

WEEKLY Q&A FOR NEVADA HOA BOARD MEMBERS & OTHER INVOLVED INDIVIDUALS

Q: Why can't your manager sign the reserve account checks since they can, but it's not recommended, sign on the operating account?

A: I don't normally like to put the whole statute in a message, but as it is critical to do it correctly, here is why managers can't sign the reserve account checks:

NAC 116A.345 Prohibited acts. ([NRS 116A.200](#), [116A.400](#)) A community manager shall not:

1. Except as otherwise required by law or court order, disclose confidential information relating to a client which includes, without limitation, the business affairs and financial records of the client, unless the disclosure is consented to by the client;
2. Impede or otherwise interfere with an investigation of the Division by:
 - (a) Failing to comply with a request by the Division to provide documents;
 - (b) Supplying false or misleading information to an investigator, auditor or any other officer or agent of the Division; or
 - (c) Concealing any facts or documents relating to the business of a client;
3. Commingle money or other property of a client with the money or other property of another client, another association, the community manager or the employer of the community manager and shall not use money or other property of a client for his or her own personal use;
4. **Be a signor on a withdrawal from a reserve account of a client;**
5. Except as otherwise permitted by the provisions of the court rules governing the legal profession, establish an attorney-client relationship with an attorney or law firm which represents a client that employs the community manager or with whom the community manager has a management agreement;
6. Provide or attempt to provide to a client services concerning a type of property or service:
 - (a) That is outside his or her field of experience or competence without the assistance of a qualified authority unless the fact of his or her inexperience or incompetence is disclosed fully to the client and is not otherwise prohibited by law; or
 - (b) For which he or she is not properly licensed;
7. Apply a payment of an assessment from a unit's owner towards any fine, fee or other charge that is due;
8. Refuse to accept from a unit's owner payment of any assessment, fine, fee or other charge that is due because of the fact that there is an outstanding payment due; or
9. Collect any fees or other charges from a client not specified in the management agreement.

(Added to NAC by Comm'n for Common-Interest Communities by R129-04, eff. 4-14-2005) — (Substituted in revision for NAC 116.341)

NRS 116.31153 Signatures required for withdrawals of certain association funds; exceptions.

1. Money in the reserve account of an association required by paragraph (b) of subsection 2 of [NRS 116.3115](#) may not be withdrawn without the signatures of at least two members of the executive board or the signatures of at least one member of the executive board and one officer of the association who is not a member of the executive board.

2. Except as otherwise provided in subsection 3, money in the operating account of an association may not be withdrawn without the signatures of at least one member of the executive board or one officer of the association and a member of the executive board, an officer of the association or the community manager.

3. Money in the operating account of an association may be withdrawn without the signatures required pursuant to subsection 2 to:

- (a) Transfer money to the reserve account of the association at regular intervals;
- (b) Make automatic payments for utilities;
- (c) Make automatic payments for the cost of any insurance policies maintained pursuant to [NRS 116.3113](#);
- (d) Make automatic payments for telecommunications services maintained by the association, including, without limitation, telephone, cable, satellite and Internet services;
- (e) Make automatic payments for any services to the association that are billed on a monthly, quarterly or annual basis;
- (f) Make annual payments to the Office of the Ombudsman;
- (g) Make an electronic transfer of money to a state agency pursuant to [NRS 353.1467](#); or

(h) Make an electronic transfer of money to the United States Government, or any agency thereof, pursuant to any federal law requiring transfers of money to be made by an electronic means authorized by the United States Government or the agency thereof.

4. An association may use electronic signatures to withdraw money in the operating account of the association if:

- (a) The electronic transfer of money is made pursuant to a written agreement entered into between the association and the financial institution where the operating account of the association is maintained;
- (b) The executive board has expressly authorized the electronic transfer of money; and
- (c) The association has established internal accounting controls which comply with generally accepted accounting principles to safeguard the assets of the association.

5. As used in this section, "electronic transfer of money" has the meaning ascribed to it in [NRS 353.1467](#). (Added to NRS by [1999, 2995](#); A [2009, 2927](#); [2011, 1879](#); [2023, 967](#))