

25 COMMON MISTAKES BOARDS MAKE

...and How Managers Can Guide Them in the Right Direction

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Board members are subject to many demands and expectations. Serving on the board of an association can be a rewarding experience. However, most problems in associations are the result of miscommunication or non-communication, especially between a board of directors and their manager. Boards and managers need to seek on-going education and establish a team approach. Unfortunately, most boards do not have a formal orientation program. Boards need to educate themselves to ensure they know everything they need to know in order to govern the community and avoid mistakes.

The majority of board members have strong ideas of what being on a board is all about. Capturing the board's eagerness, enthusiasm, and will to govern for the common good of the community can be accomplished in conjunction with the manager's expertise, knowledge, experience, and guidance. Managers are licensed professionals and have specific knowledge that is required of them to maintain their license and a code of ethics that must be followed.

To be effective, managers need the cooperation of all board members. Experienced managers are knowledgeable and educated. Once trust and confidence has been established, the board of directors should consent to allow their manager to manage and provide guidance in leading them in the right direction. Here are 25 common mistakes that boards make:

- Failure to orientate and educate. It is essential that board members read and understand their governing documents, rules and regulations, and Florida Statutes.
- Failure to be prepared for meetings and follow the meeting agenda.
- Selective enforcement and failure to uniformly enforce the governing documents—playing favorites.
- Failure to conduct open meetings and elections.
- Failure to maintain confidentiality or generating gossip.
- Ignoring responsibilities to fulfill fiduciary duties in maintaining the property.
- Failure to hire experts and professionals in their respective fields.
- Being emotional and not capable of making business decisions.
- Being swayed by others and not voting their conscience.
- Micromanaging and abusing their power and authority.
- Failure to disclose personal interests and considering taking kickbacks and/or hiring someone that creates a conflict of interest that may involve self-dealing.
- Harassing community members and slandering them.
- Failure to clearly define the roles and responsibilities of the board of directors, committee members, and management and taking action contrary to the board's decisions or acting unilaterally.
- Failure to obtain two signatures on checks.
- Not taking the time to read and understand the financials and budget.
- Failure to follow a consistent collection policy.
- Failure to act professionally, courteously, and respectfully at meetings.
- Failure to outline and summarize their expectations and establish that everyone is on the same page.
- Self-serving interests—rather than make decisions to serve the community as a whole, decisions are made in favor of themselves personally, breaching community trust.
- Failure to post notices, newsletters, and memos, communicating the board's activities.
- Failure to be open-minded and listen to the ideas and feedback from community members.
- Failure to review and evaluate contracts and decide how and when the various maintenance tasks will be performed.
- Failure to plan, focus, and follow through.
- Failure to make timely decisions.
- Attempts to institute new policies and ground rules without doing their homework.



Board members are usually elected because they are movers and shakers. They have the ability to get things done. The board should

expand upon defining their overall goals of the association and communicate them to the manager. Very often boards micromanage because they think that is what they should be doing.

The board needs to have a clear idea of their role in the community. Management of day-to-day activities is the responsibility of management. Boards are to lead and serve in the capacity as an advisory body. John Carver, a pioneer in governance matters says, "The board is responsible for creating the future, not minding the shop." Creating the future means making a real impact on the community. As managers, we can navigate and guide the board to focus on ensuring that the community will function in a positive direction, providing a safe and healthy community and follow the path and mission that the board will lead.

Board members should not accept or solicit any gift, favors, loans, gratuities, or anything of any monetary value from a person seeking a contractual or financial relationship with the association. Board members should never use their position for financial or personal gain.

Board members should refrain from intimidation, threats, defamation, and harassment. They should never engage in libel and slander of another board member, association member, resident, and or management. You can catch more flies with honey than with vinegar.

Consequently, managers should be proactive in recognizing potential problems related to the community's affairs and finances. The manager should advise and review budgetary constraints. The manager knows when to suggest consulting and engaging professional experts such as the accountant, attorney, insurance agents, engineers, etc. when challenges may arise in those particular areas. The manager can guide and assist the board in setting policy.

However, many board members have obtained prior knowledge and business expertise in their respective fields and bring a business sense to the table. This business sense allows the efforts of the manager to develop board policies and institute the expectations of the board.

Hopefully, the manager prepares a board package in advance that contains minutes from the last meeting, management reports, financial information, and other items



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for the board to consider. Board meetings are designed for the purpose of the decision-making process and conducting the business of the association. An efficient manager can provide immediate attention, gather the information, provide adequate information, and place the item on the agenda. The manager can assist the board in making sound decisions. For those boards that are knowledgeable, well-informed, and are open to new ideas, they will be able to conduct themselves accordingly.

Nevertheless, everyone needs a clear understanding of what is expected of them and must have concise expectations in order to measure performance. A competent manager knows the ropes and need for improvements. Boards spend an exorbitant amount of time discussing possible scenarios and solutions. Managers have the ability to make recommendations and save precious time in fully addressing the issues.

Therefore, good communication will aid in the process. Sharing information on the issues and discussing issues with the members gives them a sense of purpose in the operation of the association. Board members that rely on seasoned managers can effectively approach a variety of issues and deal with the challenges of managing a successful community association. Listening is the most essential tool for all.

Human emotions, turbulent times, and exhilarating moments can sometimes interfere and cloud the mind and ability to be level headed.

The purpose of the board is to represent the interests of the owners as a whole, as these interests relate to the property. They are responsible for making timely decisions on behalf of the owners. Being a board member is not a casual undertaking. By working closely and proactively with management, the board can spend its time on areas that can move the community forward, enhancing results and solutions. Mistakes will occur, but with proper guidance and the hiring of experts in their respective fields, the board can reduce the number of mistakes and develop a full understanding of what it takes to manage the community. I hope that these suggestions will offer a positive and satisfying direction in which the community will work together for the best interests of the association. ■



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