



BOARD GOVERNANCE THAT WORKS

Roles, Responsibilities, Boundaries, and Better Board Decisions

A practical guide to helping volunteer Boards govern as a body, work effectively with management, manage conflicts, preserve continuity, and stay focused on the association as a whole.

Individual directors have voices. The Board has authority.

Good governance depends on clear authority, disciplined decision-making, and a shared understanding that management receives direction from the Board acting as a body - not from individual directors acting on their own.

Because Communities Deserve Better!

Community Association Management, Limited

Educational White Paper | September 2026

Good Governance Starts With Clear Authority

Community associations are corporations, but they are led by volunteers who are also neighbors. That combination can work extremely well when everyone understands where authority begins, where it ends, and how decisions move from the Board to management.

The most common governance problems are rarely caused by a lack of effort. They are usually caused by blurred roles: individual directors giving instructions, officers acting as though a title creates unilateral authority, committees exceeding their charge, or management receiving conflicting direction from several people at once.

The standard

The Board governs as a body. Individual directors may ask questions, raise concerns, and serve as a point of contact, but management receives direction from the Board as a whole unless the Board has expressly delegated a specific authority.

What this guide covers

- Why the Board acts as a body and what that means in practice
- The difference between governance and day-to-day management
- The President, Treasurer, Secretary, and committee roles
- Board conduct, conflicts of interest, confidentiality, and executive-session discipline
- How to prevent one director from becoming a parallel management structure
- How the Board President and Community Manager should work together
- Board turnover, orientation, and preserving institutional knowledge
- A practical self-assessment for stronger Board governance

1. The Board Acts as a Body

A Board is a collective governing body. Individual directors do not become the association simply because they were elected, and an officer title does not automatically create authority to act alone. CAI describes community association managers as professionals hired by the Board who receive direction from the Board in representing the collective interests of the association.¹

A point of contact is not a chain of command

A Board may identify a President or another director as the primary point of contact for convenience. That person can organize questions, relay Board decisions, coordinate information, and help keep communication efficient. The designation does not, by itself, authorize that director to create new instructions for management.

If the Board wants one person to have specific authority, the delegation should be clear, limited, and documented. Otherwise, management should look to the Board's approved decisions and directions rather than attempting to reconcile competing instructions from individual directors.

¹ Community Associations Institute, *Filing an Ethics Complaint, manager role section*, accessed September 2026: community association managers are hired by the Board and receive direction from the Board to represent the collective interests of the association.

Why this matters

- Management receives one clear direction instead of several competing directions
- The association is less likely to incur unauthorized costs or obligations
- Directors are less likely to promise outcomes the Board has not approved
- Vendors and staff know who has authority to make decisions
- Board decisions are easier to document and defend later

2. Governance and Management Are Different Jobs

A strong Board decides what the association should do. Management is responsible for carrying out the Board's direction within the management agreement, governing documents, approved budget, and delegated authority.

Board Governance	Management Operations
Adopt policies and priorities	Implement approved policies and Board decisions
Approve budgets and major expenditures	Administer accounting, vendors, and recurring processes
Set expectations and evaluate performance	Manage day-to-day service delivery and follow-up
Approve contracts and major projects	Coordinate approved vendors, schedules, and execution
Establish rules and governance decisions	Administer adopted procedures and document activity
Make collective decisions	Provide expertise, recommendations, and implementation support

This separation does not reduce Board responsibility. It allows volunteer directors to remain accountable for governance without turning every director into an unpaid manager, bookkeeper, compliance inspector, maintenance coordinator, or customer-service representative.

Management should be accountable without being micromanaged.

A Board should expect information, recommendations, deadlines, measurable service, and follow-through. It should not need to personally perform the work it contracted management to do.

3. Officers Have Responsibilities - Not Separate Governments

The President

The President helps lead the Board, organize priorities, facilitate meetings, and maintain an effective working relationship with management. The President may serve as the primary communication conduit, but the Community Manager works for the association through the Board - not for the President personally.

