

## THE BASICS

- Most association bylaws provide that the membership elects the directors of the association, but not the specific officer positions. The officer positions are typically determined by and among the directors themselves.
- Association directors have a **duty of loyalty** and a **duty of care** to the association and the membership.
  - ⇒ **Duty of loyalty** – requires a director to discharge his or her duties in a manner that he believes in good faith to be in the best interests of the corporation, above personal interests.
  - ⇒ **Duty of care** – requires a director to act with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In general, courts do not second-guess the decision of directors who have made reasonable, well-informed decisions, regardless of the outcome.

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## PRESIDENT:

- Acts as Chief Executive Officer of the association.
- Presides over board and membership meetings.
- Typically votes like any other member of the board.
- If the bylaws require, may be limited to voting only in the case of a tie.
- Is not the sole arbiter of all board decisions.
- Generally, acts of the corporation must be approved by majority of the board.

## VICE PRESIDENT:

- Acts as president in the president's absence.
- Presides over meetings and conducts votes when the president has a conflict of interest.

## SECRETARY:

- Keeps minutes of all board and membership meetings.
- Maintains books and records of the association. Even if the association has a manager who assists with the books and records, the secretary is responsible for ensuring the manager is doing so properly.
- Updates the association's records with the secretary of state.
- Accepts and files proxies for owner meetings.
- Responsible for publishing meeting notices.

## TREASURER:

- Responsible for the association's funds and assets.
- Keeps detailed and accurate financial records showing all association receipts and expenditures.
- Prepares, or works with experts to prepare, all necessary financial statements, tax filings and audits.
- Prepares, or oversees the preparation of, the annual budget.

