

The Business of Association Business

by Bill Sutton



What business are we in? Associations are registered with the State of Florida as "Not for Profit Corporations". The key point is that Associations are Corporations just like FPL and TECO.

Whether you are a "Not for Profit" or "For Profit" business, Corporations are run by a duly elected Board of Directors.

The Board of Directors are elected annually by the members of the Association which consists of all of the recorded owners of units as filed in the Public Records of the County in which it is located. Directors are not compensated for their time but have a fiduciary responsibility (position of trust and confidence) to the members of the Association. The Board's powers and duties are defined by the governing documents which include the Declaration of Condominium, (Declaration of Restrictions with Homeowners Associations), Articles of Incorporation, and the Bylaws.

A Board Member is an owner who has committed his/her time to manage the business affairs of the Association. These Board Members take on additional responsibility to protect the well being of the members and the value of the property. Many times this job goes without thanks and is often treated with hostility. Board Members should be treated with respect and dignity at all times for their willingness to serve on the Board of Directors.

The primary role of a Board is to make good business decisions. The best Boards look at all the issues and disregard personal issues when making decisions that affect the entire Association. Directors need to work together to identify and achieve common goals rather than moving in different directions. A good Board sees the importance of continuity in operations and has an ability to take a long-term view of the requirements of a community. A successful community relies on the Board of Directors that is made up of a diverse interaction of Association members. These members should be interested in the betterment and stability of their community.

Hats off to the volunteers that step forward to serve their Association and "running their business".

Community Leaders Have the Responsibility to:

- Fulfill their fiduciary duties to the community and exercise discretion in a manner they reasonably believe to be in the best interests of the community.
- Exercise sound business judgment and follow established management practices.
- Balance the needs and obligations of the community as a whole with those of individual homeowners and residents.
- Understand the association's governing documents and become educated with respect to applicable State and local laws, and to manage the Community Association accordingly.
- Establish committees or use other methods to obtain input from owners whether they are full time or part time residents.

Owners have the responsibility to:

- Read and comply with the governing documents and rules and regulations of the Association.
- Maintain their property according to established standards.
- Treat Association leaders honestly and with respect.
- Vote in community elections and on other association issues.
- Pay association assessments and charges on time.