

CA Board Basics

Every year, a new resident member is elected / re-elected to the CA Board of Directors. Before their term is about to begin, it is important that we communicate what their new role is all about and how that role interacts with the roles of our many Committees, Association staff and, most importantly, the SCT residents. It is important that we acquaint our new Board members with the standard of conduct that is expected of them. The law imposes certain standards of conduct and assigns a “fiduciary duty” to the members of the Board. With this in mind, I will be working with Stan Willbanks (the newly elected resident Board member) to help facilitate him into his new role here at SCT.

Does Stan just show up at the next meeting and expect to pick up right where Frank left off? Of course not. There is a great deal of homework to be done to guide the Board members – both veteran and newcomer alike. The Community Association will provide Stan with a laptop computer which will contain the Association documents, the latest minutes, financials, and other pertinent information the members of the Board should know. Stan will use this laptop for CA Board business during his term as a tool to help facilitate his role as a CA Board member. Any new Board member's first responsibility is to educate himself, therefore he should familiarize himself with the items in the laptop, including the Association's CC&R's, By-Laws and Rules and Regulations. These documents will specify the Board's scope of authority and responsibility to the Association. Along with all of the exciting reading material that will be provided to Stan, Community Association staff will provide ample time to meet and discuss current events and matters with him.

The Board of Directors role is to govern the Association, establish policies and rules; ensure financial and administrative records are correct and current, maintain the common elements and promote a quality community environment for all residents. Board members are non-paid volunteers. Their duty is a higher duty that calls for the Director to place his or her personal benefit second to that of the Association. This means that the Director ensures that interests of the Association come first. It means that the Directors carefully examine the Association's assets (capital expenditures) and make plans to ensure their protection. At times it means standing up against the pressures of special interest groups in order to protect the Association as a whole. In all, it means taking the time to carefully consider a variety of approaches to each question brought before the Board and ultimately do what is best for the Community as a whole.

The Association is a business – a not-for-profit corporation. The Board meetings are to conduct Association business. Meeting packets are sent to each director prior to the meeting; the directors are expected to review the contents and come to the meetings prepared to discuss and vote on the agenda issues. No one Board member makes any decisions - - the Board votes and majority rules. Typically, your Board president does not vote. He/she is the tie-breaker in split decisions. Additionally a number of fundamental principles govern Board action:

- The Board can delegate authority to act (such as with committees and the Executive Director) but cannot delegate responsibility for those actions.
- Following the correct procedure may be more important for a Board at times than making the right decision.
- Board inaction may create more liability than Board action (i.e., no action is worse than a wrong action).
- Board action which complies with the governing documents and the law will usually be upheld as long as the Board acts reasonably and in good faith.

Stan, welcome to the CA Board and thank you in advance for your desire and willingness to serve this great Community.