

WEEKLY QUESTION AND ANSWER FOR NEVADA HOA INVOLVED INDIVIDUALS

Q: What are some of the most common mistakes HOA boards make and should avoid?

A: The board is critical to the success of each association. Here is a list of the mistakes that board members should avoid:

1. Not reading and following the governing documents. Care needs to be taken, however, as some older documents are in violation with NRS 116 and NAC 116.
2. Working outside board and their scope of authority. No single board member should act on behalf of the entire board without authority given in a properly announced meeting.
3. Allowing Conflicts of Interest. Make sure to disclose up front even if the action has the slightest perception of a conflict of interest.
4. Inadequate Communication. Proper communication fosters transparency and keeps the community informed and engaged. Update membership immediate important matters and share information before implementing changes that could affect owners financially or otherwise.
5. Not following Nevada Laws collecting assessments and fees. Treating a friend in the neighborhood differently than others is unacceptable. Follow the state mandatory collection policy for everyone.
6. Neglecting to perform an annual insurance review. If your agent won't hold an annual Zoom meeting to discuss your policies, you have the wrong agent. It is a critical component of the community and provides adequate protection for the association. Make sure your agent has been in the industry for a while, so they understand our complicated industry.
7. Inconsistent Enforcement of the governing documents. Allowing personal feelings or friendships to influence enforcement decisions can lead to uneven application of rules, causing resentment and disputes within the community. Consistency in enforcement upholds standards and maintains community harmony by observing the rules and restrictions in place and honoring the spirit of the declaration that established the community.
8. Repeating past mistakes: Learning from mistakes is essential for continuous improvement. Serving on an HOA board requires a commitment to fairness, transparency, and adherence to governing documents.

By avoiding common mistakes, board members can ensure effective governance, maintain community trust, and promote a positive living environment for all residents. Obviously, there will be occasional problem people who move into the community, but the information above helps you prove that you are doing things right.