The Treasurer

The Treasurer can take a leadership role in reviewing financial information, asking questions, and helping the Board understand the association's financial position. Financial oversight, however, remains a responsibility

of the full Board. The Treasurer does not independently own the budget, bank accounts, reserves, or financial decisions.

The Secretary

The Secretary helps preserve the association's institutional record through minutes, resolutions, notices, and other official records. Accurate documentation matters because future Boards, owners, auditors, attorneys, and managers may need to understand what the Board decided and why.

4. Committees Support the Board - They Do Not Replace It

Committees can add expertise, volunteer capacity, and community involvement. They work best when the Board clearly defines what the committee is expected to do, what authority has been delegated, what decisions remain with the Board, and how the committee reports its work.

Every committee should know

- Its purpose and scope
- Whether it recommends, decides, or performs a specific delegated task
- What spending or contracting authority, if any, has been delegated
- How decisions and recommendations are documented
- When matters must be returned to the Board for action

A committee should not gradually become an independent decision-making body simply because it has been active for years or because its members have subject-matter expertise.

5. Board Conduct Is Part of Governance

Governance is not only about whether a Board has legal authority to act. It is also about how directors use that authority. CAI's Model Code of Ethics for Community Association Board Members is designed as a framework associations can adapt for their own communities.²

Principles worth adopting

- Serve the best interests of the association as a whole rather than personal interests
- Use sound judgment and available information before making decisions
- Act within the boundaries of Board authority and the governing documents
- Disclose relevant personal or professional relationships that may create a conflict
- Protect confidential information obtained through Board service
- Avoid using a Board position for personal advantage or special treatment
- Avoid unauthorized promises or commitments to owners, vendors, or contractors

Conflicts of interest

A conflict does not always mean a director has done something wrong. The governance issue is whether the relationship is disclosed, documented, and handled in a manner consistent with the governing documents,

² Community Associations Institute, *Model Code of Ethics for Community Association Board Members and Essential Ethics for Community Association Board Members*, accessed September 2026. CAI describes the model code as a basic ethical framework that common-interest communities can modify and adopt.

applicable law, and the association's adopted policies. A written Board code of conduct or ethics policy helps set expectations before a difficult situation arises.

6. Confidentiality and Executive-Session Discipline

Board service can expose directors to sensitive information involving legal advice, personnel matters, collections, contracts, owner disputes, insurance claims, or other confidential subjects. Directors should understand that access to information for Board purposes does not make that information appropriate for selective disclosure outside the Board.

Executive session rules and permitted subjects can vary by jurisdiction, association type, and governing documents. The practical governance principle is simpler: when a matter is properly treated as confidential, directors should preserve that confidentiality and follow counsel's guidance when privilege or legal strategy is involved.

Confidentiality is not secrecy for its own sake.

The purpose is to protect the association, preserve appropriate privileges, respect sensitive information, and allow the Board to handle matters that should not be discussed casually or selectively outside the proper forum.

7. One Director Should Not Become a Parallel Management Company

Governance problems escalate quickly when one director begins independently directing vendors, contacting staff with instructions, authorizing work, promising owners a particular result, or telling management to take action that the Board has not approved.

Common warning signs

- A vendor says, "A Board member told me to do it."
- Management receives contradictory instructions from multiple directors
- An individual director negotiates contract terms without Board authorization
- A director tells an owner that an ARC request, fine, payment plan, or exception will be approved
- A director attempts to supervise Community employees or direct work outside the management agreement
- Board decisions are being made through side conversations rather than through the Board's proper process

The cure is not more email. The cure is clearer authority. Management should know what the Board decided, who has been expressly delegated authority, and when a matter must return to the Board for a decision.

8. The President and Community Manager Should Operate as Governance Partners

The best President-CM relationships are organized, candid, and disciplined. The President helps management understand Board priorities and ensures issues that require Board action reach the Board. The CM helps the Board understand operational realities, risks, timelines, alternatives, and the consequences of different choices.

