SAMPLE INFORMATIONAL LETTER FOR NEW ELECTED HOA BOARD MEMBERS

Date

Ms. Elected Person
123 Any Street
Anytown, Illinois

RE: Welcome New Board Member

Dear Insert Person’s Name and HOA Board Office (if applicable):

Congratulations on your recent election to the Board of Directors of the OUR Lodge Association, Inc. We appreciate your willingness to serve.

It has been my custom as the general manager of the OUR Lodge, to acquaint new members of the Board with the basic duties they have to discharge in this important responsibility. I have humbly called this the “Top Ten Duties of a Board Member.” Although there are many more duties than these ten, they represent the ones that keep raising their heads over the years, in meetings and operations of the association. Familiarity with these will go a long way in helping you carry out effective Board service.

**Duty Number One:** *Know the documents* that govern our non-profit corporation. They include the condominium documents (“condo docs”), which include the Articles of Incorporation and the bylaws of the association, and the rules and regulations. We are enclosing our updated printing of this booklet and a CD version, for your reference. The law charges directors with knowledge of these documents and they are often a key resource to Board discussion and analysis of issues.

**Duty Number Two:** Plan to *attend all board meetings*. This is perhaps the most important element in discharging your duty of care to the association (see also Duty Number Three, below). Although our by-laws do permit attendance by teleconference, we strongly urge that you attend in person, if at all possible. Meetings dates and times are polled to the Board members, to attempt the best result that fits everyone’s schedules. Meetings are called approximately in January/February (our winter meeting), March/April – in conjunction with the ARDA Convention, by teleconference in July, and in October – combined with the owners annual meeting. You will receive written notice of all meetings. Meetings are held in various locations and states. If you are not able to attend a particular meeting, please let us know. Proxies cannot be used at the board meetings, so we need at least four of the seven directors to be personally present or attending by telephone, in order to achieve a quorum and conduct the meeting.

**Duty Number Three:** The law imposes on directors of non-profit associations a *standard of care* similar to that of directors of a for-profit corporation, and you have both a duty of care and a duty of loyalty in your role as a director. Get informed on the matters on the agenda. You can generally rely on reports from committees of the association or from retained professionals. You must always exercise your independent judgment. Don’t be afraid to speak out on any issue. That is why we have seven directors, thus assuring that decisions are at least by majority vote.

**Duty Number Four:** Act always in good faith and make sure the decisions you make are in the best interests of the Association, which is our common constituency. We were all elected by the members, and we owe our *duty of care and loyalty* to them, not to the Board. If you have a conflict of interest, make sure it is disclosed to the Board in advance of discussion on an issue. Remember, a conflict of interest occurs when you or a family member has a material personal interest in the outcome of a vote. The most common conflicts are financial. Our bylaws prohibit board members
from serving as a vendor of goods or services to the association, so more common is when family members may bid for contracts. This is NOT prohibited but does require prior disclosure.

**Duty Number Five:** You have a duty to *keep confidential* what is discussed in board meetings. This protects both the association and the Board. You can only disclose what is agreed to by the Board or what is a matter of public record. For example, sometimes our members become delinquent in dues and assessments, but any discussions of their names and delinquencies outside the Board meeting is inappropriate.

**Duty Number Six:** Because we conduct association meetings under “Robert’s Rules of Order,” please acquaint or refresh yourself with this procedure. You never know when you might be asked to conduct the meeting, or take over the chair in some circumstances. Parliamentary rules really make for a smoother-run meeting. We observe a relaxed version of these rules in our board meetings, as well.

**Duty Number Seven:** Become familiar with the *legal reporting requirements* of a non-profit corporation in our state. A copy of the governing state statute is attached for your use. Every director is individually liable for our compliance with this law. Under state law, failure to follow these requirements, as well as failure to file an annual report, could call our legal existence into question, and in an extreme case make us each personally liable for the obligations of the association!

**Duty Number Eight:** We have eight standing *committees on the Board*: Audit/Budget, Legal, Conflicts, Documents/Due Diligence, Insurance, Compensation, Capital Reserve & Long Term Planning, and Recruitment & Nomination. Without knowing your interests and skills, I am initially assigning you to the __________ committee. The committee chairs all give reports at each Board and association meeting and otherwise, as requested by the Board president.

**Duty Number Nine:** Please keep track of out-of-pocket expenses reasonably incurred in the performance of your duties. As you know, under the by-laws, board members are *reimbursed for expenses* for attendance at board meetings. Also, you may be given assignments by the board or by me that call for expenditures on behalf of the association, for which you are entitled to reimbursement.

**Duty Number Ten:** We know serving on the Board is often a thankless job, but please remember that the members have confidence in you as shown by their vote. *Enjoy your time on the Board* and be assured of the gratitude of the members for your willingness to serve. Have fun!

If you have any questions, please call or e-mail me at the addresses and numbers as above-listed.

Sincerely,

OUR LODGE ASSOCIATION

General Manager