

The Role of the Board

Stakeholders. Who are the stakeholders in a community? It is those who chose to invest in the community, whether as their primary residence, their secondary residence, or an investment property. The basic authority in a community association lies with the Owners – the stakeholders – of the community; however, the structure of this non-profit corporation defines that **the Owners elect a Board of Directors to represent them collectively and act on their behalf.** Sadly, too many board members fail to recognize that this is their purpose and come to the Board table toting opinions & agendas based on their own personal standards!

The Board is entrusted to:

- **Govern the Association**
- **Manage its monies, and**
- **Perform their duties prudently, in good faith, and in the best interest of the community as a whole.**

The Board has a **fiduciary relationship** to the Association – a relationship of trust or like that of a trustee. It is this fiduciary duty that **requires** the directors **to act for the benefit of the community as a whole.**

The board bears the **ultimate responsibility** for operating the association on behalf of its owners. The board cannot delegate that responsibility to anyone else!

The role of the board is to set the policies, establish standards, create procedures, create programs & services, and establish the budget for the community.

No where in this definition, however, does it imply that the role of the board is to “be everything” to the community! The board should utilize the opportunity to involve other members on committees to assist with research, planning & carrying out processes on behalf of the board.

The board has been assigned specific **duties** (actions the Board must take) and **powers** (actions the Board can take); these duties and powers are generally outlined in the Bylaws. Have you reviewed the duties and powers assigned to your board? Are you clear on the obligations you must fulfill as a board? Board members that do not educate themselves place themselves and the association in a place of liability by failing to act and take care of the corporation!



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