

What are responsibilities of the association board?



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To uphold their fiduciary duty, boards must run their community associations according to governing documents, applicable law and good business sense. Some responsibilities are given to all board members, while others are assigned to specific officers.

Presidents have two primary functions. The first is conducting meetings, and the second is communicating the board's instructions to the manager, if there is one, said Michael Rutkowski, president at First Community Management in Chicago.

"A manager needs one boss," he said. "You can't have the president tell them to do one thing and another board member tell them to do another thing. You need a clear line of communication."

Besides these roles, plus any others that might be assigned by the governing documents, presidents have no special powers or privileges, he said.

"The president is not king," he said. "They can't unilaterally make decisions. Their vote is not weighted any heavier than that of every other board member if there is a disagreement."

Treasurers oversee the financial aspects of the association, although they may or may not actually handle money. Their tasks include making sure invoices and canceled checks match up, bills are paid on time with no late fees and bank accounts are reconciled each month. They should note whether the



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income and expenditures are on par with the budget and, if not, explain the variance.

Watching the money is the job of everyone, not just the treasurer or the manager, said certified public accountant Steve Silberman of Frost, Ruttenger & Rothblatt P.C. in Deerfield.

"The treasurer is responsible for the financial information, but everyone on the board, whether you are managed or self-managed, has to understand that financial information," he said. "There can't be only one person who knows what's going on. That can lead to messy bookkeeping or even fraud."

Secretaries are responsible for the minutes of meetings, but they don't necessarily have to take them. Some boards recruit volunteers, or they hire a service to do it.

"Some boards say, 'Let the manager do this,'" Rutkowski said. "I say that is probably the worst thing you can do. You want your manager engaged and involved in the meeting, not sitting there taking notes."

Meeting minutes are a record of what the board did, not what it talked about, said association attorney Mark Rosenbaum of Fischel & Kahn Ltd. in Chicago.

He explained: Minutes should record the motions

that were made and who made them. They also should name the board members who voted for and who voted against each motion, not simply give the number of votes.

"If it turns out the board has done something egregiously wrong, the person who voted against that action may be able to have some defense in court because he or she didn't want that to happen and took the only step possible by voting against it," he said.

All board members should participate in meetings and long-range planning, and have a working knowledge of the association's declaration, bylaws and reserve study, Rosenbaum said.

"A reserve study is the only way a board can understand what is happening with the physical structure," Rosenbaum said. "You can't prepare a budget that makes any sense unless you know what the building needs to have done to it."

Board members also must be prepared to sometimes make unpopular decisions, Rutkowski said.

"You have to look out for the overall health of the association, not the person who is moving out in two years and doesn't want a special assessment on the books because he is going to sell," he said.