



BECOMING A BOARD MEMBER 101



Welcome & Introductions



PURPOSE



To provide a high-level overview of CCMC, the community's operations, the basics around a Community Association, your role as a Community Association Board Member, the operations of the site team, and developer.



What is a Community Association?

A COMMUNITY ASSOCIATION IS...

“A group of owners who form a legal corporation, who wish to provide a communal basis for preserving, maintaining, and enhancing their homes and property.”

CAI: M-100 Participant Guide



WHAT IS THE ASSOCIATION

- Membership in the community is mandatory and automatic for all owners at the time of closing.
- Certain Association governing documents bind the owners and the Association to each other through mandated actions.
- Mandatory “lien-based” assessments are levied on each owner in order to operate and maintain the community association/corporation.



Who, Why, How?





WHO IS THE BOARD?



Generally, Board members are:

Homeowners who are elected or appointed to the Association Board of Directors and are tasked with advising the management team on performing services or functions based upon specific community matters.



WHO IS THE BOARD?

President:

- The President is the primary leader of the Association board, responsible for administrative duties and making final decisions on most matters. They also serve as the spokesperson to the community association's management team, providing guidance and an overview of Board decisions.

Vice President:

- The Vice President supports the President and assumes their duties when the President is unavailable. They may also be assigned specific tasks, such as securing bids for maintenance projects.



WHO IS THE BOARD?

Treasurer:

- The Treasurer manages the Association's finances, including budget preparation, disbursements, and financial reporting. They also ensure that financial records are properly maintained.

Secretary:

- The Secretary is responsible for all documentation and record-keeping within the Association. This includes recording meeting minutes, providing proper notice for meetings, and distributing essential documentation to board members

Members at Large:

- Members at Large don't have predetermined, written responsibilities outlined in the community's governing documents. Their duties can vary depending on the needs of the board. They may be assigned to committees, work on special projects, or be called upon to fill in for officers in their absence.



WHY BE ON THE BOARD?

- Opportunities to assist in creating, increasing, and ensuring homeowner involvement.
- Ability to assist in creating, increasing, and ensuring transparency within the community through checks and balances.
- Assist to develop community goals, strategic plans, and a clear outline of community success.





BOARD MEMBER PROTECTION



- **Insurance - Directors and Officers (“D&O”)**
 - “...Members of a duly constituted committee, or volunteers of the Insured Entity.” (only under fiduciary mis-acts)
- **Know Your Definitions**
 - Fiduciary Duty
 - Business Judgment Rule



BOARD MEMBER PROTECTION

- Fiduciary Duty: Requires Board Members to act in the best interests and for the benefit of the corporation, thus, the community as a whole.
- Business Judgment Rule: If the Board or an individual has exercised reasonable business judgment in making a decision, the court will generally not consider negligence in its fiduciary duty.



The Role of the Board of Directors



ROLE OF THE BOARD



Building on the Tellus Group Foundation:

- Understanding the vision of the community
- Understanding the community and market presence
- Tellus' unique business design and why
- How a community begins through the development process
- When it transitions to full homeowner control



ROLE OF THE BOARD



- Utilizing Fiduciary Duty and sound Business Judgment while governing
- Providing clear direction to the Management Team
- Representing the community through the setting of policies
- Build on the foundation established by the Developer
- Assist in setting or approving community goals through the Management Team
- Attend meetings



ROLE OF THE BOARD



- Always acts in the best interests of the Association
- Be responsive to Homeowner needs, desires, requests, and questions
- Be familiar with the governing documents, state statutes, and federal laws that impact the Association
- Establish and direct the governing documents to be enforced fairly and uniformly
- Set and understand the standards, procedures, programs, and budgets for the Association



ROLE OF THE BOARD

- Authorizes legal action against non-compliant Homeowners uniformly
- Listen to industry professionals before authorizing changes or adjustments to limit liability
- Appoints committees to increase Homeowner transparency and involvement
- Provide constructive and consistent feedback to the management team
- Inform members of important board decisions and transactions
- Insure the Association is protected





HELPFUL TIPS

- Be consistent and respectful
- Transparent
- Prepared
 - Review Management Reports and Board Packets
 - Understand details on contracts/bids
 - Ask Questions
- Provide Safe Harbor to Members and each other
- Have a unified voice
- Stay Away from Social Media



HELPFUL TIPS

Social Media vs. The Board:

- Increases liability - Your voice is the voice of the Association
 - Former Board Members suing Residents (Arizona)
 - Board Members suing Board Members (Arizona)
 - Residents suing Board Members (Everywhere)
 - Etc.

Recommendations:

- Adopt a Social Media Policy - WRCA Completed
- Communication goes out but not in
- Limit Association/Community based conversations



CTA...Maybe?

The Corporate Transparency Act (CTA):

- Requires companies to report information on the beneficial owners, i.e., BOD Members.
- Information must be reported to FinCEN (Financial Crimes Enforcement Network).
 - FinCEN will provide each BOD member with a unique ID number.
 - Association attorney may be able to help in this process.
- Originally designed to mitigate trafficking and money laundering.
- Reporting requirements begin on January 1, 2025.
- Beneficial Owner Information (BOI) Must provide:
 - Legal business name
 - Legal name, address, date of birth, ID number of each owner.
- Fines of \$500 per day, up to \$250,000 and/or 2 years in jail may be levied.
- Communities with 501c3 and 501c4 taxation designations are exempt due to additional taxation requirements.

POP QUIZ



True or False: You must provide notice to the community if a quorum of the board convenes at an event like a BBQ.

FALSE



FALSE: But some attorneys may advise alternatively with respect to the law.



