates to Governing Documents. Review your governing documents for updates beyond legal compliance. Examine your policies, rules, and regulations to ensure they reflect current circumstances and address evolving issues. As times change, it's important to make sure your documents adequately cover all necessary rules and regulations for your community.	
Forms and Procedures. Don't forget to review your forms and procedures along with any changes in the law. Updating your governing documents is important, but you may also need to revise forms such as collection letters. It's possible that you'll need to include specific disclosures, which have become more common in recent years. Regularly assess and update these materials to remain compliant.	
Legal items	
Lawsuits / Claims. Review any lawsuits or claims in which the association is involved, including those managed by insurance. Determine the nature and current status of each case, and ensure they are properly reported in the Disclosure Notice and Resale Certificates.	

Law Changes. Consider inviting the association's attorney to meet with the board to discuss any recent changes in the law that may impact on the association. Additionally, include any necessary information related to auditor reviews. Regular audits help ensure financial integrity and compliance with regulations, so it's important to keep these discussions and reviews updated.	
Governing Documents. Ensure the board has complete and accurate copies of all governing documents. If there are any documents that are not recorded, make sure to record them appropriately. Keeping thorough records is essential for effective governance and compliance.	
SHALL v. MAY. Review the governing documents to clarify what actions the association and the board are required to take (indicated by "SHALL") versus what actions are permissible but not mandatory (indicated by "MAY"). Assess whether the association's current practices align with these documents. If there are discrepancies, consider either changing the practice to comply or amending the documents to reflect current practices.	
Your lien documents. It's important to understand that filing a lien against an owner usually requires you to take additional steps to keep it current or to have it removed. When associations file an assessment lien, there is a law that states that once the lien is paid, the association must release it immediately. Failing to do so could make the association liable for damages.	

Release of Memorandums of Assessment Leans. When past due owner accounts are brought current, ensure that liens have been properly released at the Clerk's Office. Managing the timely release of assessment liens is crucial for maintaining accurate property records and ensuring compliance with legal requirements.	
Maintenance, and Insurance	
Comprehensive Physical Inspection. Begin with a thorough annual physical inspection of your property. This inspection will help you identify maintenance needs that require immediate budgeting and the work that should be scheduled as part of your reserve funding. Regular inspections are essential for effective property management and long-term financial planning.	
Maintenance and Repairs: Review procedures for handling maintenance requests and ensure there are clear guidelines for prioritizing repairs.	
Insurance Coverage Review. Review your insurance coverage to ensure that you have all necessary policies in place. Essential coverages include liability insurance and fire and extended coverage insurance. Additionally, consider obtaining Directors' and Officers' insurance to protect the board members. Assessing your insurance needs regularly helps safeguard the association against potential risks and liabilities.	
Update Insurance to Replacement Value. Ensure your insurance policies are updated to reflect the replacement value of your property. It's important to maintain coverage that allows you to fully rebuild the building in the event of a fire or other total loss. Regularly reviewing your insurance will help protect your investment and provide financial security for the association.	

Financial	
Budget Compliance. Evaluate whether the association's budget process complies with its governing documents. Ensure that the budget includes appropriate allocations for reserves, taking into account the findings of the reserve study. Adhering to these guidelines is crucial for maintaining financial stability and preparing for future maintenance needs.	
Collections and Delinquencies. Assess the annual delinquency rate for the association. Determine whether there is a clear and effective Collections Policy in place that aligns with the association's governing documents as well as applicable state and federal laws. Having a robust collections process is essential for maintaining financial health and ensuring fair treatment of all members.	
Savings. Evaluate the Association's savings program and investment plans. Time for a change? FDIC compliance? Fiduciary accounts?	
Audit. Check if the association has budgeted for and scheduled an annual audit. Review the governing documents to understand the audit requirements. Conducting regular audits is essential for ensuring financial transparency, accountability, and compliance with regulations.	
Taxes. Your association is required to file tax returns with the federal government, and likely with your state as well. There are several filing options at the federal level, each with its own deadline. Consult your accountant to determine if you're selecting the best filing option and to ensure you are up to date on all previous years' filings and payments.	

Loans. If your association is paying off loans, it's crucial to stay on top of your loan payments. Additionally, ensure you have copies of all loan documents and any liens that have been filed by the lender.	
Bank accounts. Ensure that your bank account signature cards are up to date. As board members change, proper recordkeeping with the bank can sometimes be overlooked. Verify that you have the correct signatures on file to avoid any issues.	
Financial Statements Review: In addition to budgeting, ensure that financial statements are regularly reviewed by the board for accuracy and transparency.	
Reserves – Long Term Planning	
Reserve Requirements. Check if any laws stipulate the level of reserves your association is required to maintain. Fannie Mae recommends that associations set aside 10 percent of their budget for reserves each year, and they are increasingly monitoring this figure. However, if your building is newly constructed, a 10 percent reserve may not be necessary. Conversely, for older buildings, you may need to allocate more than 10 percent to adequately prepare for maintenance and repairs.	
Reserve Checkup and Study. Conduct a checkup of your reserves and schedule your next reserve study. Verify when you last completed a reserve study, as many states require that this be done at least once every five years. Regular reserve studies help ensure that your association remains financially prepared for future maintenance and replacement needs.	
Long-term Planning: Review and update any long-term strategic plans or goals for the cooperative.	

