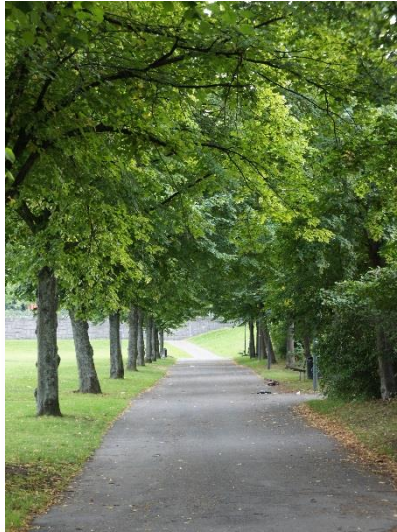


HOA ENGAGEMENT AND AWARENESS



Living
Better
Together™

Board of Directors

- Your constituents (members/ homeowners) have placed confidence in you to:
- To conduct the business of the Association as **first priority**.
- Even though a Board Meeting is a public meeting, it is a time for the Board of Directors. Indiana Law does not require the association to allow member comment at a board meeting. The board should conduct its meeting and if time permits, allow owners to ask questions.
- If the board allows an open forum, have it at the end of the meeting, ask for questions ahead of time in writing, or have comment cards/forms to be filled out at the meeting and the manager and board can review them and answer later or post Q&A on website.



Role of the Board & Relationship to Each Other



- You will be required to collaborate and confront difficult issues:
 - Determine Assessment Rates/Increases
 - Review/Approve Annual Budgets
 - Review/Execute Contracts/Changes
 - Select Service Vendors and review their performance
 - Review & Decide on Homeowner Appeals
 - Compliance Enforcement Actions
 - Decide on Collection/Foreclosure Actions
 - Reserve Funding Decisions/Capital Improvements
 - Deal with Various Types of Conflicts
- Discussions...it is essential for the individual Board members to present different views on a given subject with mutual respect for other's opinions.
- However, once the vote is taken and majority rules, attempt to put personal differences aside and move forward and support the Board's decision as a whole.
- Always be respectful of fellow Board members and those in attendance at the meeting, It is critical that the Board provide a unified front to the members regardless if decisions aren't unanimous.
- Avoid using Social Media to voice difference between Board Members, as all emails and posts are discoverable in the event of litigation.

Fiduciary Responsibilities

General Standards for Directors



- You are duly elected by the members of the Association (or have been appointed by the Board of Directors) and have the full responsibility and authority to act on behalf of the Association's members and make decisions that are in the best interest of the Corporation and its members as a whole.
- You are held to a higher level of standard as a fiduciary, others are now relying on you to make decisions in their best interest (membership).
- Decisions shouldn't be made on personal desires.
- A director must act in accordance and within the scope of their duties as per 2015 Indiana Code, Title 23. Business and Other Associations Article 17. Nonprofit Corporations, Chapter 13. Standards of Conduct for Directors;
- Failure to act in good faith and in a prudent business manner can expose a Board member to personal liability
- There is a legal presumption that the Board acted:
 - ❖ In good faith
 - ❖ With the care an ordinary prudent person in a like position would exercise under similar circumstances
 - ❖ In a manner the director reasonably believes to be in the best interest of the corporation
 - ❖ Rely on the information, opinions, reports, statements, including financial data from experts in the subject field.

Always remember...

An Association is a business and must be operated as such.

The Association is...

- **An Indiana non-profit corporation.**
- **Owns hundreds and thousands and possibly millions of \$\$\$ in assets.**
- **Has \$\$\$ in reserve funding.**
- **Controls \$\$\$ in assessments annually.**
- **The Board must make sound business decisions like any other business and protect the corporation's assets**
- **Is an entity established to implement and enforce the governing documents which generally results in maintaining or enhancing property values**
- **Cannot operate efficiently without assessment revenue from owners/members.**



APPOINTMENT OF BOARD LIAISON

- In an effort to streamline communication between the Board of Directors and the Community Manager, the Board should appoint one Director to be the primary point of contact with the manager.
- In most cases, the Board President is appointed as the liaison. It doesn't have to be the President, but it should be a board member with experience and the rest of the board trusts them to represent the Board.
- The Board should appoint an alternate liaison to be available when the primary liaison is not available.
- Sometimes, the Vice President is appointed as the alternate, but it can be any director.
- Regardless of whom the Board appoints, the primary and alternate liaison should be someone who has the time available to dedicate to the Association and Community Manager when needed.

