

# Overview of Responsibilities for Groton House Directors

1. **Each Groton House director/officer** must have a **working knowledge and understanding** of:
  - a. Declarations
  - b. By-Laws
  - c. Incorporation Documents
  - d. Amendments to Documents
  - e. Rules and Regulations
  - f. Florida Statute 718 and the Florida Administrative Codes
2. **Each Groton House director/officer must have an understanding the fiduciary responsibilities of:**
  - a. Enforcement of all the documents to include state law
  - b. Proper funding of expenses and reserves
  - c. Maintain facilities and equipment
  - d. Financial Integrity
  - e. safety

The following items are actions/responsibilities that are shared by the Groton House Directors for the benefit and convenience of the Groton owners and to save association costs:

3. Change lights for daylight savings time and for sunset/sunrise time
4. Lock laundry room at 8:00 PM every night and open it at 8:00 AM every morning
5. Learn how the alarm system works and how to clear trouble without voiding alarms. Understand fire action plan.
6. Learn the elevator system and how to deal with failures and trapped residents
7. Put away chairs and tables due to winds from thunder storms and the like.
8. Post pest control notices, accompany pest control technicians and provide access to resident's units when necessary, on a quarterly basis.
9. Maintain the security of unit keys.
10. Learn the requirements for and conduct new owner/resident background checks and orientation before approval of residents.
11. Replace bulbs on building/parking lot when needed.

12. Monitoring of accounts receivable and payment approval by Treasurer/President.
13. Deal with enforcement of legal issues through our attorney.
  - a. Monetary Receipts
  - b. Foreclosures
  - c. Failure to comply with documents/laws
  - d. Actions against non-compliant residents

### **Fiduciary Relationship and Responsibility -BOD**

The members of **the board of Groton House Directors and each officer of the association have a fiduciary relationship with the members of the association.** This fiduciary relationship imposes obligations of trust and confidence in favor of the corporation and its members. It requires the members of the board to act in good faith and in the best interests of the members of the association. It means that board members must exercise due care and diligence when acting for the community, and it requires them to act within the scope of their authority.

The fact that the association is a not-for-profit corporation, or that the members of the board are volunteers and unpaid, does not relieve them from the high standards of trust and responsibility that the fiduciary relationship requires. **When a member accepts a position on the board of Groton House Directors, he or she is presumed to have knowledge of the duties and responsibilities of a board member. Board members cannot be excused from improper action on the grounds of ignorance or inexperience and liability of board members for negligence and mismanagement exists in favor of the association and the property owners.**

Each board member must recognize the fiduciary relationship and the responsibilities that the board has to the association and each of its members. The board's duties must be performed with the care and responsibility that an ordinary prudent person would exercise under similar circumstances, and the ultimate responsibilities of these unique positions cannot be delegated to a manager, a management company or other third party.

### **A Recap of the Board Member's Role:**

Acting through the board as a whole, a board member should:

- Enforce the documents
- Establish sound fiscal policies and maintain accurate records
- Develop a workable budget, keeping in mind the needs, requirements and expectations of the community
- Establish reserve funds
- Act on budget items and determine assessment rates
- Collect assessments
- Establish, publicize, and enforce rules and penalties

- Authorize legal action against owners who do not comply with the rules
- Review local laws before passing rules or sending bylaws to membership for approval
- Appoint committees and delegate authority to them
- Select an attorney, an auditor, insurance agent and other professionals for the association
- Provide adequate insurance coverage, as required by the bylaws and local governmental agencies.
- Inform board members of all business items that require their vote
- Inform members of important board decisions and transactions
- See that the association is protected for the acts of all parties with fiscal responsibilities
- Attend and participate at meetings

Operating a homeowner association carries with it many of the very same duties and responsibilities as overseeing any other business. Serving as a board member is a valuable and rewarding experience that should be undertaken by those who see it as an opportunity to serve their fellow neighbors while protecting and enhancing the assets of the community. It is serious business, but also a task worth doing well in order to safeguard the investments of all.

### **Condominium Owner's Association Board Roles & Responsibilities**

Board members in a condominium association play a crucially important function: they are responsible for guiding the direction of the association, making fiscally responsible decisions, and overseeing the complex logistics involved in successfully running the association. Their primary goals are to protect property values and promote a sense of community throughout the COA.

Board elections are always general elections, meaning individuals run for a seat on the board, not a specific position. Once all board members are elected, it's up to the board itself to determine who will perform which duty.

Each board member performs unique and important tasks; however, no specific document or state code rule explicitly states the duties of each member. Instead, board member roles are based on best practices and may vary slightly by association.

So, what exactly does each member of a COA board do? Read on to find out.

#### **COA President**

The COA board president fulfills a few important duties. First, they are the liaison between COA boards and community association management companies. The president is responsible for channeling comments from the COA to the management company and information from the management company back to the board and association. This function is key since multiple voices and opinions from a board can inhibit effective COA management.

The president also presides over the association's board meetings, unless they delegate this duty

to another party (the COA management company, for example). Again, a single individual must be in charge of handling meeting logistics to ensure an orderly procedure. That said, just because the president oversees the flow of the board meetings does not grant them any special priority or privilege over association business. Their vote carries the same weight as any other board member.

