

WEEKLY QUESTION AND ANSWER FOR NEVADA HOA INVOLVED INDIVIDUALS

Q: What are some of the common errors boards make that need to be addressed proactively vs. correcting problems after the fact:

A: Below are a few things that board members have problems with.

1. Don't read and follow the Governing Documents and Nevada law. You are required by law to read all of those once elected and sign a form saying you have done so.
2. Working outside board and their scope of authority. No single board should act on behalf of the entire board. Board members should avoid having one-on-one meetings with members, vendors or others as it can lead to unauthorized decisions or perceptions.
3. Allowing Conflicts of Interest. Nevada law requires that any conflicts be announced when running for the board and that includes friends, relatives, etc. Full disclosure up-front is required and can be a serious problem if not done.
4. Not being consistent in collecting assessments and fees. Don't call them dues as they are assessments and is the boards role as a fiduciary of the association to following the collection policy and if going to deviate contact legal council to stay out of trouble.
5. Neglecting to perform an annual insurance review. With our changing insurance coverages, it is really import that the board require their agent to meet with them, even if over Zoom annually to discuss their coverage.
6. Repeating Past Mistakes. Read the prior minutes before you got on the board to see the issues that had to be addressed to make sure this new board does not do the same thing and listen to your properly license community manager since they could be sending you CYI letters if you don't listen to them, which has put you on notice while covering themselves that they tried to get you to listen.