Purpose of Liaison



The purpose of the Board Liaison is to streamline communication between the Board, Community Manager and Owners:

1. Have one Director take the lead, on behalf of the entire Board, to provide guidance and help troubleshoot matters that may arise with the Community Manager. This prevents having multiple 'bosses' providing direction to the Manager, this causing confusion.
2. Report back to, poll or request a vote from fellow board members, when necessary, regarding association business matters.
3. Be available to access the property onsite in the event of an emergency.
4. Meet with vendors onsite for special projects, to verify the scope of work or to provide access to a common area if needed.

PURPOSE OF BOARD LIAISON CONT.

- Provide guidance on important association matters
- Help determine the urgency of a matter and whether it requires immediate board attention
- Provide historical information and data regarding the community
- Review written correspondence/proofread content to ensure accuracy of board directives
- Assist the community manager with finalizing meeting agendas, meeting materials, bids, proposals and other items the board is working on
- Assist with contract negotiations and sign all agreements and contracts approved by the board
- Assist with obtaining a board vote on matters requiring an action without a meeting
- Be the board liaison with association legal counsel

IMPORTANT POINTS TO REMEMBER

- THE BOARD LIAISON SHOULD NOT GIVE DIRECTION THAT WOULD REQUIRE THE VOTE OF THE BOARD AS A WHOLE, WITHOUT THE KNOWLEDGE OF THE OTHER BOARD MEMBERS.
- EACH BOARD MEMBER HAS ONE VOTE AND THE BOARD VOTES AS A WHOLE ON ALL MATTERS REQUIRING A BOARD VOTE – A QUORUM PREVAILS AND IS CONSIDERED A 'BOARD DECISION'
- EXCEPTION:
 - In the event of an emergency which could result in damage to association property and or is causing a threat to life or safety.
 - Under these circumstances the community manager and board liaison should take immediate actions to mitigate the situation and the board liaison can inform the other board members of the situation and what action was taken.

ADDITIONAL HELPFUL TIPS

TIP # 1: We encourage Board Members to get a separate email account! Setting up a new email account with a popular email service can take less than two minutes. This will help separate personal emails from association business. It can also help board members find association items much quicker instead of having to sift through their personal email.

TIP # 2: Never make disparaging remarks about homeowners or board members in texts/email/social media platforms. These types of correspondence can be discoverable in the event of litigation.

TIP # 3: Communication as a Board Member with Homeowners. Be careful to not make decisions as an individual Board member outside of Board meetings. If a resident approaches you with, for example, a request to change window coverings in their unit, OR requesting to waive late fees. Do not make any promises or suggest that it sounds “okay to you”. Have the homeowner contact the Management Company so that they go through the process of getting either ARC approval and/or Board approval as applicable. Board members should refer all resident inquiries to the Agent.

HELPFUL TIPS CONT.


TIP # 4: The Board should circulate a newsletter on regular basis or maintain a website for the community to keep members informed and provide an avenue for members to access association documents and information.

NOTE: In Indiana, a Board of Directors can take an 'Action Without a Meeting,' but the decision must be unanimous for voting on matters outside of a regular board meeting. Either all board members must agree (unanimous), or a quorum (majority) is required, and a board meeting scheduled for a vote.

Open Board Meetings

- Members have right to attend any board meeting except executive session.
- Executive session topics include:
 - delinquent assessments,
 - meet with legal counsel to discuss initiating litigation, pending or threatened litigation,
- Matters affected by privacy laws.



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- By-Laws are regulations that govern the administrative duties of the association.
 - Examples of the administrative duties are annual and special meetings, board meetings, quorum requirements, elections and voting rights.
 - By-laws can sometimes be amended easily by the board of directors without a homeowner vote.
 - Typically, does not contain restrictions for the community (but can).

Association Records and records requests

What must be made
available for
inspection??