A productive relationship usually includes

- Clear priorities established by the Board
- A consistent communication channel for coordination
- No unilateral instructions that contradict or exceed Board direction
- Early escalation of material financial, legal, operational, compliance, or client-service risks
- Respect for management's professional role and the Board's governing authority
- Documented follow-up on decisions, commitments, and open issues

The President should help create clarity, not become a substitute for collective Board decisions.

9. Board Turnover Should Not Reset the Association

Directors change. Presidents move. Treasurers retire from the Board. A healthy association should not lose its institutional knowledge, contracts, records, passwords, priorities, or understanding of unresolved issues every time an election occurs.

New Board member orientation should cover

- Governing documents and adopted policies
- Current budget, financial position, and reserve plan
- Major contracts and vendor relationships
- Insurance coverage and significant open claims
- Active capital projects and material maintenance issues
- Open legal, collection, compliance, or governance matters at an appropriate level
- Board code of conduct, confidentiality expectations, and conflict-of-interest procedures
- Management agreement, service scope, and escalation structure
- Current Board priorities and material decisions already in progress

A short orientation checklist belongs in every association's governance process. More detailed Board education can then build on that foundation rather than requiring every new director to learn through trial and error.

10. A Board Governance Self-Assessment

Boards do not need perfect agreement to govern well. They do need clarity about authority, process, accountability, and conduct. These questions can help identify where governance deserves attention.

- Do we make decisions as a Board, or do individual directors routinely direct management?
- If we have a designated point of contact, is everyone clear that the POC coordinates rather than governs alone?
- Are the Board's priorities and decisions documented clearly enough for management to implement them?
- Are committees operating within written or clearly understood authority?
- Have we adopted expectations for Board conduct, conflicts of interest, and confidentiality?
- Does the President facilitate the Board-management relationship without becoming management's sole source of authority?
- Are vendors and staff protected from conflicting instructions?
- Are new directors oriented to the association before being expected to make major decisions?
- Can the association continue operating smoothly when an officer or experienced director leaves?

- Are we spending Board time governing the association - or performing work that should be handled through management and established systems?

How Community Supports Better Board Governance

Community Association Management, Limited is an independently owned, AAMC-accredited community association management company serving North Carolina and South Carolina. Our role is not to replace the Board. It is to give the Board the professional support, systems, information, and operational structure needed to govern effectively.

Our governance-support model includes

- A CM relationship built around direction from the Board as a whole
- Defined service responsibilities so Boards know what management owns and what remains a Board decision
- Specialized departments and documented processes that reduce dependence on one individual
- Board meeting support, records, financial reporting, vendor management, and operational follow-through
- Professional recommendations designed to help the Board make informed decisions without surrendering its governing authority
- Structured escalation when an issue carries material financial, legal, operational, compliance, or relationship risk

Board education is part of stronger governance

Beginning in January 2027, Community clients will also have access to HOA.University, a structured Board-education platform designed to support new-director orientation and ongoing learning. The goal is not to make volunteer directors professional managers. It is to help them become more informed governors of the association they were elected to serve.

Management should support the Board - not become the Board.

The strongest relationship combines clear Board authority with professional execution, measurable accountability, informed recommendations, and enough organizational depth that good governance does not depend on one person knowing everything.

Ready to Strengthen the Way Your Board Works?

Use this guide with your Board to identify where roles, authority, communication, or continuity may be unclear. Better governance does not require every director to agree on every issue. It requires a process everyone understands and respects.

Visit communityassociationmanagement.com to learn more or request a conversation about your association's management needs.

Because Communities Deserve Better!

Educational Notice: This white paper is intended for general educational discussion. It is not legal, tax, insurance, accounting, or governance advice for a specific association. Board authority, meeting requirements, executive-session rules, fiduciary obligations, and other governance requirements may vary by governing documents, association type, and applicable law. Associations should consult qualified counsel when legal interpretation is required.