COOPERATIVE BOARD MEMBER MANUAL

BOARD ORIENTATION

An Overview for New and Current Cooperative Board Members

Joining a cooperative board is an important commitment. This handbook provides a clear overview of your role, responsibilities, and the essentials you need to help govern effectively, support your community, and make a lasting impact.

Inside This Handbook

1. The purpose and value of your board role
2. Working together as a high-performing board
3. Your legal duties and fiduciary responsibilities
4. Board meetings and effective decision-making
5. Understanding cooperative finances and oversight
6. Key information about our cooperative today



Clear and practical guidance for board service at every level.

Understand your role. Lead with confidence.

Stronger boards. Stronger communities. Stronger cooperatives.

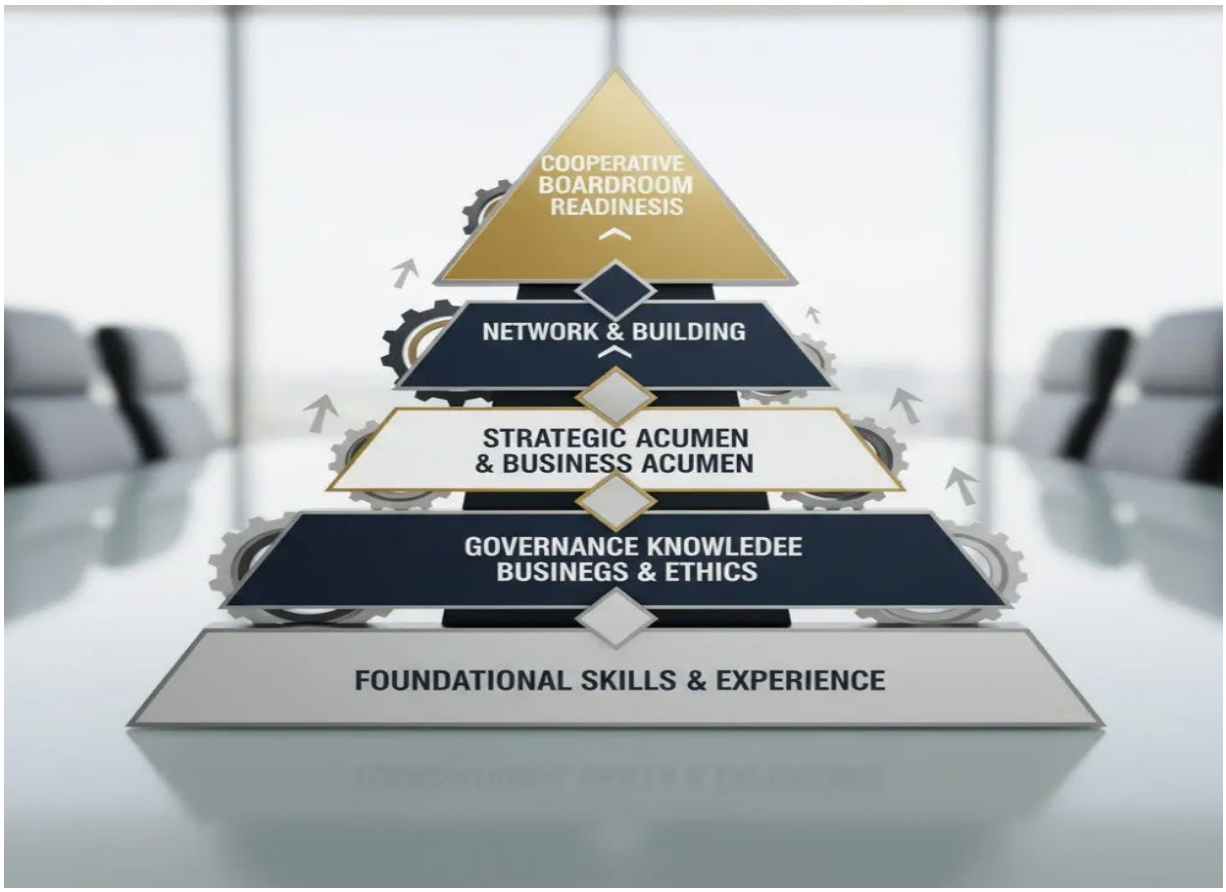
Richard Berendson

BERENDSON ACADEMY
EDITION

BOARD ORIENTATION

A First Guide for New Directors

Orientation Edition



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The first step in board orientation — to be read alongside the New Board Member Manual, High-Performing Boards, and Board Leadership.

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Disclaimer and Legal Notice

This booklet is an educational overview for a director who has just joined the Cumberland Green board and needs to get oriented quickly. It explains, in plain terms, how the cooperative and its board generally work, so a new director can follow meetings, decisions, and responsibilities well enough to begin participating.

It does not provide legal, accounting, insurance, engineering, tax, emergency management, or property management advice. Laws, governing documents, contracts, insurance policies, and local requirements vary from cooperative to cooperative and change over time. Rely on Cumberland Green's own qualified professionals whenever a matter calls for interpretation or specialized judgment.

Cumberland Green's own governing documents and applicable law control. Nothing in this booklet gives an individual director authority to direct employees, instruct contractors, commit cooperative funds, promise board action, release confidential information, or speak for the cooperative unless that authority has been properly granted through the board.

This orientation is the first step. As you have time, the next step is the New Board Member Manual, which covers the same subjects in much greater depth. Behind that are two further manuals — High-Performing Boards and Board Leadership — for directors ready to serve at a more advanced level. The Cooperative Directory is available throughout for any unfamiliar term, and the separate Emergency and Disaster Preparedness Manual covers emergency response in full.

HOW TO USE THIS MANUAL: Review *it as a full board, not just individually — discuss it together, compare it with Cumberland Green's actual practices, and revisit it periodically as a refresher, not only when a new director joins. Chapter 15 should always reflect the most current information; if it feels out of date, ask the board president or management.*



Introduction: Welcome to the Board

You Were Not Elected Because You Know Everything

Being elected or appointed to serve your housing cooperative is both an honor and a real responsibility. Members have trusted you to help guide an organization that affects their homes, their finances, and their community — but that trust does not require you to already have every answer. No one begins board service knowing everything.

You already know your cooperative as the place you live: your home, your neighbors, the everyday rhythms of the property. Board service opens up another side of it — the corporation behind the community, which must be governed responsibly, financed soundly, properly maintained, and prepared for the future. During your first meetings you will hear about budgets, carrying charges, reserves, contracts, insurance, and long-term projects that began before you joined. That can feel like walking into a movie halfway through. It is normal, and it passes.

What This Manual Is Designed to Do

This is an orientation manual, not a complete training manual. Its purpose is to help you understand what is happening around you, become familiar with board vocabulary, recognize where authority comes from, know what questions to ask, and know when professional advice is needed. You are not expected to become an expert in accounting, law, insurance, construction, or property management — the cooperative relies on professional managers and specialists for that. Your job is to learn enough to understand an issue, ask good questions, weigh professional advice, and use good judgment alongside the rest of the board.

Give Yourself Time to Learn

Board service is a learning process. You do not have to prove yourself in your first meeting by having an answer for everything. Listen to the discussion, read what you are given, and ask why a policy exists or where a number in a report came from. Asking questions is not a sign of weakness — a director who asks for an explanation before voting protects the cooperative far more than one who quietly agrees to something they do not understand. You will also need to broaden your perspective: as a member, it is natural to see things through your own household lens, but at the board table, you are responsible for how a decision affects the entire cooperative. A choice that helps you personally may not be the right choice for everyone else.

You Are Part of a Team

Board service is not something one director does alone. The membership elects the board; the board governs the cooperative; management carries out day-to-day operations; employees and contractors maintain the property; committees allow members to participate and contribute; and attorneys, accountants, engineers, and other specialists provide advice when the board lacks the expertise. Each part carries a different responsibility, but all of them serve the same organization. One of the first lessons a new director learns is that being elected does not make an individual the manager of the cooperative or give that person authority to act alone — the board makes its decisions collectively — a point Chapter 5 explores in greater depth.

Your First Few Meetings

Early meetings can feel confusing — unfamiliar abbreviations, a financial report you have never seen, a repair project that started before you joined. Do not sit quietly and pretend to follow along. If you do not recognize a term, ask what it means; if the board is discussing something from before your time, ask for background. You will often find that another director has had the same question but had not asked it yet.

> **EXAMPLE:** *A neighbor says a maintenance request has been unanswered for weeks. Don't say, "I'll get someone over there tomorrow." Instead: "I'm sorry this hasn't been handled — let me make sure management knows and find out where it stands." You've helped the member without promising something you don't have the authority to deliver.*

A New Role, and You Are Not the Board Alone

You are still a member and a neighbor, but the decisions you make as a director affect the entire cooperative team, including members you do not know well and people who will not move in until years after your term ends. Once you are elected, members may start bringing problems directly to you: a maintenance request, a parking dispute, a rule they dislike. It is natural to want to fix it yourself, but an individual director is not the board, and board authority comes only from the board acting together (Chapter 5). Being a director does not make you the property manager, the maintenance supervisor, or the attorney.

Board Education Does Not End With Orientation

Good directors keep learning throughout their service. Laws, financing, technology, and members' expectations all change, and even experienced directors should never assume there is nothing left to learn. Training, conferences, professional advice, and conversations with directors from other cooperatives all help board members make better decisions — not just more of them.

KEY POINTS

- No one starts board service knowing everything; your job is to participate, learn, ask questions, and use good judgment.
- At the board table, think about the effect of a decision on the whole cooperative, not just your own household.
- If you don't understand something, ask. Quietly agreeing is riskier for the cooperative than asking a question.
- Being a director doesn't make you the property manager — direct member problems to management, not to yourself.
- Board authority belongs to the board acting together at a meeting, never to one director acting alone.

For more details: New Board Member Manual, Introduction and Chapter 1, for a fuller discussion of the transition into board service.

PART I — SERVING ON A COOPERATIVE BOARD



Chapter 1: Understanding Housing Cooperatives

A housing cooperative can look like almost any kind of residential property — a townhouse development, a high-rise, a garden community. What makes it cooperative is not the buildings; it's how the property is owned and controlled. A corporation owns the property, and the people who live there are members or shareholders of that corporation, holding the right to occupy their homes through occupancy agreements or proprietary leases. That is different from renting, where an outside landlord controls the property, and different from a condominium, where an individual owns a specific unit outright. In a cooperative, members collectively control the organization and elect a board to govern it; management may run daily operations, but it works for the cooperative rather than replacing the members or the board.

