

Board Member Foundations: Part 3

# Understanding your community association



Life, simplified.<sup>SM</sup>

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As a new board member, assuming responsibility for a community association can be a significant undertaking. But by partnering with FirstService Residential and accessing educational resources, you are well on your way to becoming a strong community leader.

Before starting this new role, it is important to understand the basics of a community association and the function it plays in managing resident lifestyles. Additionally, reviewing the legal basics of the association will prepare you for your role and the responsibilities that come with it.

## What is a community association?

A community association is a membership group of individuals who live in a specific geographic area, such as a neighborhood, condominium, or planned development. The association's purpose is to promote and maintain the interests of the community and its residents.

These communities are governed by a board of directors elected by the residents. The board makes decisions on behalf of the community, including finances, maintenance, common areas and amenities, and enforcement of rules and regulations. By upholding community standards, the board of directors and the property manager help maintain property values.

As part of the responsibility of membership, the association usually collects dues from residents, also known as maintenance fees or HOA fees, to cover the maintenance costs of the community. In exchange, the community offers a range of benefits to residents, including access to shared amenities such as swimming pools, parks, and playgrounds, as well as organized community events and activities.

## What are the legal aspects of a community association?

Typically, associations are formed as non-profit corporations under state or provincial law. The governing documents (articles of incorporation, bylaws, and covenants, conditions, and restrictions [CC&Rs]) provide the legal framework for property operations and outline the association's purpose, the members' rights and responsibilities, and the procedures for electing board members and making decisions.

Community associations have the authority to enforce their own rules and regulations but are subject to local, state/provincial, and federal laws. Moreover, the board has a fiduciary duty to act in the best interest of the association and its members and is required to hold open meetings and provide notice to members of important decisions and meetings.

*Note: Legal requirements for community associations can vary depending on the state or jurisdiction in which they are located, so always consult with association legal counsel.*