The Hierarchy of Authority

POP QUIZ

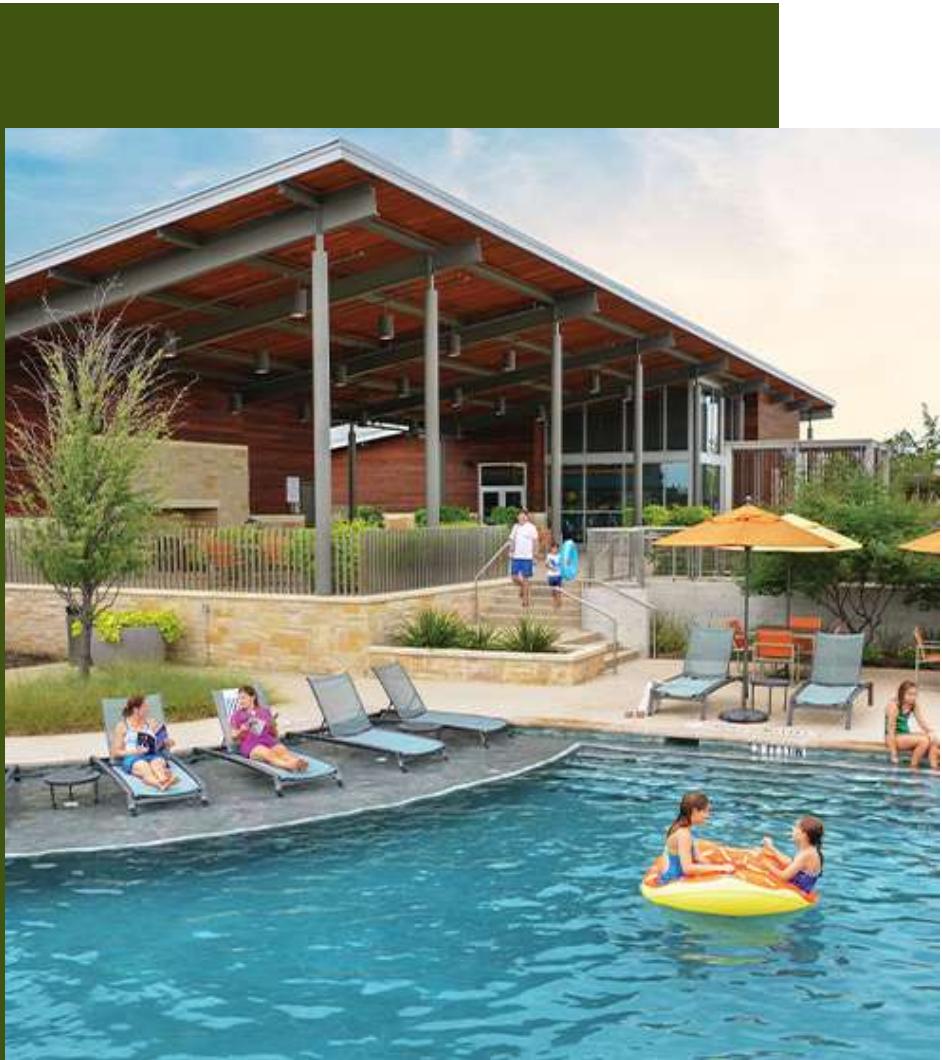


True or False: Your state laws trump any laws provided by an agency of the federal government.

FALSE



The federal government laws trump those laws created at the state level.



**What are your
Governing
Documents?**



Now this feels like home.®

FEDERAL, STATE, & LOCAL



Federal Statutes, Regulations, & Court Decisions



State Statutes, Regulations & Court Decisions



County/City Statutes, Regulations & Court Decisions



POP QUIZ ?