A Short Cooperative History

Cooperative housing traces back to a group of workers in Rochdale, England, who opened a cooperative store in 1844, emphasizing member ownership, democratic control, fair participation, and cooperation among members. Those ideas spread to cooperative organizations of many kinds — agricultural, worker, electric, credit union, and housing cooperatives among them. Housing cooperatives developed in the United States in the late 1800s and early 1900s and expanded significantly after World War II, when federal and state programs helped create many cooperatives intended to provide stable, affordable housing for low- and moderate-income households. That history explains why cooperatives can differ so much from one another — some were privately financed with few outside restrictions; others were created under government programs and still operate under a regulatory agreement. You do not need to become a cooperative historian; Chapter 14 covers Cumberland Green's own history, including its start in 1972.

The Basic Cooperative Idea

Three ideas explain almost every cooperative: user-owner (the people who use the cooperative also own it), user-control (they elect the board and participate in governing it), and user-benefit (the cooperative exists to serve its members, not outside investors). These ideas are worth remembering because they help explain aspects of cooperative housing that might otherwise seem unusual. The manager operates the property but doesn't own the cooperative; the attorney advises the board but doesn't govern it; the accountant explains the financial statements but doesn't decide the cooperative's priorities — the cooperative remains a member-controlled organization even though it relies on professionals for expertise.

How Cooperative Ownership Differs from a Condominium

One of the easiest ways to misunderstand housing cooperatives is to assume they work like condominiums — they usually don't. In a condominium, an individual generally owns a particular unit outright, plus an interest in the common areas. In a cooperative, the corporation owns the property, and individual members own membership interests or shares, receiving the right to occupy a home through an occupancy agreement or proprietary lease. That's why the governing documents matter so much: they explain the rights and responsibilities of both the cooperative and its members. New directors don't need to memorize these documents but should know them well enough to recognize when an issue is governed by one of them (Chapter 4).

Different Types of Cooperatives

Cooperatives are often described in terms of how members build equity. A market-rate cooperative allows a member's interest to be sold at the price the real estate market sets. A limited-equity cooperative caps how much a departing member may receive, under a formula in the governing documents, to preserve affordability for the next member. A zero- or group-equity cooperative provides little or no appreciation. None of these structures is automatically better — they serve different purposes. Cumberland Green is a limited-equity cooperative; see Chapter 14.

Finance Can Make a Big Difference

Two cooperatives can look nearly identical and still operate under very different requirements, because one may have received government financing, rental assistance, or other support that comes with its own regulatory obligations. Cumberland Green itself was originally financed through the Illinois Housing Development Authority and later moved to conventional financing, which changed some of what applies to it today (Chapter 14). Be cautious when comparing Cumberland Green to another cooperative — a director may hear that a nearby cooperative handles something differently and ask, “Why can't we do that?” Sometimes the answer is different financing, sometimes a different regulatory program, and sometimes simply a different board preference; it's worth knowing which explanation applies before assuming Cumberland Green could or should follow suit.

Membership Means More Than Living There

Becoming a member combines several relationships at once: resident, shareholder, and party to the occupancy agreement. Members gain rights to participate and be treated fairly, and they take on responsibilities — paying carrying charges, following the rules, and caring for their home. The cooperative works best when members understand that ownership brings both: the cooperative maintains the property and manages its finances responsibly, and in return depends on members to pay on time, care for their homes, follow the rules, and support the community.

When a member leaves, a transfer process — notification, inspection, calculation of amounts owed, determination of the member's equity, and processing a new applicant — should follow the cooperative's documents and be handled consistently for everyone. In a market-rate cooperative, that amount may follow the market; in a limited-equity cooperative, like Cumberland Green, it follows a formula. A new director doesn't need to memorize every step of the process, only that it should be consistent; Chapter 14 covers Cumberland Green's specific process.

More Than a Place to Live

People choose cooperative housing for different reasons — affordability, housing stability, having a voice in how the community operates, or simply getting to know neighbors and serving on committees. A cooperative offers something that's hard to find in ordinary rental housing: a genuine stake in what happens, rather than simply renting space from someone else. Understanding how a cooperative is owned and organized is only the beginning, though — a housing cooperative has to succeed in two ways at once, as a responsible corporation and as a place where people live together as a community. Chapter 2 looks closely at that relationship.

KEY POINTS

- A cooperative corporation owns the property; members hold occupancy rights, not a deed (condo) and not a landlord-tenant lease (rental).
- Three defining ideas: user-owner, user-control, user-benefit.
- Cumberland Green is a limited-equity cooperative — resale value is capped to preserve affordability.
- Financing history can create real differences between cooperatives that otherwise look alike — don't assume another cooperative's rules apply here.
- Membership carries both rights and responsibilities, and the transfer process when a member leaves should be applied consistently.

> ***For more details:*** *New Board Member Manual, Chapter 2, for a full history of the cooperative movement and the different cooperative structures.*



Chapter 2: A Corporation and a Community

A housing cooperative is both a serious business organization and a community whose homes depend on that business being run responsibly. The board is not simply a group of neighbors discussing concerns — it is helping govern a corporation that may control property worth millions of dollars, manage substantial income and expenses, and make decisions that affect hundreds of people for years to come.

Cooperative Must Be a Sound Business

The cooperative must generate enough income to cover today's expenses while preparing for repairs and replacements that may not be needed for years. If it spends everything it collects and fails to prepare, the financial problem doesn't disappear — it is passed to future boards and members. Directors may want to avoid raising carrying charges because they know some members are struggling, and that concern is real. But keeping charges artificially low while the cooperative falls behind financially can create a much larger problem later. Being nonprofit doesn't mean operating without adequate income; it means the purpose isn't outside profit.

The Cooperative Is Also a Community

Members are not simply customers buying housing from someone else — they are part of the organization itself, connected to it financially and physically. A leaking roof over one unit may become the whole cooperative's repair bill; unpaid carrying charges reduce money available for everyone's needs; a major repair repeatedly postponed may eventually cost more and affect far more than the few members closest to it. Working as a community doesn't require everyone to be friends; it requires recognizing a shared interest in keeping the cooperative strong, communicating appropriately, respecting reasonable rules, and understanding that personal choices can affect neighbors as much as the organization itself.

Building a Cooperative Culture and Trust

A healthy community develops through how people are welcomed, informed, and involved — social activities, committees, and participation in membership meetings all help. Trust becomes most visible in a difficult year: a carrying-charge increase, a disruptive construction project, an unpopular rule. Members are more likely to cooperate when they believe the board has been honest and has explained its reasoning. That trust is built during ordinary years, not manufactured once a crisis begins.

Everyone Has a Part in Making the Cooperative Work

A common misunderstanding is that the board is responsible for everything. It isn't, and it can't be. Management handles daily operations; employees and contractors do the physical work; committees involve members; attorneys, accountants, and other specialists supply knowledge the board doesn't have on its own; and members themselves help by paying carrying charges on time, caring for their homes, following the rules, and treating neighbors with respect. When these groups work together, the cooperative is stronger. When they work against one another or withhold information, even a financially healthy cooperative can become difficult to govern.

Respecting the Past While Preparing for the Future

Every cooperative develops a history, and it's one of its most valuable resources — long-time members may remember why a policy was adopted or how a difficult period was handled, in ways that old minutes don't fully explain. That experience deserves respect, but respect for the past shouldn't prevent change when change is genuinely needed: buildings age, costs rise, and a policy that made sense twenty years ago may not fit today's conditions. A responsible cooperative learns from its history without being trapped by it. Chapters 14 and 15 examine Cumberland Green's history and current priorities.

KEY POINTS

- The cooperative must succeed as both a business and a community — neither responsibility can be ignored.
- Keeping carrying charges artificially low today can create a larger financial problem for tomorrow's board and members.
- Members are owners, not customers; decisions and costs are shared, not isolated to one unit.
- Trust is built during ordinary years through fair treatment and honest communication, not invented during a crisis.

> ***For more details:*** *New Board Member Manual, Chapter 3, for more on building cooperative culture and respecting institutional history*



Chapter 3: Members, Rules, Complaints, and Fair Treatment

Members are at the center of every housing cooperative — they help support it financially, elect the board, and live with its decisions. Trust can disappear quickly if members believe rules are applied differently depending on who is involved, or that complaints are ignored.

Rights, Responsibilities, and the Need for Rules

Membership includes both rights (to occupy the home, receive information, be treated fairly and consistently) and responsibilities (paying carrying charges, following rules, respecting common property). A good rule serves a legitimate cooperative purpose, is understandable and consistent with the governing documents, and is communicated to the membership — not invented mid-dispute. A useful test: would the board be comfortable applying this same rule to every member in a similar situation? Written policies give the cooperative continuity, so decisions don't have to be relitigated by every new board.

Complaints and the Board's Role

A complaint simply means someone believes something needs attention. An individual director rarely has all the facts, so the better response is to listen respectfully, avoid promising an outcome, and make sure the concern reaches the right process — usually management first. The board becomes involved when a matter requires board authority, involves an appeal, or raises a legal or policy question. Directors should recognize when a personal relationship with someone involved might affect their judgment and instead rely on the cooperative's documents and records.

> **EXAMPLE:** *A member stops you near the mailboxes to complain about a neighbor's noise. Don't investigate it yourself or promise a fix — listen, explain the cooperative's process, and ensure the concern reaches management or the board through the appropriate channel.*

Fair, Consistent Enforcement

Fair treatment does not mean every member gets the result they want — it means a consistent process: consider the relevant facts, follow the governing documents, and act for legitimate cooperative reasons rather than friendship or history. Enforcement should aim to correct the problem and restore compliance by following the documented process rather than deferring to whoever hears it first. Inconsistent enforcement — ignoring one member, punishing another for the same violation — creates mistrust and unnecessary legal risk.



Recognizing When Legal Rights May Be Involved

Not every neighbor disagreement belongs before the board. People who live close together will sometimes have personal disagreements that don't involve a cooperative rule or a legal obligation, and the board shouldn't serve as the referee in every argument. Members can often be encouraged to work things out directly, through management, or through mediation. At the same time, serious concerns shouldn't be dismissed simply by calling them a "neighbor dispute" — threats, harassment, discrimination, repeated violations, or safety concerns may require prompt attention. Some issues also carry real legal risk: fair housing, disability accommodation, or anything touching a member's right to occupy their home. These require an established process and often legal counsel, not an individual director's call.