Like all board members, the president will also possess signing authority on the association's banking accounts.

### **COA Vice President**

The vice president's main role is to act in the president's place if the president is unavailable. It's unreasonable to think that one person will be available at all times, so the vice president role adds an important layer of support. The vice president should be familiar with all the duties listed above, so they can slot in seamlessly into the role in the event the association president is temporarily unable to complete certain tasks.

### **COA Treasurer**

Treasurers are responsible for overseeing the association's fiscal health and work closely with the community association management company to ensure the COA maintains a stable financial footing. The COA's treasurer usually assists with the budget process, reviewing the association's monthly financials and reporting this information in brief to the board. Treasurers are also usually tasked with approving invoices and signing association checks. COA treasurers need not possess any special financial management experience before serving on a board, though many do.

### **COA Secretary**

The board secretary manages much of the administrative paperwork flow, along with support from the association's management company. The secretary will review board meeting minutes prepared by the management company and may act as the principal signer on association documents, such as legal or banking documents.

### **COA Member at Large**

This fifth board member bears no special role, except to attend board meetings and submit a (potentially tie-breaking) vote on association matters. Though there are no commonly ascribed duties for this position, individual boards may decide to task this board member with specific responsibilities. Each COA board handles this role differently, based on the needs of their association.

### **What is "apparent authority"?**

Board members have "apparent authority" over association decisions, which means they carry no authority as individuals – but absolute authority when voting collectively.

**Board members have zero power to review, approve, or weigh in on association business on their own. Support from a board member on a personal level regarding a particular issue bears no greater weight than any other association member.** That said, when the board votes collectively and reaches a decision, that decision bears absolute finality, even if any individual

board members are opposed.

The only time an individual may possess their own authority is if the board explicitly grants it. For example, boards may grant authority to their community association management companies to purchase certain items for the association without receiving prior approval or interface with vendors on behalf of the association.

Serving on a COA board is a big responsibility, especially for a group of volunteers who often possess no previous experience overseeing a non-profit mutual benefit corporation. However, when guided by seasoned and responsive COA management professionals, new board members can get up to speed quickly and hit the ground running.

### **The Below Excerpts are from the Groton Recorded Documents**

*O.R. 3434 PAGE 220 & 221*

#### *ARTICLE IV Membership*

*Section 1 There shall be **no stock certificates** issued by this Corporation. There shall be **no more than thirty-nine (39) members** of this Corporation.*

*Section 2. **Transfers of membership** shall be made only on the books of the Corporation, and notice of acceptance of such transferee as a member of the Corporation shall be given in writing to such transferee by the President and Secretary of the Corporation. Transferor, in such instance, shall automatically no longer be a member of the Corporation. Membership in the Corporation may be transferred only as an incident to title transfer of the transferor's condominium parcel and his undivided interest in the common elements of the condominium, and such transfers shall be subject to the procedures set forth in this Declaration.*

#### *Section 5. **The President:***

*(A) The President shall be the Chief Executive Officer of the Corporation; preside at all meetings of the members and Directors; shall be ex officio member standing committees; shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect.*

*(B) He shall execute bonds, mortgages, and other contracts requiring a under the seal by the Corporation, except where the same are required or permitted by law to be otherwise signed and executed and except where the signing execution thereof shall be expressly delegated by the Board of Directors to other officers or agents of the Corporation.*

**Section 6. The Secretary:**

(A) *The Secretary shall keep the minutes of the member meetings and of Board of Directors meetings in one or more books provided for that purpose.*

(B) *He shall see that all notices are duly given in accordance with the Declarations of these By-Laws or as required by law.*

(C) *He shall be custodian of the corporate records and of the seal of the Corporation and shall see that the seal of the Corporation is affixed to all documents, execution of which on behalf of the Corporation under its seal is duly authorized in dance with the provisions of these By-Laws.*

**O.R. 3434 PAGE 220**

(D) *He shall keep a register of the post office addresses of each member, which shall be furnished to the Secretary by such member.*

(E) *In general, he shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.*

**Section 7. The Vice President:** *The Vice President shall be vested with all powers and required to perform all duties of the President in his absence, and such duties as may be prescribed by the Board of Directors.*

*By-laws*

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**Section 8 The Treasurer:**

(A) *The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors, the Articles of Incorporation and these By- Laws.*

(B) *He shall disburse the funds of the Corporation as ordered the Board, taking proper vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.*

(C) *He may be required to give the Corporation a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to*

*the Corporation, in case of his death, resignation, or removal from office, all books, papers, vouchers, money or other property of whatever kind in possession belonging to the Corporation.*

*Section 9. **Vacancies:** If the office of any Director, or of the President, Vice President, Secretary or Treasurer, or one or more, becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining Directors, by a majority vote of the whole Board of Directors provided for in these By-Laws may choose a successor or successors who shall hold office for the unexpired term.*

*Section 10. **Resignation:** Any Director or other officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Corporation, unless some time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.*