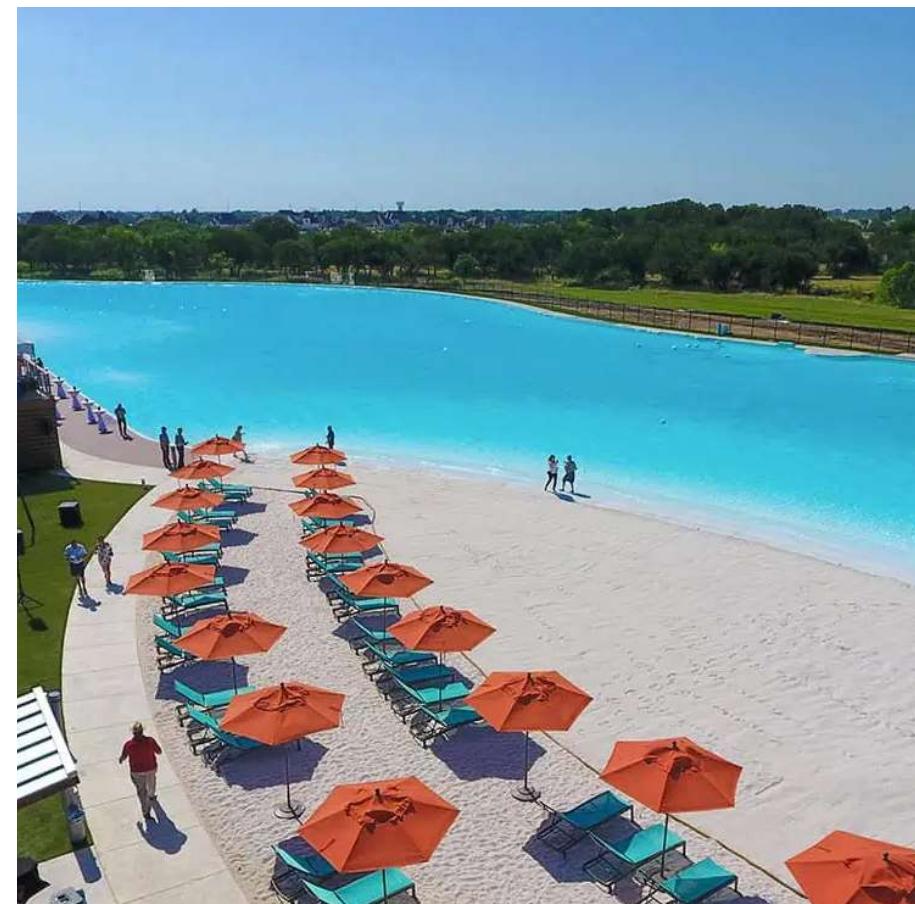
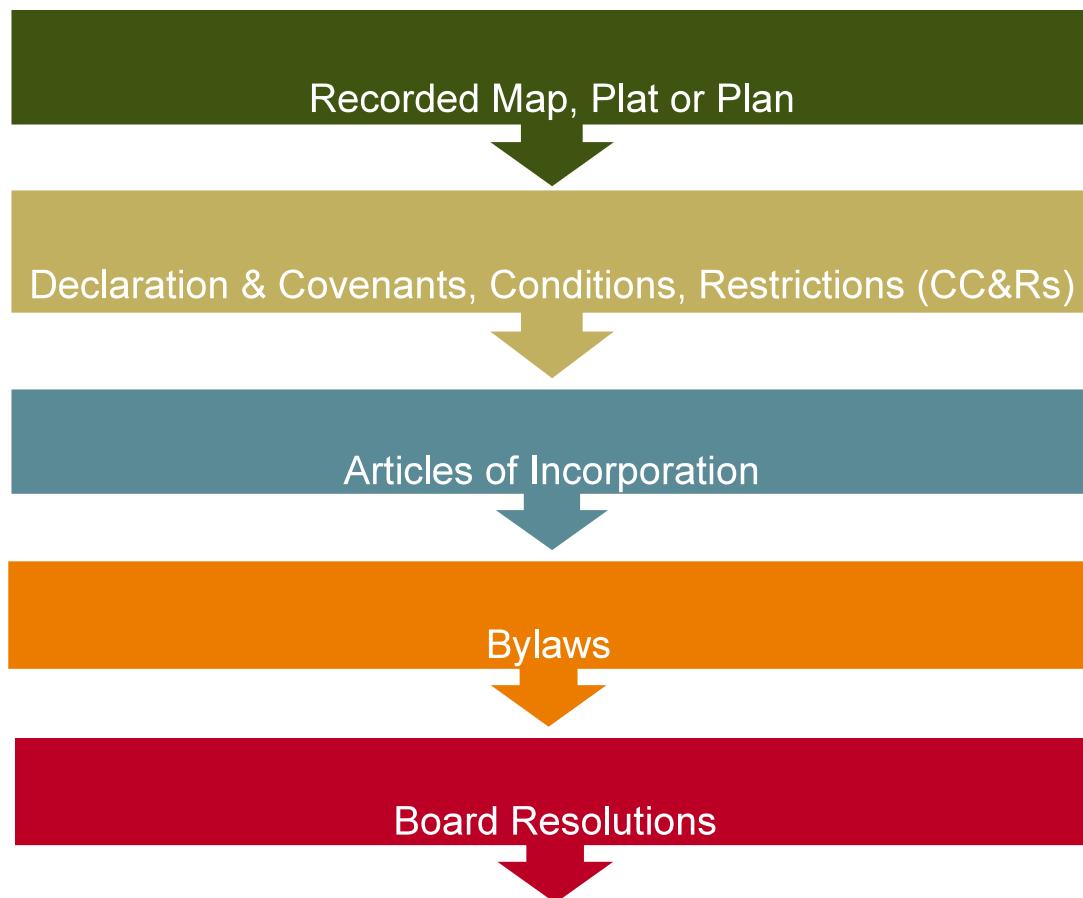


What is the most important document for the community association and owner to have and be aware of?

THE RECORDED PLAT



THE GOVERNING DOCUMENTS



GOVERNING DOCUMENTS: EXPLAINED

Recorded Plat:

The purpose is to show the precise location of each lot as well as the common areas.

A plat may help define an owner's or a community's title to property.



GOVERNING DOCUMENTS: EXPLAINED

CC&Rs:

More than any other document, this brings the community into existence, once they are filed.

Define the bundle of rights and responsibilities for each owner in the Community Association.



GOVERNING DOCUMENTS: EXPLAINED

Certificate of Formation:

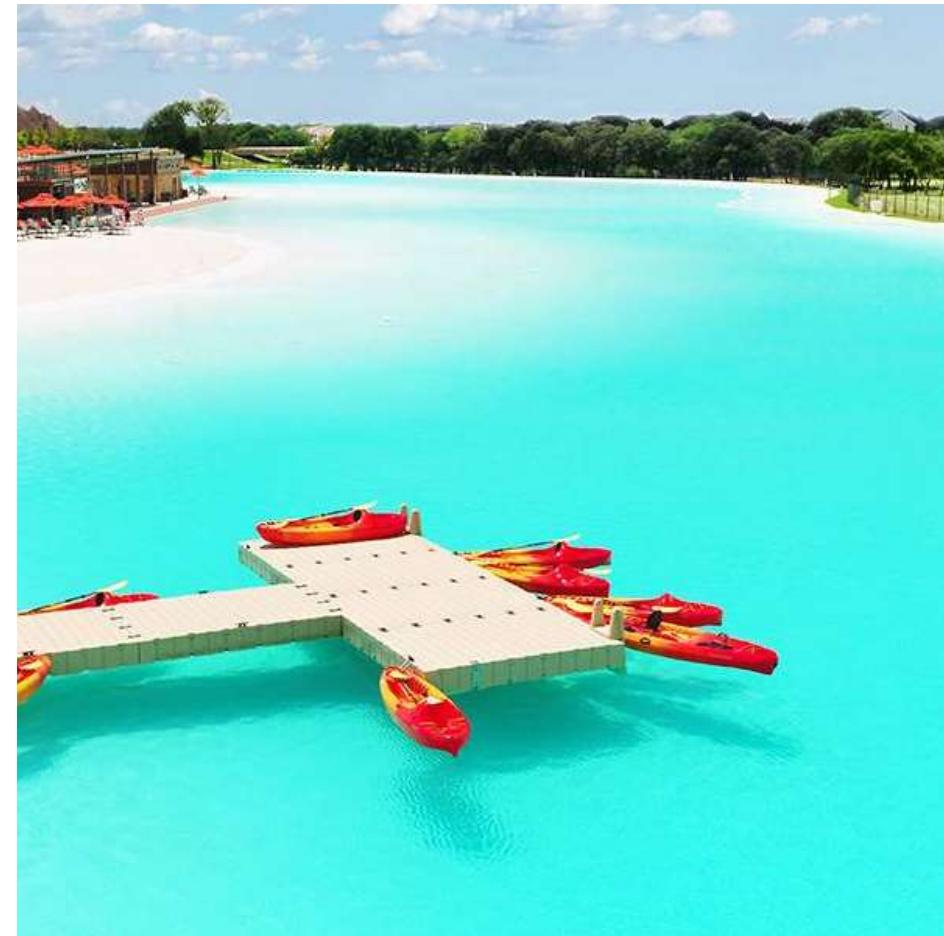
These documents explain the essential elements of ownership for a corporation and establish the Association's corporate structure, when filed by the Developer.



GOVERNING DOCUMENTS: EXPLAINED

Bylaws:

Bylaws are the formally adopted governing regulations for the administration and management of the Community Association.



GOVERNING DOCUMENTS: EXPLAINED

Policies & Resolutions:

Motions that follow a set format and are formally adopted by the Board.

May enact rules and regulations or formalize other types of Board decisions.



GOVERNING DOCUMENTS: EXPLAINED

Rules & Regulations:

A specific statement of required behavior or action, a violation of which carries a penalty. All rules, to be enforceable, must be recorded in the state of Texas.

Examples:

- Community Pool Rules
- Clubhouse Rentals



POP QUIZ



True or False: Board members may not change any rule or regulation without a vote of the membership.

FALSE



True AND False: This depends on the documents.

Where would you find this information?



The Role of the Site Team



THE ROLE OF THE SITE TEAM

- First point of contact for the Board of Directors and homeowners
- Manager of daily operations
- Enforcement of Governing Documents
- Representative to outside entities
- Facilitator of action items
- Advisor on innovative trends and solutions
- Mediator to homeowners on association issues
- Set and achieve community specific goals
- Meet all contractual obligations
- Ensure effective communication with Board and Homeowners



THE ROLE OF THE SITE TEAM

- Resource to the Board
- Manage all community assets
- Provide leadership and support to the Board and committees
- Provide community compliance and standards in a uniform manner
- Limit liability and risk
- Asset management through Reserve Study and Work Orders
- New homeowner disclosure
- GAAP financial management





Now this feels like home.®

THE ROLE OF THE SITE TEAM

Goals Sub-teams (2) Members (3) Progress reports Performance

KPIs

Show archived

+ Add KPI

Bi-Annual Board CSAT > or = 90% (\geq ...)

50%

Update due

Updated on Dec 1, 2024

Annual Resident CSAT > or = 4.5 (≥ 4.5)

4

Update due

4

Updated on Jan 23, 2025

Operational Readiness Rating > or = 9...

90%

Update due

Updated on Dec 31, 2024

Board Net Promoter Score = > or = to 7...

100%

Update due

Updated on Jan 23, 2025

Key Performance Indicators (KPIs):

- Board Satisfaction
- Resident Satisfaction
- Board Net Promoter Score
- Operational Readiness Rating



Now this feels like home.®

THE ROLE OF THE SITE TEAM

The screenshot displays a digital interface for managing organizational goals and initiatives. On the left, a sidebar shows a list of OKRs (Objectives and Key Results) under categories like 'Consistently Communicating Community Standards', 'Lifestyle Lunacy', 'Maintenance Manifesto', 'Marvelous Management', and 'Objectively Outperforming Operational Readiness'. Each item includes authorship (e.g., Jeffery Wilkinson, Cynthia Benitez), date (Q3 2025), and a brief description. On the right, a main panel titled 'Key Results & Initiatives' lists specific tasks with status indicators (green checkmarks or red circles) and descriptions. Examples include 'Track and publicly report weekly maintenance performance', 'Use a shared document to track maintenance PAL.', and 'Celebrate maintenance milestone achievements (and E-Blast to Community)'. Each task has a 'Update due' button.

