

This pamphlet was produced to help you improve the operations of your housing cooperative's board of directors. What follows is a general overview of the responsibilities of your board of directors, with special emphasis placed on improving your regular board meetings. Without an active and informed board which meets regularly, you will find it difficult or impossible to meet the duties you have been charged with by the shareholders of your corporation.

Being a board member is more than an honorary position; it involves real responsibility. The directors are legally charged with the management and control of the corporation: setting policy, overseeing administration, and carefully monitoring finances. A board member is accountable for the corporation's property, including both money and assets such as equipment or supplies. Board members must act responsibly, with the corporation's best interest in mind.

Your board of directors will have to make policy decisions that will have a significant impact on the cooperative. Your corporation's by-laws, certificate of incorporation and proprietary lease will guide the board in making decisions, setting the limits on what it can and cannot do. The board must always keep one thing in mind: that the primary function of a housing cooperative is to provide decent, affordable housing to its members. Therefore, the board must always be accountable to the cooperative membership. The residents express their wishes through the board's actions.

RUNNING GOOD BOARD MEETINGS

Scheduling board meetings:

A board member's first responsibility is to attend the corporation's board meetings. The best way to insure steady attendance at board meetings is to establish a day and time when meetings will regularly take place, following this up with a written reminder five days prior to the meeting date. For example, your board might meet the first Monday of every month at 7:00 PM. This fixes a specific monthly commitment for all board members and should encourage punctuality and discourage absenteeism. Also, if everyone knows about meetings in advance, you should not have a problem maintaining a quorum—having a majority of the board present to vote on issues. Once you have established a schedule, stick to it.

Preparing an agenda beforehand:

The next step towards holding good meetings is making a clear agenda available prior to the meeting. Posting your agenda prior to the meeting gives board members time to think about the issues and prepare for the meeting.

An agenda should usually include the following items:

- ✦ Minutes from the last meeting (5 min.)
- ✦ Review of agenda for this meeting (5 min.)
- ✦ Treasurer's report (5 min.)
- ✦ Report on issues which will be discussed—i.e. status of plumbing, repairs, 8A Loan report, etc. (20 min.)
- ✦ Committees' reports—i.e. By-laws Committee (10 min.)
- ✦ New business (20 min.)
- ✦ Summary of meeting (10 min.)

Having an agenda is your first step to an organized board meeting; however, your board will need someone to play the role of chairperson—someone to guide the group through all the items on the

agenda. The president of the board normally presides at meetings. The vice president presides in the president's absence. This role of chairperson is a delicate one since it is the chairperson who must strike a careful balance between facilitating and encouraging discussion on the one hand and keeping some level of control on discussion on the other, so that meetings do not go on for hours. Remember, your board is composed of volunteers and you must not waste

GENERAL POINTS ON YOUR BOARD OF DIRECTORS

- ✧ Your board should be representative of the shareholders in your cooperative. This is generally achieved through elections, but it doesn't hurt to recruit new members.
- ✧ Stagger the terms of your board members to mix veteran members who are well versed in the problems and operations of your corporation with new members who will bring fresh ideas and perspectives to your board. This will maintain a certain degree of continuity and make for smooth transitions from one board to the next.
- ✧ Remind your board members that they should keep board discussion **private**—inform shareholders of decisions, certainly, but don't stir up controversy by repeating every discussion around an issue.
- ✧ Provide an orientation for your new board members to explain how your board functions, the cooperative's history, etc., so that they will feel as though they are a part of the board and understand their responsibilities.

COOPERATIVE POLICY DEVELOPMENT CHECKLIST

The transition from a tenant association to a newly formed Housing Development Fund Corporation can cause some growing pains. Most of your shareholders may not have grasped the fact that they are no longer **tenants** in a landlord-owned building but are **shareholders** in a housing cooperative.

Your new cooperative comes with an established set of legal documents that outlines the rules and regulations which govern the corporation. The speed and manner of your shareholders' introduction to these complex legal documents may have left them confused about their role as shareholders and their relationship to the cooperative. To offer them some clarification, your board of directors should focus on creating understandable policies about the requirements of a shareholder in a cooperative corporation.

In this "TIPS FROM UHAB" series we have put together a checklist of policies that will aid your shareholders in understanding the terms of their cooperative contractual agreements. We also suggest time limits within which these policies should be developed and put in place. We hope that they will prove useful in educating your shareholders.