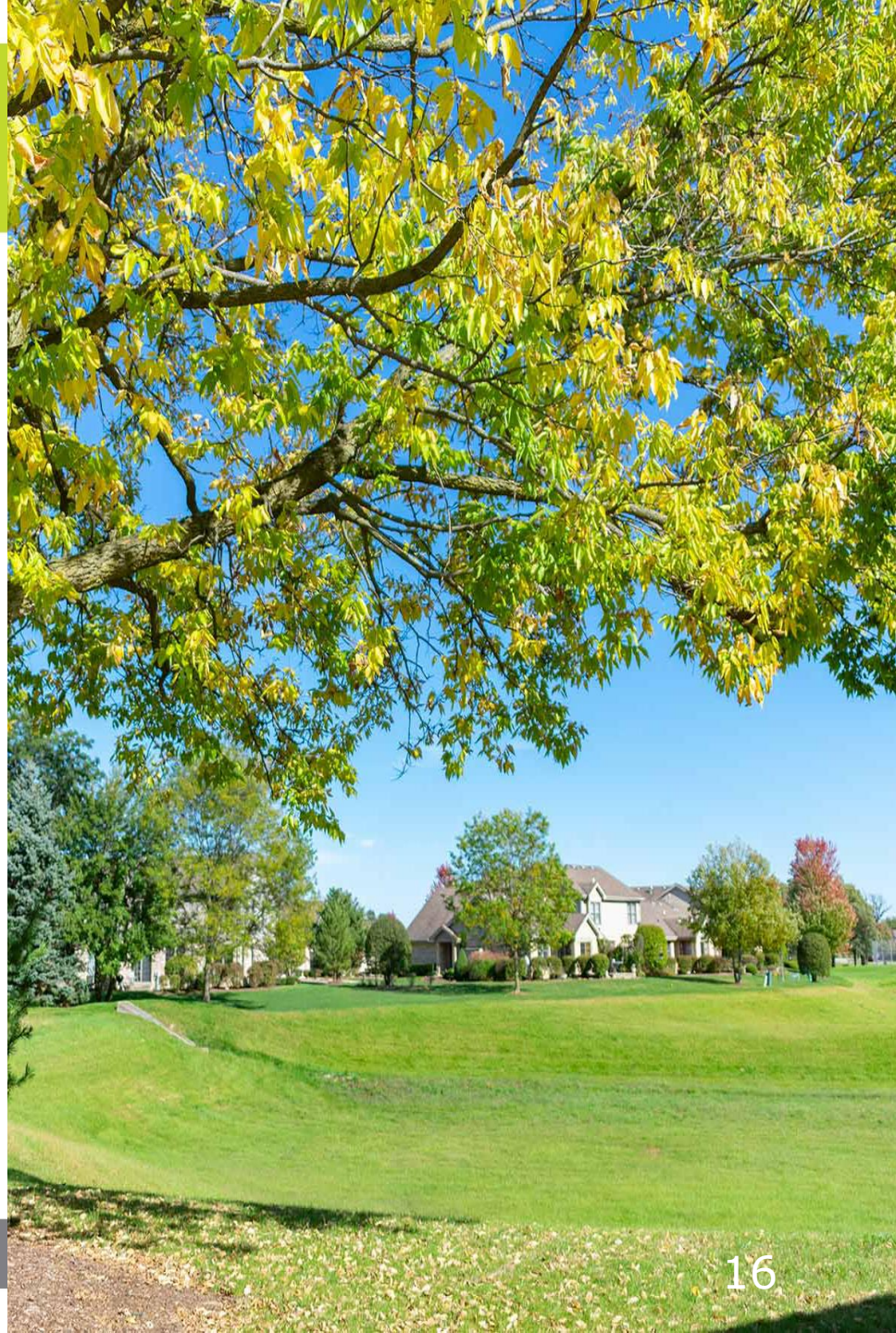
Financials

- Contracts
- Invoices
- Bills
- Receipts
- Bank records
- REQUEST MUST BE IN WRITING