OKR Category	Description	Status	Action
Consistently Communicating Community Standards	Jeffery Wilkinson, Q3 2025, Windsong Ranch - Windsong Ann...	Green	Update due
Lifestyle Lunacy	Cynthia Benitez, Q3 2025	Green	Update due
Maintenance Manifesto	Cynthia Benitez, Q3 2025	Green	Update due
Marvelous Management	Cynthia Benitez, Q3 2025	Green	Update due
Objectively Outperforming Operational Readiness	Brett Wiklund, Q3 2025	Green	Update due
Key Results & Initiatives	19	Green	Update due
CB	Track and publicly report weekly maintenance performance	Green	Update due
CB	Use a shared document to track maintenance PAL.	Green	Update due
CB	Celebrate maintenance milestone achievements (and E-Blast to Community)	Green	Update due
CB	Adjust the strategy monthly based on trends, season, and feedback.	Green	Update due
CB	The Lagoon Luau	Green	Update due
CB	Maintenance team to spend full day every Monday at The Lagoon.	Green	Update due
CB	Rec Coordinator Recon	Green	Update due

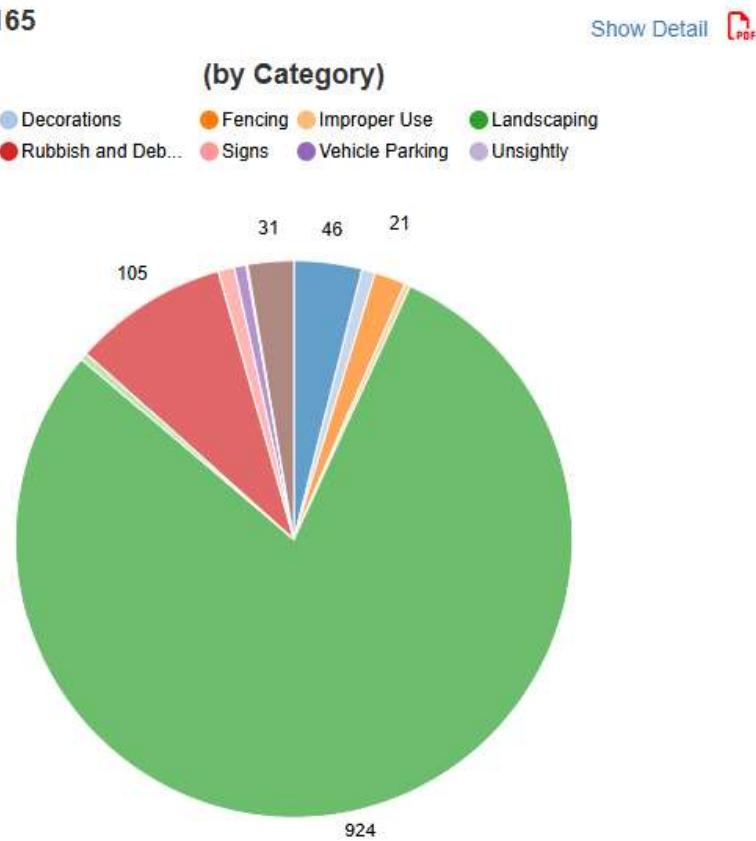
Objectives and Key Results (OKRs):

- Community goals based on specific feedback from residents, employees, and board members.
- Reviewed monthly with Manager, Team, and S/VP



THE ROLE OF THE SITE TEAM

Violation = 1165



SmartWebs:

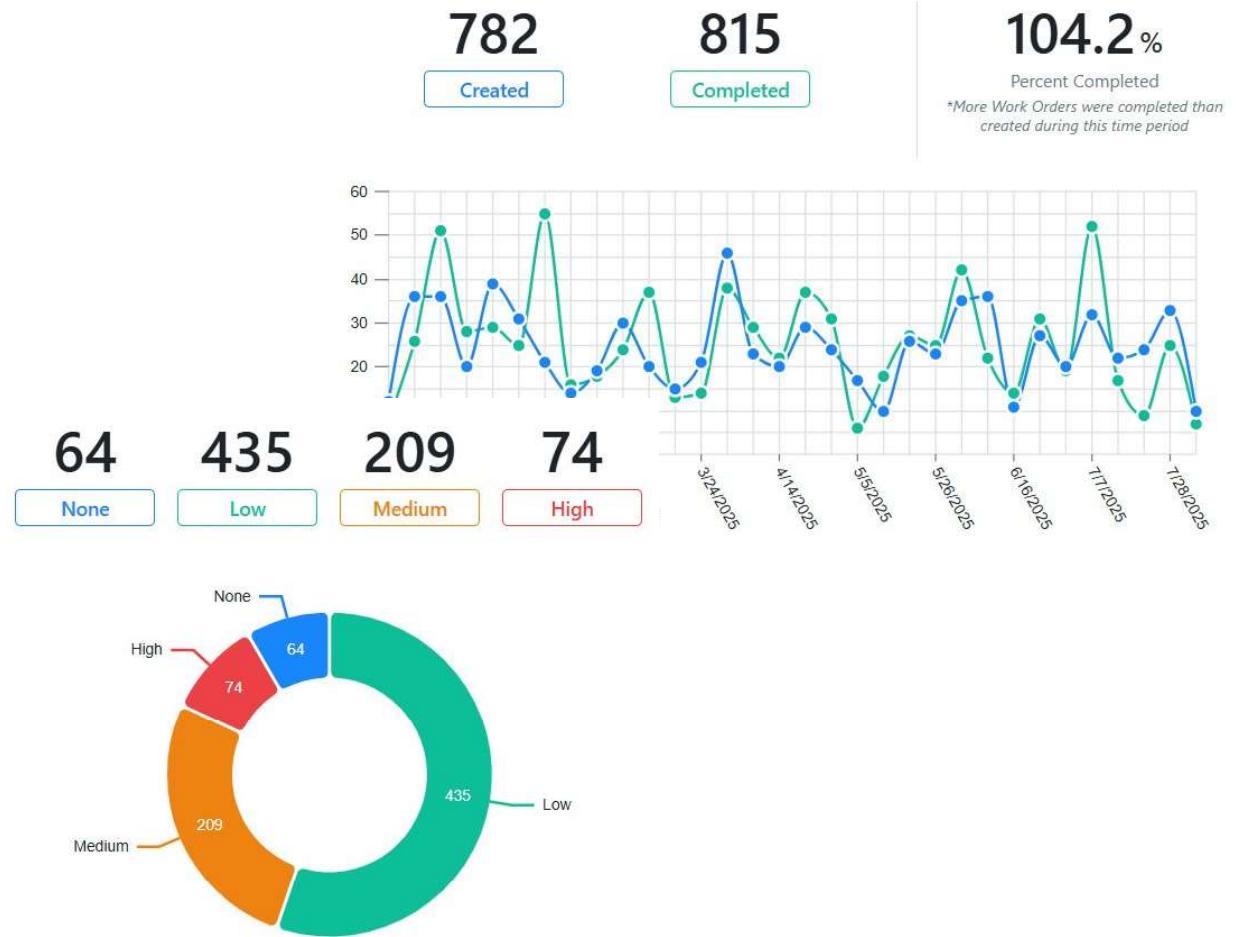
- Community standards are conducted throughout the entire community monthly and in compliance with your governing documents and Texas state law.
- Violation information included in Board Weekly Updates (BWU) and Monthly Management Reports (MMR)