Respect Holds the Community Together

Even when the cooperative is right to enforce a rule or deny a request, how the decision is communicated still matters. A member may be wrong about an issue and still deserves to be treated with dignity — professional behavior means listening, remaining calm, and keeping the discussion focused on the issue rather than the person. The goal is not to eliminate disagreement; it's to handle it fairly, consistently, and respectfully, without damaging the relationships people need to keep living and working together.

KEY POINTS

- Good rules serve a legitimate purpose, are consistent with the governing documents, and are applied the same way to everyone.
- Complaints usually go to management first; the board steps in for matters needing board authority, an appeal, or a policy question.
- Fair treatment means a consistent, documented process — not that everyone gets the outcome they want.
- Watch for legal risk: fair housing, disability, discrimination, and harassment issues need professional advice, not board guesswork.

> ***For more details:*** *New Board Member Manual, Chapter 4, for the complaint process and enforcement procedures in full.*

Chapter 4: How the Cooperative Is Governed

Ownership does not mean every member, director, officer, or manager has the same authority. Governance is the system that explains who has authority, where it comes from, and how the cooperative stays accountable to its members. Many governance problems begin when roles blur — a member trying to direct an employee personally, an officer assuming a title carries the board's full authority, or a committee making decisions that were never delegated to it.

The Members and the Board

Members are the foundation of the cooperative; through their shares or membership interests, they elect the board and retain certain powers reserved to the membership by the bylaws. The board governs between membership meetings, sets policy, approves major financial and business decisions, and oversees management — while remaining accountable to the members who elected it. The members own the cooperative; the board has been elected to govern it.

The Board Acts as a Board

Authority belongs to the board acting collectively through discussion and a vote at a properly called meeting — never to an individual director acting alone. Imagine the confusion if several directors could each independently instruct management: one starting a project, another postponing it. The board structure exists precisely to prevent that.

Where Authority Comes From

The board's authority is bounded by applicable law, the cooperative's governing documents, and any additional obligations, such as mortgages, regulatory agreements, and contracts. Because all of these requirements work together, the board should never assume it can do something simply because a majority of directors believe it's a good idea; a decision may require membership approval, may conflict with the bylaws, or may be restricted by another legal obligation. A responsible board asks two questions before acting: Is this a good decision for the cooperative? And do we actually have the authority to make it this way?



A Quick Guide to Governing Documents

A new director doesn't need to memorize these documents — just understand what each covers in general and know where to look.

- **Articles of Incorporation —**
  The legal document that created the cooperative corporation under state law.
- **Bylaws —**
  The cooperative's governance rulebook: membership meetings, elections, the board, officers, quorum, voting, and notices.
- **Occupancy Agreement —**
  Establishes the member's relationship to the cooperative and the specific home they occupy; sometimes referred to as a proprietary lease.
- **Policies and Rules —**
  Board-adopted details on recurring matters like parking, alterations, and collections. These cannot override the documents above them.
- **Other Agreements —**
  Mortgages, regulatory agreements, and other contracts can add further obligations affecting finances, reserves, or the board's authority.

One of the most useful habits a director can develop is to ask at a meeting, “What do our documents say?” before assuming the board's authority. Suppose someone proposes changing the number of directors, adopting a new parking rule, or making an exception regarding occupancy or equity — each of those questions sends the board to a different document, and good governance doesn't require directors to know every answer by heart. It requires them to know when to look before acting.

When the Documents Don't Give a Clear Answer

No set of governing documents can anticipate every situation. A provision may be unclear, or two documents may appear to conflict. When that happens, resist the temptation to simply create the answer the board prefers — start by reviewing the documents, policies, and past board decisions, and if the issue involves significant member rights, contracts, or other serious legal consequences, get advice from the cooperative's attorney. The professional doesn't replace the board's decision; their role is to help directors understand the cooperative's authority, responsibilities, and risk.

Officers, Committees, and Management

A title doesn't automatically create independent authority. The president, vice president, secretary, and treasurer perform responsibilities set by the bylaws or the board — a title like president doesn't make someone the owner of the cooperative or give that person the authority of the whole board. Committees generally advise and recommend rather than decide, unless the board specifically delegates decision-making authority (Chapter 12). Management runs daily operations within the authority delegated by the board (Chapter 5). The cooperative doesn't work because one person controls everything — it works because these parts support one another rather than compete for control.

Governance Works When the Parts Work Together

Members own the cooperative and elect the board. The board governs and remains accountable to the membership. Officers perform specific leadership responsibilities. Committees provide assistance and opportunities for member participation. Management handles daily operations within its delegated authority. Attorneys, accountants, engineers, and other specialists provide expertise when the board needs it. These parts should support one another rather than compete for control — when everyone understands their role, decisions get made more efficiently and with clearer accountability; when roles blur, problems tend to follow. A new director doesn't need to memorize this entire structure right away. What matters is developing a few lasting habits: know where the governing documents are kept, check them before assuming, understand whether a decision belongs to the membership or the board, and seek professional advice when the answer is uncertain.

KEY POINTS

- Members own the cooperative and elect the board; the board governs and remains accountable to the membership.
- The board acts as a board — authority belongs to the group acting together, never to one director alone.
- Before acting, ask: is this a good decision, and does the board actually have the authority to make it this way?
- Know what each governing document covers and ask “What do our documents say?” before assuming an answer.
- Officers, committees, and management support the board — none of them replaces it.

> ***For more detail:*** *New Board Member Manual, Chapter 5, for a complete explanation of each governing document and how conflicts between them are resolved*



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Chapter 5: Board Authority and the Role of Management

The basic principle is that the board governs and management manages. In a well-run cooperative, the two work closely together, but they approach the organization from different directions — the board looks at the whole and is responsible for policy and long-term protection; management carries out that direction day-to-day. This distinction matters especially in a housing cooperative, because directors are also members of the community and may be tempted to personally step in and solve a problem they notice.

The Board Acts Together

Once the board has set a policy or authorized expenditure, management carries that decision into daily operations. If individual directors give management conflicting instructions between meetings, employees don't know which director to listen to, and no one can be held accountable. Directors should report problems and ask questions but avoid personally directing staff or contractors unless the board has specifically delegated that authority.

The Board's Role and Management's Role

The board sets policy, approves the budget, reviews major contracts, and monitors the property's condition and future needs — relying on management, the accountant, and other professionals to do the detailed work and bring back information the board can act on. Management handles daily operations: collections, maintenance, staffing, vendor relationships, records, and communication with members, and should flag developing problems to the board early rather than waiting until they're urgent.

Governing Without Micromanaging

Micromanagement usually starts because directors care and want things done right — but a board that gets too involved in daily operating details spends more time managing the property than governing the corporation, and management stops being able to make decisions or be held accountable for results. For example, the board may properly decide that the landscaping needs improvement, approve a budget for it, and expect management to report on the work — but directors shouldn't be assigning individual maintenance employees to specific jobs. The distinction is that oversight asks whether the cooperative is getting the results it needs; micromanagement tries to personally control the daily steps management takes to get there.

Communication and Accountability

Many disagreements begin not because either side acted improperly, but because expectations were never made clear — management may believe it has authority to handle something the board expects to approve, or an individual director may give informal instructions that the rest of the board never hears about. The board should make its decisions and expectations explicit; management should provide accurate, timely information — including bad news — before problems become emergencies, and the board needs to create an environment where management can deliver that bad news without fear of being automatically blamed. Accountability runs both ways: management can't be held responsible for results if directors keep changing instructions, and the board can't govern effectively if management withholds information.

Working Together for the Cooperative

The board and management have different responsibilities, but the same purpose: maintaining the property, protecting the cooperative's finances, providing dependable services, and treating members fairly. The relationship works best as a professional partnership built on clear responsibilities, communication, and mutual respect — not one side trying to control the other. When it's working well, the board can concentrate on governing and planning for the future, while management concentrates on running the property effectively day-to-day.

KEY POINTS

- The board governs; management manages daily operations within the authority the board delegates.
- Report problems you notice, but don't personally direct staff or contractors — conflicting instructions create confusion.
- Avoid micromanaging: decide the destination and monitor results; let management handle the route.
- Give management room to do its job, and expect honest, timely information — including bad news — in return.

> ***For more detail:*** *New Board Member Manual, Chapter 6, and High-Performing Boards for the board–management relationship in greater depth.*



Chapter 6: Fiduciary, Legal, and Ethical Responsibilities

Serving on the board means being trusted with the cooperative's property, money, and decisions that affect people's homes. The legal term for this is fiduciary duty — being placed in a position of trust and expected to act responsibly on behalf of others. You don't need to be an attorney or an accountant to fulfill it; you're expected to pay attention, become reasonably informed, ask questions, disclose conflicts, follow the cooperative's governing documents, and take the responsibility seriously. Most serious board problems don't begin with intentional harm — they begin with small failures of judgment repeated across many decisions: voting without reading the material, staying silent when confused, letting a friendship influence a vote.

Duty of Care

Pay attention and make a reasonable effort to understand an issue before voting on it. You don't have to become an expert in roofing or accounting — the board can rely on qualified professionals — but you should understand the basic reason a project is recommended, the alternatives, the cost, and what happens if it's delayed. If something doesn't make sense, ask; several other directors likely have the same question.

Duty of Loyalty

Put the cooperative's interests ahead of personal ones. Because directors live in the same community they govern, board decisions may affect friends, relatives, or neighbors. Having a personal connection isn't automatically wrong — what matters is disclosing it before the board proceeds, so the cooperative can decide how to handle it under its conflict-of-interest policy. Problems arise when a relationship is hidden or used for personal advantage; the safest approach is always openness.

> **EXAMPLE: The** *board is comparing bids for a landscaping contract, and one bidder is a director's cousin. That connection alone isn't wrongdoing — but the director should disclose it before discussion begins and may need to step back from that part of the vote.*

Duty of Obedience

Operate within the cooperative's governing structure. The board cannot ignore the bylaws because following them is inconvenient or disregard a legal requirement because a shortcut seems easier. Documents can be properly amended, but until they are, the board is expected to operate under what's currently in effect. Good intentions do not create authority the board doesn't have.

Ethical Judgment and Knowing When to Get Help

Legal duties are a foundation, but responsible board service also means asking whether a decision is fair, responsible, and consistent with the cooperative's values. Directors will face imperfect alternatives with incomplete information — what matters is a thoughtful process and good-faith judgment, not a guaranteed correct outcome. Recognize when a matter has moved beyond ordinary board judgment: legal questions go to the attorney, financial questions to the accountant, building questions to an engineer. Using professional advice doesn't weaken the board's authority — it gives directors better information to exercise it. This is especially true when directors feel pressured to act quickly: urgency shouldn't become an excuse for an uninformed decision when more information could reasonably be obtained.

