

Best Practices for Association Management

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Review The Basics



This e-memo and those that follow throughout 2010 are meant to reinforce the basic elements of results oriented association management. Professional management companies have learned from years of experience that care of the community is directly correlated to board members' understanding of fiduciary duties, adherence to community legal documents, continued education of owners, board members and managers as well as care of the association's finances.

What is the difference between Directors and Officers?

During the annual membership and election meeting, a homeowner invariably questions how to place his/her vote for the President of the Association. And, given the structure of our State and Federal voting processes, this question is understandable. In common interest developments, there is a difference in the election process as well as the roles and responsibilities.

Directors

- Elected by the members of the Association
- Terms of office (generally, one, two or three years) determined by the Association's Bylaws
- Qualifications are determined by the Bylaws or duly adopted Election Procedures (Civil Code §1363.03)
- Have equal voting rights on all Board decisions
- The Board of Directors is the active "body" of the Association and makes decisions as a unified group.
- Directors may only be removed from the Board as the result of a vote by the membership requesting removal

Officers

- Are elected or appointed by the Board of Directors
- Serve as an Officer for a term of one year
- Roles specifically defined within the Association's Bylaws
- Have no actual voting rights in Board decisions – only report

to the Board

- May make individual decisions, based on specific role as specific officer, if outlined in Bylaws
- May be removed from office or officer position by a majority vote of the Directors

It is clear that the differences between Directors and Officers are both specific and general. When in doubt, the best sources of reference are the Associations' Bylaws and the California Corporation Codes for Nonprofit Mutual Benefit Corporations.