THE ROLE OF THE SITE TEAM

Asset Management:

- Work Orders
- Reserve Study
- Common Area Inspections
- Risk Management
- Vendor Management
 - Contract Negotiations
 - Etc.

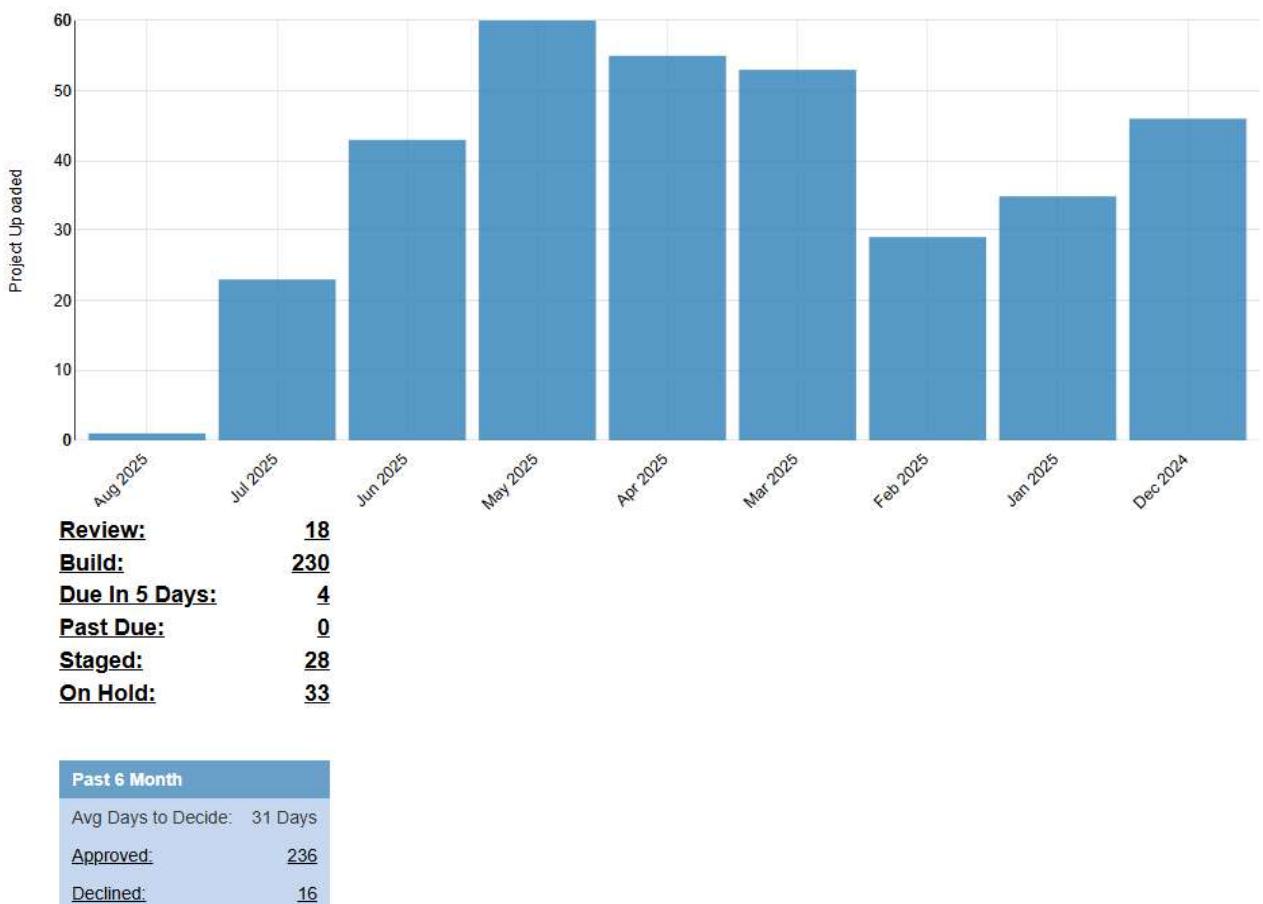




THE ROLE OF THE SITE TEAM

Architectural Review Process

- Review submitted information for completion and accuracy
- Review against the governing documents
- Upload to SmartWebs
- Provide a recommendation for the Board
- Communicate with requesting party





The Role of CCMC



CCMC CURRENTLY SERVES...