Being Able to Explain the Decision

One useful measure of responsible board service is whether directors could reasonably explain what they did and why. This doesn't mean every member will agree — a carrying-charge increase may be necessary and still unpopular. What the board should be able to show is that it considered the available information, followed the proper process, sought professional advice when appropriate, and acted for a legitimate cooperative purpose. Good minutes support that responsibility: they don't need to be a word-for-word transcript, but they should leave a sufficient record that a future board can understand what happened without having to reconstruct it from memory years later.

KEY POINTS

- Duty of care: prepare, read, ask questions, and understand an issue well enough to vote responsibly.
- Duty of loyalty: disclose personal, family, or financial connections to a matter before the board proceeds.
- Duty of obedience: follow the governing documents and applicable law, even when inconvenient.
- A good test before voting: could you explain this decision, and how you reached it, to the membership later?
- Know when to bring in the attorney, accountant, or another qualified professional — it strengthens the board's authority rather than weakening it.

> ***For more detail:*** *New Board Member Manual, Chapter 7, for a full discussion of fiduciary duty, conflicts of interest, and board record-keeping*
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FINAL THOUGHT

Good governance is about people working together to make informed decisions that benefit the organization and those it serves. Procedures are the tools— your mission is the reason.

Use these tools. Serve your community. Make a difference.

Chapter 7: Board Conduct, Confidentiality, and Communication

How directors treat one another and communicate with members directly affects the membership's confidence in its leadership. Disagreement among directors is inevitable and even useful — the goal isn't unanimous agreement, but an environment where people can disagree respectfully, ask hard questions, and then make a decision through the board's established process. Once the board decides, a director may still personally disagree but shouldn't undermine the decision by issuing conflicting instructions or telling members that it can simply be ignored.

Openness, Transparency, and Confidentiality

The board should conduct its business as openly as reasonably possible — members are owners, not outsiders, and are more likely to accept a difficult decision when the board explains its reasoning. At the same time, some information genuinely needs protection: personnel matters, legal advice, litigation strategy, or private member information. Confidentiality should serve a real purpose, not become a convenient excuse to avoid reasonable questions. When in doubt, ask before sharing — confidential information can leak just as easily through a parking-lot conversation or a text message as through a formal announcement, and the responsibility continues even after a director's term ends.

Speaking as a Director

Directors retain the right to personal opinions but should be careful to distinguish personal views from official board decisions — with members, management, contractors, and vendors alike. A director may personally believe a rule should change, but shouldn't tell a member, “The board is going to do this,” unless the board has actually decided that.

Email, Texting, and Social Media

Electronic communication makes it easy to stay in touch between meetings, but it can also allow board discussions to drift outside the normal decision-making process. Routine logistics — distributing a report, confirming schedules are fine by email. Problems arise when a long thread turns into a debate over a board issue, and directors try to reach agreement outside a meeting. When the conversation involves real disagreement or an effort to build support for a decision, it belongs on the agenda, where every director has the same information at the same time. Directors should also remember that emails and texts may become part of the cooperative's records, and that a comment on social media about a pending issue can create the impression the board has already decided something.

Handling Disagreement Among Directors

Focus criticism on the issue, not the person — "I don't believe the financial information supports this" lands very differently than a personal attack, and personal attacks rarely improve the decision. Avoid private campaigning against another director outside the meeting, which can split the board into factions. If a disagreement can't be resolved through direct conversation, the president or meeting chair may need to help facilitate it; in more serious cases, the full board may need to address how the conflict is affecting its ability to govern. The goal isn't to make everyone like one another — it's to keep personal conflict from preventing the board from doing its job.

A Code of Conduct

A written board code of conduct can set expectations before problems arise — covering respectful participation, confidentiality, conflicts of interest, communication with staff, and the distinction between personal opinions and official board positions. Its value is that the board agrees on expectations before a serious disagreement occurs, so directors don't have to invent standards of behavior in the middle of a conflict. For a code to have credibility, though, it has to apply to everyone equally — not just to directors who disagree with the majority or happen to be unpopular.

Communication With Members

Members trust the board more when they hear from it regularly, not only when there's a problem or an increase in announcements. Records requests should follow an established process rather than an individual director's personal judgment about what to share.

KEY POINTS

- Be open by default about major decisions; protect what genuinely needs protecting — personnel, legal advice, private member information.
- Distinguish a personal opinion from an official board position, especially in email, texting, and on social media.
- Disagree with the issue, not the person, and don't undermine a board decision once it's made — even if you oppose it.
- A written code of conduct, applied equally to everyone, sets expectations before conflict happens.

> ***For more details:*** *New Board Member Manual, Chapter 8, and High-Performing Boards for board dynamics and conflict resolution.*



Chapter 8: Officers, Elections, Records, and Transition

Officers, elections, and records may seem administrative next to budgets and major repairs, but they keep the cooperative stable across changes in leadership. A board can make good decisions and still create problems for the next board if no one can determine what was decided or who is responsible for carrying it forward. For a new director, the goal isn't to memorize every officer's duty or every election procedure — those details come from the bylaws and established practice. What matters at the orientation stage is understanding how officers support the board, why elections must be handled fairly, why records matter, and how leadership should pass from one group of directors to the next without losing important information.

Officers

Most boards elect a president, vice president, secretary, and treasurer. These titles organize the board's work but don't grant unlimited authority — matters that belong to the full board still require its decision. The president typically organizes and conducts meetings, keeps discussion moving, and serves as a communication link with management; the vice president is prepared to step in when the president is unavailable, which also builds leadership continuity; the secretary preserves the official record, including meeting notices, minutes, and corporate documents; the treasurer helps the board oversee financial information and communicate with the accountant or auditor. None of these officers needs to personally perform every task — management or outside professionals often assist — but the board should be confident the work is being done, and officer duties shouldn't disappear simply because everyone assumed someone else was handling them.

Elections

Elections are one of the most important ways members exercise ownership. Procedures for nominations, notice, voting, quorum, and vote counting should follow the bylaws, be understood before voting begins, and be applied consistently — not changed midway to benefit a particular candidate or group. A healthy cooperative also looks beyond the next election: if the same small group serves year after year because no one else understands the board or feels encouraged to get involved, the cooperative may eventually face a leadership problem. Committee service, member meetings, and ordinary community participation all help members learn about the cooperative before deciding whether board service is right for them — leadership development begins well before a vacancy occurs.

Good Records Preserve the Cooperative's Memory

Board members come and go, but the corporation continues, which makes records one of the cooperative's most important forms of institutional memory. Minutes, policies, contracts, financial reports, governing documents, and professional reports belong to the organization, not to any one director's inbox or file cabinet. Minutes document the board's official actions — accurate enough to show what business was considered and decided, without needing to be a word-for-word transcript. A future board shouldn't have to rely entirely on someone's recollection when the cooperative has records that can explain a decision, and a well-organized policy manual keeps current rules together by subject rather than scattered across years of old minutes.

Leadership Transition Should Be Planned

Leadership transition should be planned, not left to whoever happens to still be around when someone leaves. Outgoing officers should hand off records, passwords, current contacts, and a short summary of unfinished projects and pending decisions — not another large manual, just a few pages identifying what a new board needs to know. Cumberland Green's staggered three-year terms (Chapter 14) help preserve continuity because the entire board doesn't change at once, but that continuity doesn't mean new directors must simply accept everything earlier boards did. Knowing why something was done isn't the same as being told it can never change.

KEY POINTS

- Officer titles organize the board's work; they don't grant authority beyond what the bylaws or the board delegate.
- Elections should be fair, understood in advance, and applied consistently.
- Records belong to the cooperative, not to any individual — keep them organized and accessible.
- Plan leadership transitions deliberately: hand off unfinished projects, key contacts, and pending decisions, not just the bylaws.

> ***For more details:*** *New Board Member Manual, Chapter 9, for officer duties and a full records-retention framework*
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Chapter 9: Board Meetings and Decision-Making

The board normally makes its official decisions through the meeting process — so understanding how a meeting works is one of the most practical parts of orientation. A good meeting is an organized process that enables directors to receive information, ask questions, make decisions, and create a clear record — not just a group of people talking through problems. When meetings are well prepared and well run, the board can spend its time on issues that truly need its attention; when they're poorly organized, directors may spend hours on minor matters or repeat the same conversations meeting after meeting. The goal isn't to make meetings overly formal — it's to create enough structure that everyone knows what's being discussed and management knows what's expected once the meeting ends.

Preparing: The Agenda and the Board Packet

A clear agenda, placed in a logical order, prevents the meeting from becoming a collection of unrelated conversations, and lets directors know in advance what decisions may be expected of them. The board packet should give directors what they need to understand each item and prepare questions — typically the agenda, prior minutes, an action-item report, a management report, financial reports, property and capital-project updates, committee reports, and materials for anything requiring approval. If bids are being compared, the proposals should be included; if a policy is being amended, the proposed language should be there. More information isn't always better information; the packet should explain what the numbers mean and what decision is being requested and should arrive early enough for directors to actually read it before the meeting begins.

Quorum, Motions, and Voting

Decisions must follow the process required by the bylaws and applicable law, including proper notice and a quorum — the minimum number of directors who must be present before the board can conduct official business. If quorum isn't met, directors who attend may talk informally but generally shouldn't act as though the board has authority to take official action. Most boards use some version of parliamentary procedure: a director proposes action through a motion, another seconds it, the chair allows discussion, and the board votes, with the result recorded in the minutes. A vague motion (“do something about the parking lot”) gives management little to act on — a clear motion identifies the action, any spending authority, and what is expected next.

Staying Focused and Handling Confidential Matters

It's easy for a meeting to be consumed by individual maintenance complaints or minor operating details that management can handle without board action. The chair helps keep the meeting on track, but every director shares that responsibility — some boards use a consent agenda to bundle several routine, noncontroversial items, saving time for the matters that actually need discussion. Closed or executive session is appropriate for legitimate confidential matters — legal advice, personnel, contract negotiations — not a way to avoid difficult questions, and directors need to respect that confidentiality once the meeting ends. Whether the board meets in person, remotely, or in a hybrid format, the same basic responsibilities apply: knowing who's present, whether a quorum exists, and how confidential matters will be protected when a director joins from home.

When the Board Needs More Time

Not every matter should be decided the first time it appears on an agenda. If the board discovers during discussion that important information is missing, it may postpone the matter — but should be explicit about what's needed and when it returns to the agenda, rather than letting “we'll talk about this again sometime” allow it to quietly disappear. There's nothing wrong with revisiting a decision as new information becomes available, but that should happen through the board's proper process, not through informal hallway conversations that quietly undo what was already decided.