Others	
Emergency Procedures: Ensure that emergency response plans are up to date and that all members are aware of them.	
Member Communication: Assess how effectively the board communicates with members regarding updates, changes, and important notices.	
Community Rules and Regulations: Consider whether the rules reflect the current needs of the cooperative and whether they are being enforced consistently.	
Training and Education for Board Members: Consider providing training sessions for board members on governance, financial management, and legal responsibilities.	

Why You Need an Annual Plan

An annual calendar can serve as your comprehensive road map. It acts as a central source for all important events, activities, compliance deadlines, and renewal dates throughout the year.

This report is designed to guide you through an entire year of operations, providing a resource you can start using today and refer to for years ahead. It includes checklists compiled by our editorial team to help you steer your association effectively and ensure that no critical issues are overlooked.

It's important to remember that each state has its own legal compliance rules. Always consult with an attorney or other professional to understand the appropriate steps for your specific circumstances.

Our aim in this report is to help you run your association more effectively and become a better leader for your community. I'm confident you will find actionable ideas to implement in your homeowner's association.

Your resources include both financial and human resources, meaning the time of your community management team, the board, and other volunteers. Warren says one way to use your resources wisely is to create an annual plan, often as part of your budget process while you're determining the projects you want to complete for the coming year.

When you use it effectively, an annual calendar can become the road map for you and your management team. It becomes the single source of all of the critical events, activities, compliance, and renewal dates for the year.

Here's a sample listing of items in an annual calendar:

- Meeting dates
- Routine preventive maintenance items
- Reserve projects
- Facilities opening and closing dates
- Election milestones
- Budget preparation cycle dates
- Certificate of deposit renewal dates
- Insurance renewal dates
- Contractor walk-through dates

Below is a sample annual calendar format.

JANUARY	FEBRUARY	MARCH
• Obtain annual landscape calendar • Prepare annual calendar • Update rules and regulations booklet for February mailing • Create tree maintenance plan • Meeting: Jan. 26 at 7 p.m. • Conduct second gutter cleaning • Send year-end review to homeowners	• Finalize major capital projects prior to pool season opening • Distribute rules and regulations booklet to homeowners • Meeting: Feb. 23 at 3 p.m.	• Review roof-maintenance program • Meeting: March 23 at 7 p.m. • Begin power-wash program

APRIL	MAY	JUNE
• Get landscape improvements underway by way of landscape committee • Conduct final preparations for opening day of swim season; notify pool contractor of opening date • Check and clean storm drains for blockage • Lubricate mailbox locks • Clean AC filers at clubhouse • Meeting: April 27 at 3 p.m.	• Walk property to inspect for common-area improvements • Notify owners and renters of pool opening • Open pool • Schedule board and finance committee budget meetings • Meeting: May 25 at 7 p.m. • Obtain reserve study update from consultant	• Schedule paint/trim repair • Finance committee to submit preliminary budget and reserve study to board • Grind sidewalk trip hazards • Approve final budget • Meeting: June 22 at 3 p.m.
JULY	**AUGUST**	**SEPTEMBER**
• Begin common area improvements • Request gutter cleaning bids • Board meeting: July 27 at 7 p.m.; produce draft budget • Check on curb painting • Obtain bids and contractual changes for upcoming operating budget	• Obtain contract renewals for upcoming year • Send owners budget packet no earlier than Aug. 1 but no later than Aug. 15. • Board meeting: Aug. 24 at 3 p.m. • Appoint nominating committee for upcoming election • Deadline for mail call for candidates • Obtain insurance bids for board review	• Notify pool contractor of pool closing date • Schedule fall landscape walk-through with landscaper • Board meeting: Sept. 28 at 7 p.m. • Deadline for receiving candidate nominations • Review candidates and determine if ballots can go out for two open board seats in upcoming election
OCTOBER	**NOVEMBER**	**DECEMBER**
• Close pool and store pool furniture • Meet Your Candidates night • Meeting: Oct. 26 at 3 p.m. • Insurance renews	• First gutter cleaning • Check/clean storm drains for blockage • Clean filters on clubhouse heating system • Annual meeting: Nov. 9 at 7 p.m. • Nov. 15: Notify residents of election results	• No board meeting • Happy holidays!