250+ Associations



1100+ Employees





ROLE OF CCMC



- Provide qualified Leadership to the on-site management offices.
- Provide financial resources, education opportunities, and support to the Board.
- Provide CCMC's unique customer service and management philosophy to all homeowners in the community.
- Develop strong relationships with Board members and Homeowners.
- Develop strategic plans based on Board and Homeowner feedback.



CCMC RESOURCES

- Community Accountant (GL)
- Accounts Payable (AP)
- Accounts Receivable (AR)
- Resale & Disclosure
- Human Resources
- Treasury & Investments
- Resident Experience
 - Lifestyle
 - Communications
 - Survey Engagement



CCMC Financial Services





CCMC FINANCIAL SERVICES

- Community Accounting
 - Sherril Stiefeld
- Accounts Receivable/Collections/Billing
 - Elnora Douglas
 - Ronald Schuler
- Resale Disclosure
 - Dana Gonzalez
- Accounts Payable
 - Vanessa Figeroa
- Treasury
 - Cathy Cook
- Budget Specialist
 - Marie Van Zandt

Consolidate Balance Sheet - all departments

Posted 06/30/2025

Wednesday, July 16, 2025

Windsong Ranch Community Association Consolidated

	06/2025	05/2025	Net Change
Assets			
Cash			
1001	Cash - OP AAB	915,469.85	825,323.08
1003	Cash - OWNER CEF CKG	1,464,155.95	1,365,658.70
100301	Cash - OP Intake ckg AAB	24,774.25	13,415.57
100302	Cash - OP SURPLUS MM AAB	104,127.85	103,892.82
10031	Cash - BUILDER CEF MM AAB	863,317.11	936,377.66
1005	Cash - Debit Card ckg AAB	6,210.02	9,076.37
10061	Cash - Villas Ins Proceeds MM	646,746.24	645,286.20
1002	Cash - RSV MM AAB	1,253,088.86	1,309,866.29
100201	Cash - RSV Master MM Modern	739,188.72	737,631.03
1007	Cash - Villas RSV MM AAB	80,649.70	63,200.43
100701	Cash - Villas RSV MM Modern Bank	209,067.65	208,627.11
	Total Cash	6,306,796.20	6,218,355.26
Accounts Receivable			
111	Accounts Receivable	281,657.94	358,481.99
119	Allowance for Doubtful Accounts	(176,572.35)	(189,464.44)
	Total Accounts Receivable	105,085.59	169,017.55
Fixed Assets			
12204	Fitness Equipment	75,947.20	75,947.20
12208	Vehicles	15,030.21	15,030.21
124	Personal Property	41,525.01	41,525.01
129	Accumulated Depreciation	(127,305.13)	(126,613.05)
	Total Fixed Assets	5,197.29	5,889.37
Other Assets			
112	AR Other	65,283.08	65,000.00
114	Due from other Departments	590,288.98	652,332.98
133	Prepaid Insurance	143,467.09	143,567.77
134	Prepaid Expense	146,308.08	135,537.79
136	Prepaid Social Events	62,864.90	82,152.68
	Total Other Assets	1,008,212.13	1,078,591.22
	Total Assets	7,425,291.21	7,471,853.40
			(46,562.19)



CCMC FINANCIAL SERVICES

- Monthly accounting and financial reporting with variance report
- GAAP financial statements using fund accounting
- Integrated community management and financial reporting system (VMS)
- Evaluate and recommend independent CPA firms for an annual audit of financial statements and processes
- Regular review and recommended updated to community reserve study and plan





AR & COLLECTIONS

Resale Disclosures & Lien Estoppels:

- Contracted with HomeWiseDocs.com to provide all required disclosures to title companies pre-closing (Fees, information, owner balances, property status reports)
- Provide and prepare buyer disclosures
- Provide all required disclosures to buyers (articles of incorporation, CC&Rs, audited financials, etc.)





ACCOUNTS PAYABLE

- Review, code, and pay all vendor expenses of the community
- Concur Solutions web-based AP imaging and document management application
- Site offices do not handle invoices
- Checks are cut daily after 2 to 3 step authorization
- Verification on vendor insurance needs





INTERNAL CONTROLS

- All contractors and vendors must present W-9 and proof of insurance and be set up as authorized vendors before work is started and the payment of invoices
- All checks require dual signatures; manual signatures required for > \$25,000
- Community manager invoice approval prior to payment: 3-step process
- All funds are deposited in separate bank accounts in the Association's name
- Bank reconciliations are completed monthly, and financial statements are reviewed by the community manager with community accountant and spot checked by vice president
- CCMC maintains professional liability insurance of \$1,000,000 including errors and omissions

TREASURY & INVESTMENTS

- Maintain bank and investment accounts for operating and reserve funds in accordance with the community's investment policy
- Monitor daily cash balances
- Ensures balances within FDIC limits
- Reviews investments with manager and Board to ensure maximum return based on liquidity needs
- Trend analysis and summary reporting available to manager and Board
- Security > Liquidity > Yield



Role of the Individual Lot Owners





THE ROLE OF HOMEOWNERS

- Read, follow, and understand the Association's policies and procedures
- Provide thoughtful input to community leaders
- Pay assessments
- Be Involved
- Discourage misconduct
- Maintain their property
- Professionally communicate with the Board and Management team on concerns, ideas, questions, etc.