Making the Meeting Work

A productive meeting leaves everyone with a clear understanding of what happened: the board knows what it decided, management knows what it's been asked to carry out, and unfinished matters have a clear next step. When meetings repeatedly end in uncertainty about who's supposed to do what, the same issues tend to resurface month after month. Good meetings also require listening — board service isn't measured by how often someone speaks, but by whether the board asks the right questions and reaches a decision it can defend. Board meetings are where individual directors become a governing body; the quality of those meetings affects nearly every other responsibility in this manual.

KEY POINTS

- A clear agenda and complete board packet let directors prepare instead of reacting cold.
- Before voting on a major item: What's the issue? What are the alternatives? What will it cost, and how is it funded? What does management recommend?
- Know Cumberland Green's quorum and notice requirements, and record decisions through clear, specific motions.
- Executive session is for legitimate confidential matters — not a way to dodge hard questions.
- It's fine to postpone a decision for more information — just be explicit about what's needed and when it returns to the agenda.

> ***For more details:*** *New Board Member Manual, Chapter 10, for full board-packet contents and basic parliamentary procedure.*

Chapter 10: Financial Orientation and Internal Controls

Every director needs a basic understanding of the cooperative's finances — not to become an accountant, but to recognize whether the cooperative looks financially healthy and to know when to ask a question. Almost every major board decision eventually touches the cooperative's money, which comes primarily from members through their carrying charges. Financial problems tend to develop gradually — expenses running over budget, collections slipping, reserves quietly used for operating costs — so a financially responsible board watches for the early warning signs rather than waiting for an obvious crisis.

The Annual Budget

The budget estimates income and expenses for the coming year, including reserve contributions, and should reflect real current costs rather than simply repeating last year's numbers because they're easier for members to accept. A director doesn't need to memorize every line — the first step is understanding the overall picture: where income comes from, the largest expenses, and whether the budget appears sufficient to meet the cooperative's obligations. Directors naturally worry that an increase will be difficult for members already stretched thin, and that concern is real — but keeping charges artificially low while falling behind financially isn't protecting members either.

Reading the Financial Reports

Once the budget is approved, regular financial reports let the board compare actual results against it. Three reports commonly tell that story: a balance sheet (what the cooperative owns and owes at a point in time), an income statement (income and expenses over a period), and a cash or reserve report (how much cash is available and how reserves are changing). New directors may find these confusing at first — that's normal. The goal isn't to master every accounting term immediately, but to gradually learn to ask whether income is coming in as expected, whether expenses are tracking the budget, and whether reserve balances are moving in the right direction. Look for patterns over time rather than judging a single month in isolation — one high utility bill may have a simple explanation, but six months of bills running over budget deserve a question.

Reserves, Delinquencies, and Debt

Reserve funds are set aside for major future repairs and shouldn't be treated as a backup source for ordinary operating shortfalls — using them that way solves today's budget problem while leaving the cooperative unprepared when the roof or boiler actually needs replacing. Delinquent carrying charges affect everyone because the cooperative must still pay its own bills. Collections should follow a written, consistently applied process rather than informal exceptions, since letting one member slide because they're a director's friend creates both a fairness problem and a financial one. Understand the basics of any cooperative debt — what it costs, what it restricts, and how new borrowing would affect future members — without needing to become an expert in loan documents.

Internal Controls and Independent Review

Internal controls — dividing financial duties so no single person controls a transaction start to finish, reviewing bank statements, keeping clear authorization records — protect honest people as much as they guard against misuse; they aren't an accusation that someone is dishonest. Whenever officers, employees, or management responsibilities change, bank authority and other financial access should be updated promptly. An independent accountant's audit, review, or compilation adds a level of professional scrutiny beyond what management alone provides; directors should know who performs that work each year and whether any findings about internal controls or reporting require follow-up rather than simply being filed away. Taxes are another area where cooperative housing can differ from other corporations and get technical quickly — the board doesn't need to understand the tax code but should make sure returns are filed, and qualified tax professionals are used. If a number doesn't make sense, ask — approving what you don't understand because everyone else seems comfortable is one of the worst habits a new director can develop.

Financial Responsibility Belongs to the Whole Board

The treasurer may take a special interest in financial reporting, and management and the accountant may perform much of the detailed work, but responsibility for the cooperative's finances belongs to the entire board — other directors shouldn't assume it's “the treasurer's job” and stop paying attention. Every director should gradually build enough financial understanding to participate in discussions about the budget, reserves, major expenses, debt, and the cooperative's overall direction, because financial decisions made today can affect members for many years. A board that underfunds reserves, ignores growing delinquencies, or takes on debt without understanding the consequences may leave future boards and members with problems they didn't create.

KEY POINTS

- The budget should reflect real costs; regular financial reports let the board compare actual results to that budget over time.
- Reserves fund major future repairs — don't use them to cover routine operating shortfalls.
- Delinquencies affect the whole cooperative; collections should follow a consistent, written process.
- Internal controls and an independent accountant's review protect both the cooperative and the people handling its money.
- If a number doesn't make sense, ask — don't approve what you don't understand.

> ***For more details:*** *New Board Member Manual, Chapter 11, for how to read each financial statement line by line.*

Chapter 11: Property, Reserves, Insurance, and Risk

The property is usually the cooperative's largest asset and one of its longest-running responsibilities. The board must plan not just for what the buildings need today, but for repairs and replacements that may not be needed for many years — roofs, boilers, parking lots, and mechanical systems all eventually wear out, and the cooperative needs to be financially prepared when that time comes.

Operating Money vs. Reserve Money, and Long-Range Planning

Operating money covers the cooperative's regular expenses; reserve money is set aside for major, less-frequent repairs and replacements — the two serve different purposes and shouldn't be blended. A reserve study identifies the condition and expected life of major components, estimates future costs, and turns a vague worry ("the roofs are getting older") into an organized plan the board can fund and track over time (Chapter 15). Long-range planning reduces — though it can't eliminate — the risk of a sudden special assessment or emergency borrowing for a cost that was actually predictable.

Why Long-Range Planning Matters

Major property expenses are often described as unexpected, even though many of them were predictable — the exact month a boiler fails may be unknown, but no boiler lasts forever. When major projects are identified early, the cooperative has more time to build reserves, obtain professional evaluations, compare alternatives, and communicate with members before the work becomes urgent. Without that preparation, a board may instead face emergency borrowing, a special assessment, or delayed maintenance. Good planning can't guarantee an emergency will never happen, but it reduces the odds that members are suddenly asked to fund a large, predictable expense all at once — and it keeps today's board from quietly passing a known cost on to whichever future board and members happen to be there when the problem finally can't be postponed.

Major Projects

Before approving a major repair or replacement, the board should understand the problem being addressed, the alternatives considered, and how the cooperative plans to pay for it. Price matters, but the lowest bid isn't automatically the best value if the contractor lacks experience, references, or adequate insurance. Once a project begins, the board should stay informed about the schedule and costs without becoming the project superintendent — this follows the same principle as Chapter 5: the board approves, monitors, and asks questions; management or a retained professional handles routine coordination.



Insurance Protects the Cooperative

Insurance transfers risk the cooperative couldn't otherwise absorb — a serious fire, storm, injury, or lawsuit — to an insurance company in exchange for the premiums paid. A cooperative may carry several types of coverage depending on its property and risks, including building and property coverage, general liability, directors and officers coverage, and crime or fidelity coverage. Coverage purchased years ago may no longer be adequate as property values, construction costs, and risks change, so it should be reviewed periodically with a qualified insurance professional who understands housing cooperatives.

Insurance Is Not a Substitute for Risk Management

Insurance helps after a loss occurs; preventing the loss in the first place is usually better and cheaper. Regular maintenance, safe property conditions, qualified contractors, and prompt attention to developing problems all reduce risk before it becomes a claim. A neglected condition can turn into a major repair, a major repair can become a financial problem, and a safety problem can become an insurance claim or a legal issue — property maintenance, reserve planning, insurance, and risk management are really parts of the same responsibility, not separate subjects. Ignoring a known problem doesn't make the risk disappear; delay often makes it more expensive.

Protecting Property Is a Long-Term Responsibility

Directors may serve only a few years while many property decisions extend far beyond their terms. A director may vote to increase reserve contributions for a roof that won't be replaced until long after they've left the board. That's why continuity and good records matter: future boards should be able to see which property concerns have been identified, which studies have been completed, which projects are planned, and how those needs are expected to be funded. Allowing buildings to deteriorate to avoid a difficult financial decision may provide temporary relief, but the cost is ultimately borne by the membership through larger repairs, emergency borrowing, or a decline in property condition. Responsible property oversight takes the longer view.

KEY POINTS

- Keep operating money and reserve money separate. Reserves fund major future repairs, not routine expenses.
- A reserve study turns predictable future costs into an organized, funded plan rather than a surprise.
- For major projects: understand the problem, the alternatives, and the funding source before approving; the lowest bid isn't automatically the best value.
- Review insurance coverage periodically with a qualified professional, but remember prevention through maintenance usually beats a claim.
- Property decisions often outlive the directors who make them — good records let future boards understand what was decided, and why.

> ***For more details:*** *New Board Member Manual, Chapter 12, for reserve-study methodology and capital planning. See the Emergency and Disaster Preparedness Manual for emergency response procedures.*

Chapter 12: Committees and Member Involvement

Committees let a cooperative involve members in its work without asking the board to handle everything itself, and they help build the community described in Chapter 2 — a member who serves on a committee learns how the cooperative operates and often takes the first step toward eventually running for the board. The board should encourage that involvement while remembering that creating a committee does not transfer the board's responsibility for the final decision.

How Committees Fit In

Most committees are advisory — they research, gather information, and bring recommendations back to the board. Committee members can become very invested in a subject and feel they own the decision — a landscaping committee that spends months comparing contractors may strongly favor one, and its work can be extremely valuable, but unless authority has specifically been delegated, the final decision remains with the board. If the board reaches a different conclusion, it should explain why respectfully; volunteers stay engaged when they know their work was genuinely considered, even if not every recommendation was accepted. A short written charter — purpose, scope, whether it can act without further board approval, how often it reports — prevents misunderstandings, and a board liaison keeps communication flowing in both directions without taking over the committee's work.

Choosing Useful Committees

Fewer genuinely active committees usually serve the cooperative better than a long list that exists only on paper. Not every need requires a standing committee — an ad hoc task force can be created for a defined project and dissolved once the work is finished. The board should periodically ask whether each committee still has meaningful work, and end or redefine ones that don't.

