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The Players in a Community Association: The Board, The Manager and The Owners and How Their Roles Affect Community Governance

Community associations in Georgia are considered non-profit corporate entities under Georgia law. This means that the board of directors, the manager and the owners all play important roles in the governance of the association.

The Board of Directors

Under the Georgia Non-Profit Corporation Code, each association needs a board of directors to ensure that the corporation can function. An association's board of directors is most likely elected at the association's annual meeting. If an election does not take place (*e.g.*, no quorum at annual meeting or resignation before end of term), the association's bylaws typically provide that a majority of remaining directors on the board can vote to appoint directors for the remainder of the resigned director's term.

Overall, an association's board of directors is responsible for managing the affairs of the association and ensure the community follows the association's covenants. To manage the association's affairs, an association's governing

documents typically authorize the board to carry out the below functions on behalf of the association:

- Create the association's yearly budget/set the annual assessment amount
- Levy assessments;
- Determine how reserves should be allocated/spent;
- Enter into contracts with vendors on the association's behalf;
- Enforce the covenants by imposing fines, utilizing self-help to correct violations, and/or institute legal action force compliance;
- Adopt reasonable rules and regulations governing the common area/common elements;
- Keep certain association books and records;
- Approve changes to lots or condominium units in the absence of an architectural control committee; and
- Appoint association officers.

This list is not exhaustive. Georgia law requires that directors complete these tasks in accordance with certain standards of conduct and while avoiding any conflict of interest with the association.

The Property Manager

Most association property managers are employees of a larger management company. The property manager acts as the association's agent and, therefore, acts on the association's behalf. Like the board, the manager's responsibilities relate to managing and monitoring the affairs of the association, but as directed by the board or as outlined in the management agreement with the association. The property manager's typical tasks include:

- Inspecting community lots to ensure compliance;
- Ensuring the association's common areas/common elements and equipment are maintained;
- Assist board in negotiating and maintaining vendor contracts and insurance;
- Oversee vendor contracts and administer services provided by association, if any (*e.g.*, trash collection, landscaping, water, etc.);
- Assist board with budget preparation, board meeting preparation and member meeting preparation; and
- Assist board with account record keeping and collection of assessments.

The above tasks require a manager to know not only his or her property(ies) well, but also the association's governing documents. That being said, a manager should never provide legal advice to owners or the board and should, instead, seek legal advice from an attorney in the event the governing documents need interpretation.

The Owners

Many community association owners are surprised to learn that their decision-making authority is mostly limited only to what the board proposes for an ownership vote. An association's governing documents will often dictate what types of decisions must be voted on by the membership. This likely includes amending the governing documents or voting for new members of the board. The board is not limited by the governing documents and may choose to allow the membership to vote on other matters; however, by doing this, the board is essentially committing itself to what the owners decide. The corporate governance of an association is structured in a way so that the membership of the association is not held with the cumbersome responsibility of managing the day-to-day operations of the association. This is why the other decision-making authority an owner has is to vote for the members of the board. In summary, the membership's control is to elect the directors it feels will best execute the association's affairs.

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