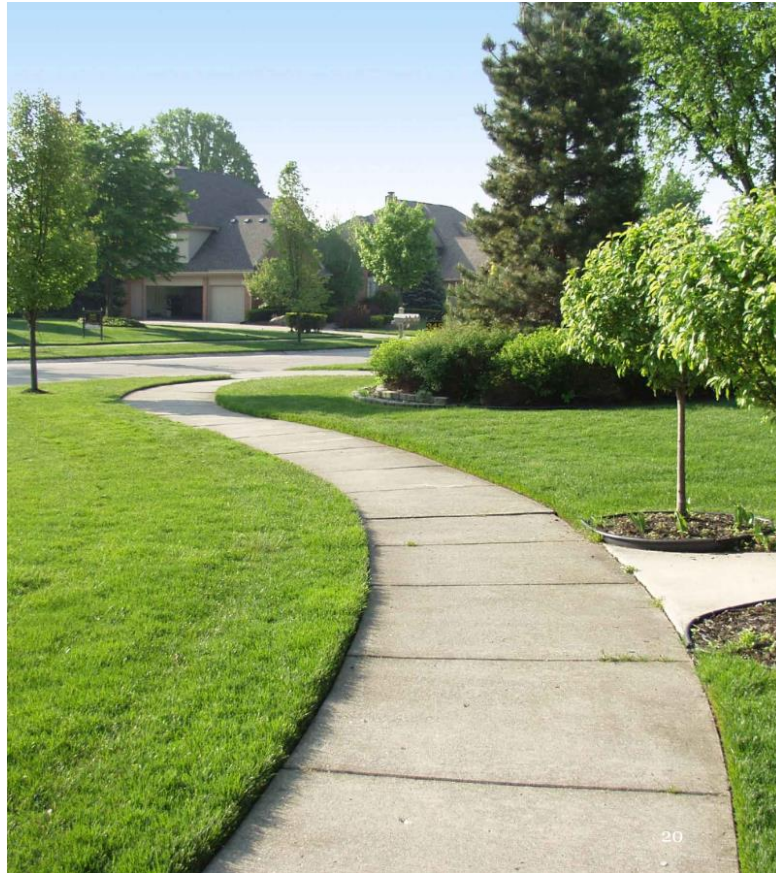
Communications

- *Disputes between the HOA and an owner-* all communications regarding the dispute must be made available to the owner.
- All communications concerning a Lot must be available to the owner of the Lot.
- If the HOA communicates about a Lot to another member, the HOA must give a copy of the communication to the Owner of the Lot-UNLESS it discusses criminal activity, activity subject to a law enforcement investigation



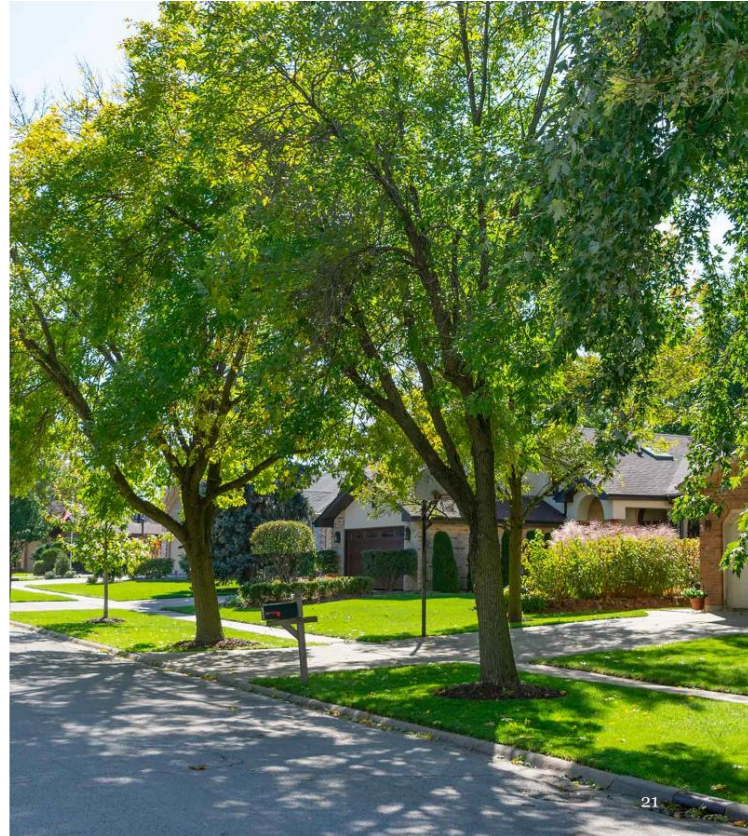
Exceptions

- Unexecuted contracts
- Contract negotiations
- Info on accounts to people not named on the account
- Info prohibited from release under state or federal law
- Records that are over 2 years prior to the request
- Information provided by a member regarding criminal activity of another member
- **HOA can agree to provide more



COSTS

- First hour to search for records requested is free
- Over an hour a reasonable search fee is permitted.
- Hourly fee cannot exceed \$35 per hour for time actually spent (track it)- must be prorated to time actually spent.
- Total fees cannot exceed \$200 for a search
- May charge reasonable copy costs for copies requested upon inspection.



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Questions?

