

## **Basic Responsibilities of the President, Vice President, Secretary and Treasurer of a Homeowners Association**

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Serving on the board of directors for your community is one of the best ways to ensure that your voice is heard when it comes to decisions to be made for the community. In almost all cases, the board of directors is responsible for selecting the officers to operate the Association. Many newly appointed officers want to do what they can for their community but are unsure exactly what their new position means. Though many have heard the terms President, Vice President, Secretary and Treasurer, they volunteer to serve based on the limited knowledge that they have, but they are not sure of their responsibilities in one of these positions. This article will outline some of the common responsibilities for officers together with some standards of conduct.

Since community associations are incorporated as Nonprofit Corporations, the Georgia Nonprofit Corporation Code (the "Act") controls the actions of the corporation. The Act lists certain standards of conduct for officers and directors. The responsibility for each officer, however, is not clearly outlined in the Act. Instead, you need to look at the Bylaws for your Association ("Association"). The information that follows outlines some of the more common responsibilities of officers. To be sure, however, you must review the Bylaws, corporate records and other governing documents for your Association.

### **President**

The President is the chief executive officer of the Association. Most Bylaws provide that the President is responsible for conducting all meetings. A common Bylaw provision is as follows: "The President shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code."

### **Vice President**

Generally, the Vice President is not assigned any specific tasks other than to conduct meetings in the event that the President cannot attend the meeting. Unofficially, the Vice President is often assigned a position as the chair of an active committee (i.e. the Architectural Control or Covenants Committee). A common Bylaw provision provides: "The Vice President shall act in the President's absence and shall have the same powers, duties, and responsibilities as the President when so acting."

### **Secretary**

The Act requires that all corporations in Georgia maintain certain books and records. Though the financial records are usually maintained by the Treasurer, the Secretary is responsible for the creation of all minutes for both board and membership meetings. The Secretary should also keep records of recommendations and, if permitted by the Bylaws and other Association governing documents, decisions by committees created by the board. If the Bylaws provide for elections by actions without a meeting, it is generally the Secretary who must ensure that the notices of meetings, the ballots and other related materials are properly distributed.

Though it is common for Associations that have professional management to delegate several of the responsibilities of the Secretary to the management company, the Secretary still needs to review the actions of the professional manager to ensure that proper records are maintained and notices are sent out on a timely basis.

## **Treasurer**

The Treasurer is generally given the task of paying bills that have been approved by the Board, creating the budget, keeping up with the collection of assessments and other related matters of a financial nature. Because the creation of the budget is so important to the well-being of a community, the budget, though coordinated and overseen by the Treasurer, is the responsibility of the entire board. Additionally, like the Secretary, there are several tasks of the Treasurer that are often delegated to a professional community association manager. Also like the Secretary's position, the Treasurer still needs to ensure that proper records are kept and any recommendations for the budget by the manager are reasonable.

## **Differences between a director and an officer**

Many people confuse the responsibilities and obligations of the directors with the responsibilities and obligations of officers. This is further complicated by the fact that, generally, only individuals who have been elected as a director are qualified to be chosen to serve as an officer. There are, however, differences between the two positions.

## **Directors**

Directors are elected by the members of the Association. The Bylaws for most associations provide the number of directors that must be at a meeting to meet quorum requirements and the number of directors that must vote to approve a decision for the Association. Individuals that serve on the board vote in their capacity as a director, not as an officer. Though Robert's Rules of Order limit the times that a president may vote, this limitation does not generally apply to corporations in Georgia. The individual who is president is actually voting in his or her capacity as an elected director.

Members of the Association are often confused about their authority of the board to direct vendors that work for the Association. (i.e. Why did the board get to choose the pool furniture? I don't like what they selected and I should have had a voice.) Because the Association is not a person, but an entity, Georgia law had to create a way for the entity to make decisions and take action. The Act and the Association's governing documents in most instances clearly provide that the board of directors, not the membership, must direct the actions of the Association. A majority of a quorum of the directors is generally the number of individuals that must approve any action to be taken by the Association. Except in some limited circumstances that might be outlined in the Bylaws, (i.e. delinquency of a director), a majority of the members of the Association, not just the directors, must vote to remove a director.

## **Officers**

The officers are appointed by the board of directors, not the membership of the Association. These appointments are generally made at an Organizational Meeting of the board, often immediately after the election of the board members. Under some governing documents of associations, officers are required to also be directors but this is not always the case. Because the board of directors appoints the officers, the board of directors can vote to remove an officer but that individual, if they were also a board member, remains on the board of directors. For example, if there is an issue necessitating the removal of the Treasurer, the majority of a quorum of the board of directors can vote to replace the Treasurer.

A review of your Association's Bylaws will provide additional guidance for officers and directors of the Association. If you have any questions about your position, please feel free to contact your attorney at Moore & Reese, LLC.