Member Participation Builds a Stronger Cooperative

Not every member has the time or interest to serve on the board, but many are willing to help with a more focused responsibility — someone with financial experience on a finance committee, someone who enjoys organizing on an activities committee. This kind of participation helps members see themselves as part of the organization rather than residents waiting for someone else to solve every problem, and committee service builds many of the same skills — running a meeting, organizing volunteers, reporting results — that effective board service requires.

Supporting Volunteers

Volunteer effort shouldn't be taken for granted — respond to committee recommendations and acknowledge the time people contribute, even when the board ultimately decides differently, and avoid relying on the same few people year after year, which can lead to frustration and burnout. Committee records belong with the cooperative's other records, not in a volunteer's personal files, so a change in chair doesn't mean starting from scratch.

The Board Remains Responsible

Member participation is one of the strengths of cooperative housing, but participation doesn't eliminate the need for clear authority. Members can contribute ideas, committees can perform valuable research, and volunteers can carry out important work, but the board remains responsible for governing the cooperative. That means the board shouldn't create a committee simply to avoid a difficult decision and shouldn't let a committee become a second board operating independently — the committee's work should support the board's responsibilities, not compete with them.

KEY POINTS

- Most committees are advisory; unless the board delegates authority, the board still makes the final decision.
- Give every committee a clear, written purpose and limits, especially around money or policy.
- Fewer, genuinely active committees beat many that exist only on paper.
- Acknowledge volunteers' work and keep committee records with the cooperative's other records.

> ***For more details:*** *New Board Member Manual, Chapter 13, for sample committee charters and liaison responsibilities.*

Responsibility	Committee Chair	Committee Member
Before the Meeting	The chair sets the time and prepares an agenda, envisioning what must be accomplished at the meeting.	Members need to make time for the meeting and prepare by reading or completing reports.
At the Meeting	The chair ensures a quorum is present and follows the set agenda, monitoring the time.	Members are engaged in discussions, asking questions and potentially making motions.
After the Meeting	The chair ensures that a report is submitted to the board in a timely manner describing how the committee is advancing the mission and assignments.	Members may have accountability following the meeting for the tasks for which they volunteered.

Chapter 13: Working With Professionals, Contracts, and Purchases

A housing cooperative depends on many kinds of specialized knowledge — legal, financial, insurance, engineering — that volunteer directors aren't expected to have themselves. The board's job isn't to replace professionals; it's to recognize when specialized knowledge is needed, select qualified people, give them a clear assignment, and use their advice when deciding.

Building and Using a Professional Team

An attorney helps the board understand legal rights and risks and review contracts and governing documents; an accountant or auditor explains the cooperative's financial condition and provides an independent perspective; an insurance professional evaluates coverage needs; an engineer or reserve specialist supports major repairs and capital planning; management coordinates daily operations and often links the board to the other professionals. Give any professional a clear assignment and route communication through one designated contact — several directors independently calling the attorney with different questions produces conflicting advice and unnecessary bills.

Contracts and Major Purchases

Larger purchases deserve more structure than routine spending: identify what's being purchased, compare options, approve the expense, document the decision, and track the resulting agreement. A written Request for Proposals helps the board compare bids on the same scope of work — the lowest price isn't automatically the best value once experience, references, and insurance are weighed, and comparing proposals only works if they're pricing the same scope of work. Many cooperatives adopt a written purchasing policy that sets out when management may routinely buy and when the board expects competitive bids — the exact dollar thresholds should fit Cumberland Green's size and budget, but the principle of consistency matters more than the specific number.

Reading a Contract Before Approval

Directors don't need a law degree to review a contract but should understand the basic terms before approving one: what work or services are being provided, how much they cost, when payments are due, how long the agreement lasts, what insurance the vendor must carry, and what happens if either side wants to end it. Involve the attorney before signing anything with major money, unusual risk, or complicated terms attached — the better time to ask a legal question is before the cooperative is bound by the agreement, not after.

Vendor Relationships and Ongoing Tracking

Disclose any personal, family, or financial connection to a vendor under consideration, and step back from that decision if appropriate — not because of assumed wrongdoing, but to protect the integrity of the process; the same caution applies to gifts, meals, or other benefits vendors offer directors. Long-standing vendor relationships have real value — a contractor who knows the property well can work more efficiently — but shouldn't prevent the board from periodically reviewing performance and pricing. Track renewal and cancellation dates on the board calendar so nothing auto-renews by surprise. If a vendor underperforms, document the issue and review the contract before taking informal action, such as simply stopping payment.

Professional Fees and Small Purchases

Boards naturally want to control costs, but professional advice shouldn't be treated only as an expense — a reasonable fee to review a major contract or confirm an accounting question may prevent a much larger problem later. The real question isn't just what the advice costs, but what it could cost the cooperative to decide without it. Not every purchase needs formal bidding or board review; routine purchases can be handled by management within its budget authority, but the cooperative should still be able to say what was purchased, why, and who approved it. The goal isn't bureaucracy — it's being able to answer a director's, auditor's, or future manager's question later.

Professionals Support the Board, but the Board Still Governs

The attorney advises on legal questions, the accountant provides financial expertise, the insurance professional helps evaluate risk, engineers and architects provide technical guidance, and management handles daily operations — but the Board of Directors remains responsible for governance. That means directors need to understand the issue, review the information, ask questions, consider professional recommendations, and make the decision that belongs to the board. The strongest boards aren't the ones that try to know everything themselves; they're the ones that recognize what they don't know, obtain reliable help, and use it wisely.

KEY POINTS

- Give any professional a clear assignment and route communication through one designated contact.
- Use a written Request for Proposals for major purchases so bids can be fairly compared.
- Read a contract before approving it and involve the attorney for anything with major money or risk attached.
- Disclose vendor conflicts of interest, and track contract renewal dates so nothing auto-renews unnoticed.

> ***For more details:*** *New Board Member Manual, Chapter 14, for RFP templates, bidding thresholds, and a contract-review checklist.*

PART II — CUMBERLAND GREEN: OUR COOPERATIVE



Chapter 14: Our Cooperative's Story, Property, and Governance

The earlier chapters explain how housing cooperatives work in general. This chapter brings those ideas home to Cumberland Green — the cooperative you have been elected to serve.

Property and Our History

Cumberland Green is a 204-unit townhouse cooperative on approximately 33 acres at 1798 Cumberland Green Drive in St. Charles, Illinois. It includes six townhouse styles, from one-bedroom, single-story homes to larger two-story, four-bedroom homes, along with a clubhouse and maintenance building, two parks, an RV storage area, patios, parking areas, and extensive common grounds. Cumberland Green is a not-for-profit cooperative corporation — it is not a charitable 501(c)(3) organization. Its purpose is to provide housing on a cooperative basis for its members.

Cumberland Green was established in 1972 to provide cooperative housing for low- and moderate-income people. Over the decades, the property has gone through major improvements: sewer lines were replaced, exterior siding and windows were upgraded in phases, and later refinancing helped rebuild the clubhouse and maintenance areas, pay off prior secondary mortgages, replace roofs, improve parking-lot lighting and cameras, install furnaces and appliances, redo parking areas, and replace patios. These projects illustrate that Cumberland Green has always required long-range planning and periodic major investment.

For many years, Cumberland Green was financed through the Illinois Housing Development Authority, supporting its original affordability mission. That mortgage was paid off approximately twelve years ago, moving the cooperative to conventional financing — a change that, combined with rising operating, insurance, construction, and property costs, has made affordability harder to maintain. Cumberland Green continues to look for government, lending, grant, or other programs that could help reduce costs while protecting the cooperative's financial stability. Affordability remains part of Cumberland Green's identity, even though today's financing environment differs from the one that existed at its founding.

How Cumberland Green Is Governed

Cumberland Green is governed by a five-member Board of Directors — a president, two vice presidents, a secretary, and a treasurer — serving three-year staggered terms, with elections held each year so only a limited number of seats are open at any time. This system helps prevent the entire board from turning over at once and allows experienced directors to remain while new directors are learning. The board currently meets four times a year, and the annual membership meeting is held the second Thursday in May. As throughout this manual, directors exercise authority as a board rather than as individuals — this matters especially at Cumberland Green because directors live in the same community they govern, and a neighbor's question about maintenance, a rule, or a transfer doesn't give an individual director authority to make a promise or direct staff independently. The board's responsibility is to look at the cooperative as a whole: all 204 homes, the property's condition, the corporation's long-term financial position, and its ability to keep serving future members.

Working With Taylor Made Property Service

Taylor Made Property Service has managed Cumberland Green since 2003, with an on-site property manager, office staff, and maintenance staff handling day-to-day operations — receiving maintenance requests, coordinating work, supervising staff, working with contractors, maintaining records, assisting with financial reporting, handling member applications, and communicating with members. This relationship allows the board to concentrate on governance while management handles day-to-day operations; the board shouldn't become the management office, and management shouldn't make major policy decisions that belong to the board. If a member raises a maintenance concern with you directly, it should normally go through the management office so a work order can be created and tracked, rather than being handled through an informal conversation — this keeps the cooperative's response consistent, rather than depending on which director happened to be asked.

Maintenance Responsibilities

One feature that sets Cumberland Green apart from many townhouse or condominium communities is the cooperative's broad maintenance responsibility. The cooperative maintains homes both inside and outside, and provides gas, water, sewer service, and trash collection; members are responsible for their own electricity. Individual homes have their own heating, central air, and water heaters, and the cooperative also provides major appliances — stoves, refrigerators, microwaves, and dishwashers. Members are responsible for normal decorating, such as painting or wallpapering, and for their private patio areas; when damage is caused by a member, a household member, or a guest, the cooperative may perform the repair and charge the member for it, so the cost of one household's damage doesn't become an expense all 204 households share. When a question arises about who is financially responsible for a particular condition, directors shouldn't rely on memory or personal opinion — check the governing documents, established policies, and management's records.

Membership, Limited Equity, and Alterations

Cumberland Green is a limited-equity cooperative, which means there's a limit on how much a member can receive when selling their membership — the purpose is to preserve affordability rather than let membership prices rise entirely with the open housing market. Cumberland Green includes one- to four-bedroom homes in several configurations and carrying charges and membership prices vary by unit type; new directors don't need to memorize every price, but should know why costs differ and where the current schedule is kept. Management and staff review membership applications against established requirements; once an applicant qualifies, the file moves forward for required board approval and signatures, and Cumberland Green maintains a waiting list of approved applicants whose names are provided to a selling member as part of the transfer process. Alteration requests are also brought before the full board for approval — new directors should become familiar with past decisions and established standards before evaluating a proposed alteration, since consistency here matters as much as it does with rule enforcement generally (Chapter 3).

