



Associated Property Management

BOARD MEMBER TRANSITIONS

By Associated Property Management

At this time of year, new Board of Directors are being elected and formed for the coming year. Some Boards remain static from year to year, while others experience total turnover. In all cases, there should be a transition procedure to help the new Board Members to adapt more quickly to the operations and management of the association.

Since being on a Board of Directors is solely a volunteer position, it is very difficult for Board of Directors to have a smooth transition from year to year, as residents get tired from fulfilling their duties or their terms expire. Thus, it is imperative to replace the outgoing Directors with new Directors, year after year. To help bring new Directors up to speed as quickly as possible and to have them be as effective as possible, it is suggested that there be transition packages for each new board member. Transition packages would contain key information about the operations of the association and any important elements to help and guide any new Director in that position. The main purpose in having transition packages is to provide continuity of operations from year to year. In this manner, there are no serious disruptions in management and in the operations for the coming year.

A few elements of the transition package would be; all current contracts, any amendments to the association documents, recorded set of association documents, current governing statutes for the Association, calendar of events for the next twelve months, current year's budget, manager's reports for last two years, committee reports for the last two years, minutes of last two years board meetings, prior year's budgets, summary of past accomplishments and future problems and finally telephone numbers of board and committee persons. In addition to the above, I suggest having all bank account numbers listed, with locations of the accounts and who the current signers are. Also, at the transition meeting or organizational meeting of the new Board, there should be new bank signature cards and corporate authorizations available to assist the new Board.

In an ideal situation, a past Board will meet with the new Board and review their current management, any current conflicts and operation problems. Past officers would provide an overview to the new officers. Committee chairpersons would give their reports and summary of activities to the new Directors and new committee chairpersons as well. Past Officers would be available to provide guidance to new members.

In many transitions, there will be some Directors that will be carried over from one year to the next. These Directors usually become leaders or will be able to fill in the history of a situation or a problem to the new Board members. In that way, the new Board will be

able to make more informed and better decisions that will please the membership. Many association documents have staggered terms, which provides for Directors to be carried over from year to year, rather than one year terms. If an association provides for one-year terms, the association should consider amending their documents to allow for staggered terms for their Directors. This also helps to promote continuity from Board to Board and year to year. An ideal staggered term scenario would be for 1/2 of the Directors being newly elected with a two-year term and 1/2 of the Directors having a one-year term remaining. In this manner, the association has a group of people who will be able to carry on from year to year with some continuity. The Board members who have the longer experience will be able to provide some history to certain projects for the Directors who are new to the Board. In this way, the entire Board can make more informed decisions.

Try developing a transition procedure for your Board of Directors, in order to minimize any disruptions in operations from year to year. This will benefit your Directors and your residents.

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