Meeting Management



MEETING MANAGEMENT

Board of Directors Meetings

- Open Board Meetings
- Executive Sessions

Meetings of the Members

- Annual Meetings
- Special Meetings

**These meetings may vary depending on the community's governing documents.*





BOARD MEETINGS

Open Meetings

- Open to all Association Members
- Owners noticed at least 144 hours prior
- Recommended to follow a form of Parliamentary Procedure
 - Motion
 - Discussion
 - Vote
- Meetings are for the Board to conduct Business
- Recommended to have an open session prior to Call to Order





BOARD MEETINGS

Executive Session

- Closed to the ALL members
 - Unless in a Hearing
- Specific subject matter discussed
 - Contracts
 - Staffing Concerns
 - Hearings/Violations
 - Specific Homeowner Financial
 - Legal





OTHER MEETINGS

Annual Meetings

- Mandatory Membership Meeting
- Celebrates the past year's accomplishments
- Elections and voting on changes to governing documents
- Make it a party for the members

Special Meetings

- Called for special/emergency decisions of the board or members.*

*SB1588 now requires that Special Meetings give notice of at least 72 hours (eff 9/1/21).



POP QUIZ



True or False: It is mandatory for a Board of Directors to discuss legal matters in an executive session.

FALSE

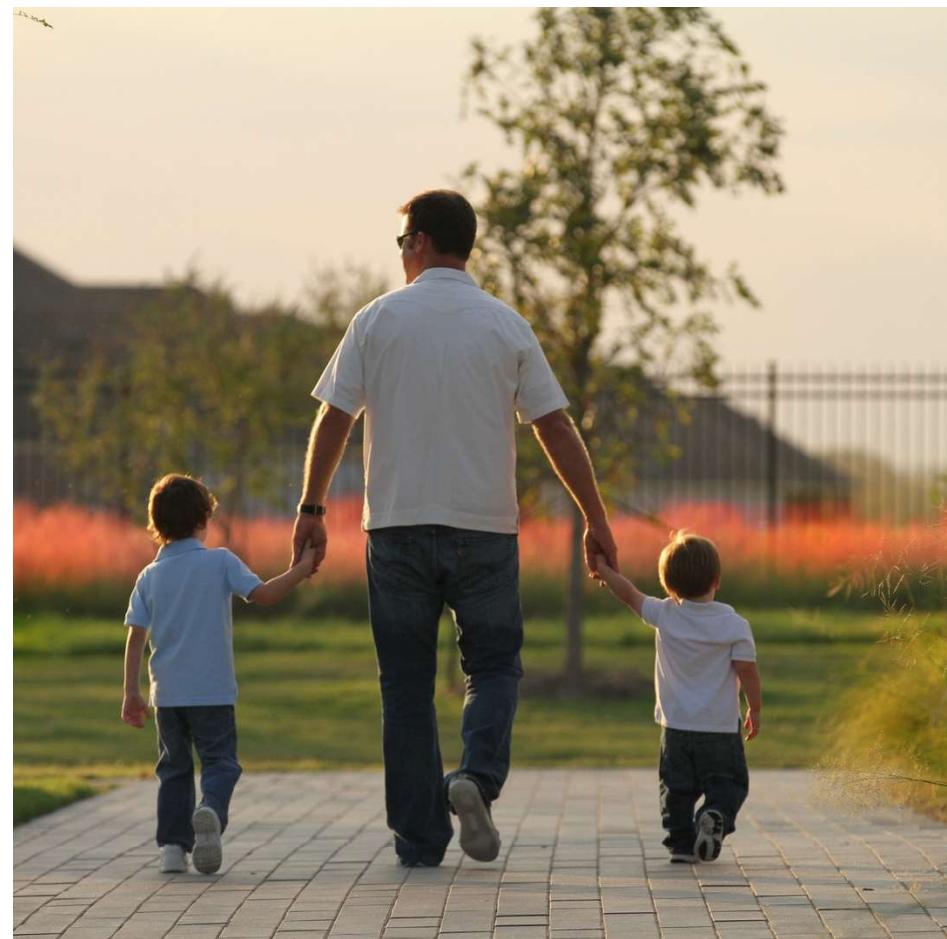


FALSE: It's an option. However, legal matters discussed in open session could remove your protection of attorney-client privileges and increase a cause for negligence.

AGENDAS: IMPORTANT?

Why is this Important?

- Creates expectations for the meeting
- Increases transparency for attendees
- Provides discretion to the audience with setting of expectations
- Reduces legal ramifications by meeting state law:
 - Distribution Six (6) Days Prior to Meeting (144 hours)



POP QUIZ



True or False: Board members CANNOT vote on an item that is not on the agenda.

FALSE



FALSE: The Board CAN vote on an item that is not on the agenda. However, you must open the topic up to members present at the meeting to comment before the vote, per Robert's Rules of Order.



MEETING MANAGEMENT: MINUTES

Definition:

Meeting Minutes are a document of the decisions made during a meeting and provide permanent public records of positions and actions taken within the specific meeting.





MEETING MANAGEMENT: MINUTES

Why is this Important?

- Reduces potential liability
- Provides accurate depiction of the Association's action
- Increases community transparency
- Provides information on actions taken by Board members
- Provides directive to the management team
- They are not a dictation of the entire meeting





**A Board
Overall Goal:
Work Together**



COMMUNITY PARTNERSHIP

- Board Members should act as advocates with the Association among residents.
- Disagreements are fine, but uniformity is key to enhance, protect, and preserve property values
- Provide professional communication to the each other, the management team, and residents.





THANK
YOU!