Our Financial and Capital Responsibilities

Cumberland Green is responsible for an aging property that requires continued planning and investment. A reserve study completed approximately two years ago identified several major components at or approaching the end of their expected useful lives — roofs, siding, windows, exterior doors, kitchens, and parking areas — and plans also include adding an additional parking area and resurfacing an existing lot that hasn't had major work in many years. Reaching the end of an expected useful life doesn't mean every component must be replaced immediately; the cooperative continues repairing individual items as problems develop while preparing for broader capital work. Cumberland Green currently carries one mortgage on the property, with approximately 12 years remaining, and is preparing to refinance as part of a plan to fund major capital improvements and strengthen reserve funding while avoiding unnecessary increases in carrying charges. Because capital decisions like these can affect the cooperative for decades, new directors need to understand the reserve study, the current financial condition, and financing options — not just the immediate cost of any one project.

Outside Professionals and Committees

Cumberland Green currently works with several outside professionals and service providers: an attorney, a property management company, an auditor, a landscaper, an insurance provider, a mortgage lender, and a natural gas supplier. These relationships give the board access to expertise it doesn't need to maintain internally (Chapter 13). New directors don't need to personally establish these relationships — what matters is knowing who Cumberland Green's principal advisers are, what each one does, and when the board typically calls on them.

Cumberland Green also currently maintains three active committee functions — Activities, Website/Newsletter, and Finance (as needed), giving members ways to participate without serving on the board. The Activities Committee supports events that build the community side of Cumberland Green; the Website/Newsletter function keeps members informed; the Finance Committee assists with financial matters as needed. As Chapter 12 explained, a smaller number of genuinely active committees can serve a cooperative better than a long list that exists mostly on paper.

Continuing Education Is Part of Board Service

Board members at Cumberland Green are volunteers, but the decisions they make involve a substantial corporation, significant property, and changing legal and financial requirements — no director should assume there's nothing more to learn simply because they were elected. Each year, Cumberland Green directors may attend one major cooperative-housing conference, choosing between the Midwest Association of Housing Cooperatives (MAHC) and the National Association of Housing Cooperatives (NAHC), depending on which best fits that year's needs. These conferences cover governance, ethics, budgeting, maintenance, legal developments, and financial management. At present, all directors except the newest board member hold cooperative-board certification — evidence of the effort to develop the knowledge needed to serve responsibly, not a substitute for practical experience or a title to be collected.

Understanding Where Cumberland Green Is Today

Cumberland Green has operated for more than fifty years, and every board has inherited both the accomplishments and the unfinished work of the boards before it. Today's board is preparing for another important period in the cooperative's history: refinancing to address reserve and capital-improvement needs, updating the governing documents, and preparing the next annual budget. Those priorities will change over time — Chapter 15 provides the bridge between this permanent history and structure and the work actually facing the board today and should be kept current so a new director never has to spend their first several meetings simply discovering what the board has been working on.

A new director is not just joining a board member. They are becoming part of the continuing stewardship of a cooperative that has served generations of members since 1972. The property, financial decisions, governing documents, management relationships, and community culture have all been shaped by the people who served before them. The responsibility of today's board is to understand that history, protect what's working, correct what needs improvement, and prepare Cumberland Green for the people who will live there long after the current directors have completed their service.

KEY POINTS

- 204 townhouse units on about 33 acres in St. Charles, Illinois; founded in 1972 as affordable cooperative housing; not a 501(c)(3) charity.
- Governed by a five-member board with staggered three-year terms; meets four times a year; annual membership meeting is the second Thursday in May.
- Managed by Taylor Made Property Service since 2003 — route maintenance requests through management, not directly through a director.
- A limited-equity cooperative; membership applications and alterations go through an established waiting-list and approval process to the full board.
- Reserve study (about two years old) flags roofs, siding, windows, doors, kitchens, and parking as approaching replacement; one mortgage remains, with refinancing under consideration.
- Directors are expected to pursue continuing education — the annual MAHC/NAHC conference and cooperative-board certification are part of the culture of board service here.

> ***For more detail:*** *New Board Member Manual, Chapters 15–16, for the complete history, governing-document list, and past capital projects*
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Chapter 15: Our Current Work, Recent Decisions, and Priorities

> **NOTE: Unlike** *most of this manual, this chapter is meant to change. It should be reviewed and updated regularly so incoming directors see Cumberland Green's actual current position — if it feels out of date, ask the board president or management for the latest status.*

Preparing for the Next Major Investment in the Property

Cumberland Green is entering an important period in the property's life: many major improvements completed in earlier years have now been in service a long time, and the recent reserve study identifies significant needs involving roofs, siding, windows, exterior doors, kitchens, and parking areas, along with additional parking and resurfacing an existing lot that hasn't seen major work in many years. Individual items are still repaired as they arise, and maintenance staff continue addressing conditions that need attention; the board's larger responsibility is preparing financially and operationally for the point when repairing individual components is no longer the most responsible approach and broader replacement programs need to begin — thinking across all 204 homes rather than one unit at a time, since even ordinary components become major financial decisions at that scale.

Refinancing and Strengthening Reserves

Refinancing the cooperative's one remaining mortgage — approximately twelve years remaining — is one of the board's most significant current priorities, as part of a larger plan to address capital-improvement needs and strengthen the reserve fund. This is a major decision because financing can affect the cooperative for many years: the board is weighing the amount to borrow, the interest rate, the repayment period, monthly debt service, closing costs, lender requirements, and how the proceeds would be used, and how new financing fits the existing reserve study and long-term capital plan. The objective isn't to borrow simply because financing is available, but to position Cumberland Green to complete necessary improvements while managing carrying charges responsibly, always remembering that borrowed money must eventually be repaid, by future members as well as current ones. This decision also connects directly to Cumberland Green's ongoing affordability mission, discussed further below.

Updating Our Governing Documents

Another major project underway is the review and update of Cumberland Green's governing documents. Some were created many years ago, when financing arrangements, technology, and cooperative practices differed from today's, and amendments or legal requirements may have developed since. This doesn't mean changing documents simply because they're old — many provisions still work well — the purpose is identifying language that's outdated, unclear, inconsistent, or no longer appropriate for Cumberland Green's current circumstances. Because governing documents establish authority and member rights, this work involves legal review and, depending on the document, may require membership approval; a new director should understand which documents are under review, what's already been identified, and what decisions remain, so a change in board membership doesn't force the project to restart.

Preparing the Next Annual Budget

Budget preparation is a continuing responsibility. Management, the treasurer, the board, and financial professionals need to consider current operating expenses, expected changes in insurance and utilities, maintenance needs, staffing costs, contracts, mortgage obligations, reserve contributions, and the potential impact of the upcoming capital program on future financial needs. The board should resist judging the budget only by whether carrying charges rise — keeping charges stable is a worthwhile goal given Cumberland Green's commitment to affordability, but it can't be the only measure of a responsible budget. A budget that appears attractive because necessary expenses are omitted is not financially sound; the cooperative still needs sufficient income to maintain 204 homes, meet its obligations, and fund reserves.

Continuing Property Care While Planning Larger Projects

Large capital projects draw attention for their size and cost, but routine maintenance can't take a back seat as the cooperative prepares for future improvements. Cumberland Green has made a long-standing commitment to maintaining units both inside and out, and that commitment doesn't pause as the board plans ahead. When a roof leaks, a door fails, or an appliance needs replacement, members need a reliable way to report it and management needs a process for responding. Maintenance records also inform board planning: if repairs to a particular component are becoming more frequent and expensive, that may mean replacement should be considered sooner than originally planned. The board should monitor these broader patterns while letting management handle day-to-day maintenance operations — the same board-management division described in Chapter 5.

Contracts and Professional Relationships

Cumberland Green depends on several professional and service relationships — property management, legal counsel, auditing, landscaping, insurance, mortgage financing, and natural-gas purchasing — to operate effectively. Contracts shouldn't simply renew year after year without the board understanding what's being provided and whether the relationship still meets the cooperative's needs, though changing providers merely for the sake of change can also create unnecessary disruption. Some relationships are especially valuable because the professionals involved have developed deep familiarity with Cumberland Green over many years — that experience has real worth,

but shouldn't prevent the board from periodically evaluating service. Incoming directors should know which major contracts are currently in place, when key agreements expire, and whether any concerns require follow-up.

Maintaining Affordable Cooperative Housing

Affordability remains one of Cumberland Green's most difficult long-term challenges. The cooperative was established to provide housing for low- and moderate-income people; the loss of the earlier IHDA financing structure and the move to conventional financing changed that environment, and the costs of insurance, maintenance, construction, and other operating expenses have continued to rise. The board can't control all of those costs, but it can stay alert for government programs, financing programs, or grants Cumberland Green may qualify for, even when a particular program isn't available today. This responsibility requires balance: remaining committed to affordability without placing the cooperative in financial danger by collecting too little to operate and maintain the property.

Continuing Board Education and Passing Work Forward

Board education remains an ongoing priority — each year, directors may attend either the MAHC or NAHC conference, and at present, all but the newest board member hold cooperative board certification, intended to help volunteer directors become more capable stewards of a multimillion-dollar cooperative and the homes of more than 200 member households. The priorities described in this chapter — refinancing, governing-document revisions, capital planning, major contracts, and annual budgeting — are too important to rely on the memory of any one president, manager, or director and may span several board terms. That's why board transition needs to include more than a copy of the bylaws: an incoming director should understand what's already been decided, what remains under discussion, what deadlines are approaching, and what the board expects to happen next, supported by records that let future directors understand why earlier boards chose a particular direction. Cumberland Green's staggered three-year terms help with this, since new directors join a board that still includes members who can provide that background.

With the board meeting four times a year rather than monthly, advance planning matters even more than it would elsewhere — a decision postponed at one meeting may not naturally return to the agenda for several months unless someone deliberately schedules the follow-up. An annual board calendar, noting the annual meeting, officer transitions, budget preparation, insurance renewals, contract expirations, and expected reserve or capital-planning reviews, helps ensure recurring responsibilities and unfinished business remain visible between Cumberland Green's four regular meetings rather than slipping through the cracks.

KEY POINTS

- Major capital planning and a possible refinancing are underway to fund roof, siding, window, door, kitchen, and parking replacements.
- Governing documents are under review, and the annual budget must reflect real costs and the coming capital program.
- Major contracts and vendor relationships should be reviewed periodically on performance and cost, not renewed automatically.
- Affordability remains an active, long-term challenge the board manages by watching for outside programs while staying financially sound.
- Ask the board president or management about the current status of each priority above before your first meeting.

