Effective Board/Management Relationships  
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There are many different types of working relationships and each one depends on your personal and professional style. What works for your community may not work for another. The most important step is the first one. When you begin working with a new Management company or a newly elected Board of Directors, all pertinent parties need to hold a special meeting to establish standards, communication and responsibilities.

Standards

Although your Management Firm should lay the groundwork for standard operating procedures (SOPs), it may only be a roadmap for what you are really looking for. For example, how often should your common areas be cleaned? How often should staff meetings be held? Is our community staffed appropriately? Are expectations clearly defined?

Be sure your Management Team understands your expectations. Put it in writing to avoid any confusion and ensure clarity for all parties. If you are clearly communicating your priorities, your Management Team will find it easy to keep you happy.

Communication

Proper communication is one of the most important factors in Property Management for two reasons: 1) To demonstrate what is happening behind the scenes; and 2) To keep the Board and residents abreast of what is going on. The Board should fully understand what their Management Team is handling on a daily basis, and what is happening within their community. There should be complete transparency. After all, not only is it your home, but as a Board member, you are ultimately responsible to every owner for the decisions which are made. In this digital age, the Board should have access to their community’s information in every possible way. Ideally, instead of the Board being involved in day-to-day operations, they should be able to review community happenings either through Management Reports or through an online Management portal.

If you are with a new Management Firm, ask up front how you will be communicated with and when. A lot of Management Firms use the policy of one Board liaison to Management representative. This is a good policy for any community in order for information to be properly disseminated. This liaison most often is the Board President. If Management is communicating to different members at various times about the same topic there will inevitably be conflict. Not everyone will think the same way or agree,
which is why there needs to be a point person. This does not mean the liaison is able to make decisions unilaterally without first consulting with the Board. The liaison would be the clearinghouse for information to obtain the majority decisions by the Board prior to giving direction to Management. The Board should be working as a team with management so together we are all working together in the same direction. Transparency is also important here so the rest of the Board can still be a part of every aspect of operations. In addition, the liaison should be responsive and share information with the other Board members in a timely manner.

One of the biggest complaints Management Firms receive from Boards is the lack of properly communicating to the Board on current events and status of projects. The same goes for residents, who also do not like to be left in the dark on their investment. Daily operations may inundate Management, but proper notice needs to be given to residents before risers are shut off, construction projects commence, etc. Where Management can shine is in the constant updates to the Board and residents on the status of community events and projects. The lines of communication should always remain open.

It’s amazing how responsibility and communication tie into each other so much. One of the main reasons a Board looks for new Management is when Management doesn’t hold themselves accountable, which in turn can lead to poor communications.

**Responsibilities**

Embracing the fundamentals of Board roles is important in keeping organized on who does what. It’s common for members to help each other with tasks or projects, but the purpose of the assigned roles is keeping members from stepping on each other’s toes. All Board Members should receive an education on fiduciary duty to fully understand what you are being held accountable for and is expected of you in your important role. The assigned roles also helps Management understand who to communicate to and who to take direction from. All board members should familiarize themselves with the community’s declaration, bylaws and the Illinois Condominium Property Act (ICPA) or Common Interest Community Association Act (CICAA), as applicable, and the Manager should be guiding the Board accordingly.

The President presides over all meetings, sets the agenda and ensures it is followed. The Secretary is the record keeper and minute taker. The Treasurer is responsible over all the community’s funds. These are very broad descriptions, so review the ICPA for a more detailed description of all Board roles. As you can see the basic Board duties are minor in the scope of community’s daily operations because it is Management’s responsibility to handle the bulk of the load.
As a volunteer, Board Members should not be overwhelmed with an additional full-time job. This is why it is critical the Board has a reliable Management Team to carry out daily tasks and major projects. Again, as volunteers, Board Members do not need to be knowledgeable in all facets of Property Management, but instead on how their home should feel, look and appreciate in value. Your Management Team should be knowledge leaders, and have the access and ability to gather facts and information in order help the Board make educated decisions.

So, what exactly is Management responsible for you may be asking yourself? For a detailed listing review your Management contract or, if you are signing a new contract, ensure it encompasses all your expectations. Management should be handling the day-to-day operations of your Association as well as looking to the future of your investment. At your monthly Board meetings, you are voting on action items that Management should be carrying out from beginning to completion. Set realistic deadlines, provide your Manager with timely and clear directives and follow-up to ensure projects are completed as approved. The Board makes policy and Management carries it out.

On a daily basis Management is handling: the community’s files, resident inquiries, paying bills, compiling financial statements, organizing and scheduling vendors and projects, proposal solicitation, contract negotiations, property inspections, oversight of employees and maintaining the property. Regarding the maintenance and enhancement of the property, Management should be advising the Board on bigger picture items; such as audits, reserve studies, annual budgets, property improvements and practices.

Sounds like a lot, right? It is. One cannot downplay Management’s role and their hard work. So when you are negotiating your Management contract, as the saying goes: “You get what you pay for!” Your investment deserves better than a bargain deal. The best thing you could do is ensure that your Management Firm can uphold these standards, communicate well, and remain accountable for their responsibilities.