> ***For more details:*** *New Board Member Manual, Chapter 16, for background on how each current priority developed*
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Chapter 16: Your First 90 Days at Cumberland Green

The goal of your first 90 days isn't to arrive with a list of changes — it's to listen, read, ask questions, observe how the cooperative actually operates, and gradually connect what's in this manual with what's happening at Cumberland Green.

Days 1–30: Learn the Organization

- Get access to the governing documents, recent board minutes, financial reports, and policies.
- Read the bylaws, occupancy agreement, and current rules — know what each covers and where to find it; you don't need to memorize them.
- Meet the Taylor Made Property Service team and learn how maintenance requests and information normally flow to the board.
- Walk the property with management or an experienced director to see how the buildings and major systems are arranged.
- Ask questions rather than give instructions — new directors often notice things experienced people have stopped seeing.

Days 31–60: Understand the Financial and Property Picture

- Review the annual budget: where income comes from, the largest expenses, and how carrying charges support the property.
- Review recent financial reports and begin asking whether income, expenses, delinquencies, and reserves look on track.
- Review the current reserve study and understand which major components are approaching replacement.
- Learn the basics of the mortgage and the current refinancing discussion — what problem it's meant to solve.
- Know the cooperative's major contracts and insurance relationships and where the agreements are kept.

Days 61–90: Participate with Greater Confidence

- Understand the board's current priorities (Chapter 15) well enough to see how individual agenda items connect to the bigger picture.
- Get familiar with recurring board matters: membership applications, alteration requests, contracts, and committee activity.
- Identify where your own experience — finance, construction, communication, community activities — can add the most value.
- Look into cooperative-board certification and the annual MAHC or NAHC conference.

Learning to Ask Better Questions

Early on, a new director might ask, “What does this mean?” or “Why do we do it this way?” As understanding grows, the questions sharpen: “How does this compare to the budget?” “Does the board have authority to approve this, or does it need member action?” “Has the attorney reviewed this language?” That shift — not having every answer immediately but knowing what to ask before a decision is made — is one of the clearest signs that orientation is working. New directors should never be embarrassed to ask simply because they're new; they often help the whole board by asking for an explanation others assumed everyone already understood.

Avoiding the Pressure to Change Everything

New directors are often elected because they care about the cooperative and believe something could be improved, and that enthusiasm is valuable — but it works best paired with patience. A practice that looks inefficient at first may exist because of a legal requirement, a lender requirement, or an experience from years ago that isn't obvious to someone who just joined. That doesn't mean Cumberland Green should keep doing something simply because “we've always done it this way” — Chapter 2 already made it clear that the cooperative needs to respect its history while remaining willing to adapt. The first step, though, is to understand why practice exists before deciding whether it still makes sense; the strongest ideas a new director brings are usually those grounded in a real understanding of Cumberland Green, not assumptions formed in the first few weeks.

Working With the Other Directors

The first 90 days are also a chance to learn how the board works as a group. Some directors will have served for years, others will be new like you — listen to the experience of long-serving directors without assuming experience makes every opinion automatically correct and expect experienced directors to respect your questions and perspective in return. Because Cumberland Green uses staggered terms, you're joining a board that still includes people familiar with recent decisions, which gives you someone to ask about the history of a project instead of starting from zero.

After 90 Days

You won't know everything at the end of 90 days, and that's expected. You should, however, know where to find the governing documents and records, understand the board–management relationship, recognize Cumberland Green's major financial and property responsibilities, know the principal current projects, and feel more comfortable participating in board discussions — with a clearer sense of how to respond when something unfamiliar comes up: review the documents, ask questions, consult management, and seek professional advice when needed.

> ***For more detail:*** *New Board Member Manual, Chapters 17–18, for the fully detailed 30-60-90-day checklist and a continuing-education plan for the rest of your term*
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Appendix A: Cumberland Green at a Glance

A quick reference for your first few meetings. For the full explanation behind each fact, see Chapter 14.

- **Property:**
  204 townhouse units, six styles from one-bedroom/single-story to four-bedroom/two-story, on about 33 acres.
- **Address:**
  1798 Cumberland Green Drive, St. Charles, Illinois.
- **Founded:**
  Established 1972 as affordable cooperative housing for low- and moderate-income members; not-for-profit, not a 501(c)(3) charity.
- **Ownership structure:**
  Limited-equity cooperative — resale value is capped by formula to preserve affordability.
- **Board:**
  Five members — president, two vice presidents, secretary, treasurer — staggered three-year terms, elected annually.
- **Board meets:**
  Four times a year.
- **Annual membership meeting:**
  Second Thursday in May.
- **Management company:**
  Taylor Made Property Service, since 2003 (on-site manager, office staff, maintenance staff).
- **Cooperative provides:**
  Gas, water, sewer, trash, interior/exterior maintenance, and major appliances; members cover electricity and normal decorating.
- **Financing:**
  One remaining mortgage, about 12 years left; refinancing under consideration to fund capital improvements and strengthen reserves.
- **Reserve study:**
  Completed about two years ago; flags roofs, siding, windows, exterior doors, kitchens, and parking as approaching replacement.
- **Active committees:**
  Activities; Website/Newsletter; Finance (as needed).
- **Outside professionals:**
  Attorney, property management company, auditor, landscaper, insurance provider, mortgage lender, natural gas supplier.

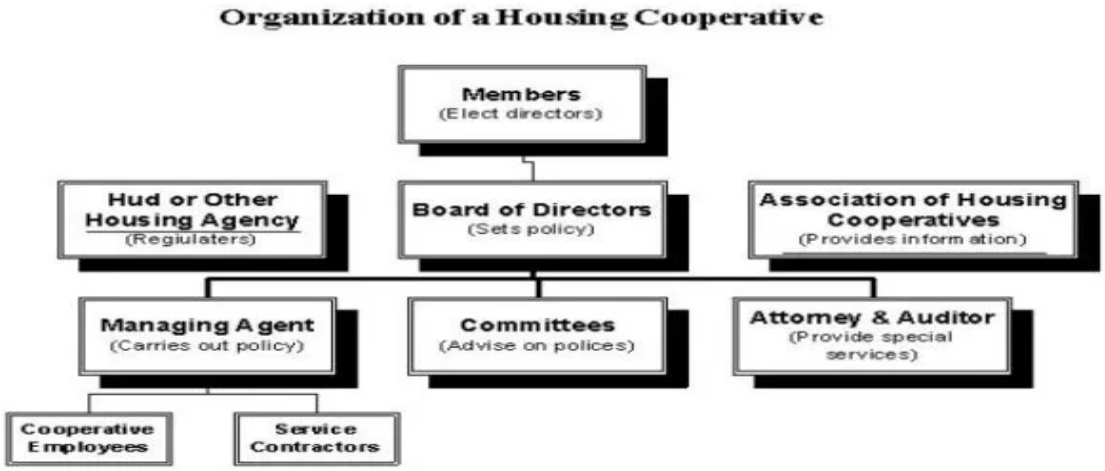
- **Continuing education:**
  One conference per year, choice of Midwest Association of Housing Cooperatives (MAHC) or National Association of Housing Cooperatives (NAHC); most directors hold cooperative-board certification.
- **Applications & alterations:**
  Membership applications and alteration requests go to the full board; a waiting list of approved applicants is maintained for unit transfers.
- **Past major projects:**
  Sewer line replacement, phased siding/window upgrades, clubhouse and maintenance-building rebuild, roof and parking-lot improvements, new furnaces and appliances.
- **Original financing:**
  Originally the Illinois Housing Development Authority; paid off about 12 years ago, moving Cumberland Green to conventional financing.

A Sample Annual Rhythm

With the board meeting only four times a year, it helps to know roughly when recurring items come up. Confirm exact dates with management — this is a general guide, not a fixed schedule.

- **Spring —**
  Annual membership meeting (second Thursday in May); officer roles for the coming year confirmed.
- **Summer —**
  Mid-year financial review; reserve study and capital-project updates typically revisited.
- **Fall —**
  Insurance renewal review; contract and vendor evaluations.
- **Winter —**
  Annual budget preparation and approval for the coming year.

> ***For more detail, ask the board president or management to confirm any figures*** *here that may have changed since this manual was last updated.*



Continuing Your Education

This manual is meant to get you oriented, not to make you an expert. Once you're comfortable with the basics, keep building your understanding:

- **New Board Member Manual —**
  For a full-depth version of everything introduced in this manual.
- **High-Performing Boards and Board Leadership —**
  For more advanced governance and board leadership skills.
- **Cooperative Directory —**
  For any unfamiliar term used in this manual or at a board meeting.
- **Emergency and Disaster Preparedness Manual —**
  For full emergency response procedures.

Review this manual as a full board periodically, not only when a new director joins, and keep Chapter 15 current as Cumberland Green's projects and priorities change. Most updates will involve replacing a few pages, not rewriting the whole book — the important thing is that someone is responsible for noticing when the information has changed.

A board term eventually ends, but the cooperative continues. Cumberland Green has served its members for more than fifty years because earlier boards made decisions, solved problems, and prepared for needs that arose after their own terms ended — today's board carries the same responsibility. The measure of responsible board service isn't what happened during any one director's term; it's whether Cumberland Green is left stronger, better informed, and better prepared for the members who will depend on it next. Read before deciding. Ask when something is unclear. Listen before assuming. And remember that the board's responsibility extends beyond today's problems to Cumberland Green's future. Welcome to the board.



COOPERATIVE BOARD MEMBER MANUAL

A PRACTICAL OVERVIEW FOR STRONGER BOARD SERVICE

Effective board service starts with understanding. This manual gives new and returning cooperative board members a clear overview of their role, the structure of their cooperative, and how to work together to make sound decisions that support members and strengthen communities. You'll learn about meetings, finances, legal responsibilities, current projects, and the importance of acting as a team—always focused on the cooperative's mission and long-term success.

Stronger Together.
Better Decisions. Better Communities.
This handbook works best as a companion to the *New Board Member Manual* and *High-Performing Boards* for more detailed study.

About the Author



Richard Berendson

Richard Berendson is an experienced cooperative educator and trainer with decades of experience helping boards lead with confidence and integrity. He is the founder of Berendson Academy, which provides practical training and resources for cooperatives and their leaders.



Lead with Purpose.
Understand your role, work together as a team, and focus on what matters most—your members and your community.

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Good governance, sound decisions, and clear communication create a cooperative that thrives today and for generations to come.

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