POLICY	TIME LIMIT
<p>Resale Policy</p> <p>Discuss existing resale policy as it is in the Offering Plan. Decide whether your cooperative wants to change the policy. Some issues to consider are:</p> <ul style="list-style-type: none"> determining how equity is calculated establishing waiting list criteria determining how sales price will be calculated determining level of profit 	1-1/2 months
<p>Maintenance Charges/Rent Collection Policy</p> <ul style="list-style-type: none"> establishing when charges/rent are due outline how payments should be made outline how payments will be received determine how to handle late payments (fines, notification letters, etc.) outline dispossess proceedings for non-payment 	1-1/2 months
<p>Repair Policy</p> <ul style="list-style-type: none"> outline which repairs are the cooperative's responsibility outline which repairs are the shareholders' responsibility determine how repairs are prioritized 	2 months
<p>Alterations Policy</p> <ul style="list-style-type: none"> determine notification procedure create standardized agreement 	3 months
<p>Sublet Policy</p> <ul style="list-style-type: none"> determine how sublets will be approved establish length of time that sublets will be allowed (will indefinite sublets be allowed?) determine if profit will be allowed 	4 months

NOTE: All policies must be in accordance with the cooperative's legal documents. UHAB has information concerning the development of these policies. If you are interested, please contact us.

people's time. People must feel that their board meetings are vital and their contributions important. One way to restrict discussion is to set a limit on the amount of time allotted for each item on the agenda, as suggested previously. This system builds into your meeting some constraints which could be changed within the meeting if more time were needed for discussion.

Making decisions:

It is your responsibility as a member of your board to get all the facts required to make a decision. You must work at understanding issues and keep abreast of any changes that may have taken place. Don't make a hasty decision that you will later regret. If you don't have all the facts, get them. If you don't understand something, ask questions. If there is no one on your board that can explain an issue, appoint someone to research it further.

Following through on decisions:

Obviously, once you've thoroughly discussed an issue and made a decision, you must implement your decision. Too many times we spend hours discussing an item, finally making a decision on it, and that is the end of it—at least for a few months. Appoint someone or a few members of your board to follow up on decisions which are made and make those appointments part of your minutes for the meeting. Reports in subsequent board meetings should be given on the status of implementing those decisions. Keep your board accountable for implementing the decisions it has made.

Keeping good minutes:

You are legally required to keep minutes of every board meeting and maintain these records for your corporation. In addition, your minutes are your only real running records of your cooperative's decisions, policies and discussions. Keeping good minutes facilitates follow-through on implementing decisions and also help to avoid disputes about what was said, when, how and by whom.

SUMMARY - POWERS & RESPONSIBILITIES OF THE BOARD OF DIRECTORS

When shareholders elect their board, it is important for them to remember the board's role within the cooperative. The board must oversee and supervise the operation and administration of the cooperative, even though board members may not do the actual day to day management chores. The board must create policies and see that these policies are enforced in an impartial manner, always with the cooperative's long-term survival in mind. Among other things, the board of directors is responsible for:

- ✍ **Goals and Objectives:** promoting the purpose of the co-op to provide housing for low-income people, by establishing and regularly reviewing the policies of the co-op.
- ✍ **Board meetings:** meeting regularly, keeping the minutes of all board meetings, and reporting decisions and actions taken promptly to the shareholders.
- ✍ **Shareholder Meetings/Annual Elections:** scheduling and overseeing the annual shareholders meeting and the election of the board of directors.
- ✍ **Election of Officers:** electing officers (President, Vice-President, Secretary and Treasurer) to administer board responsibilities.
- ✍ **Repair and Maintenance:** overseeing the long- and short-term upkeep of the cooperative's building and its contents
- ✍ **Fiscal Controls:** keeping track of the corporation's finances and reporting to the shareholders, making an annual corporate financial statement, and hiring the corporation's accountant.
- ✍ **Annual Budget:** preparing and adopting each year's projected budget. The budget should be presented to all shareholders at a general meeting.

- ⌘ **Maintenance Fees/Rents:** setting, adjusting and collecting monthly maintenance fees/rents.
- ⌘ **Resale Policies:** determining methods for figuring out shareholder equity, and establishing policies for the resale of shares and the selection of new residents.
- ⌘ **Personnel:** hiring, firing, supervising, and paying the employees, as well as paying payroll taxes.
- ⌘ **Consultants:** hiring professionals who will assist in managing the corporation's affairs, such as lawyers and accountants.
- ⌘ **Reserve Funds:** creating cash reserves for special or emergency purposes, and regulating the spending of those reserves.
- ⌘ **Shareholder Education/Communication:** ensuring that there is adequate communication from the board to cooperative shareholders, and providing for on-going education of cooperative shareholders and staff.

In smaller buildings, board members may oversee daily management directly, while in larger ones, they may rely on a building manager or superintendent to report regularly to them. In either case, the board is legally both empowered and required to be responsible for management of the cooperative. Members must be well-informed, organized, and prepared to meet regularly. An active board can significantly improve the quality of life in a co-op. The first and perhaps most important step to this end is attending board meetings so the board may fulfill its purpose: to make decisions, set policy, and govern the building.

POWERS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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- ⌘ Board meetings: meeting regularly, keeping the minutes from all board meetings, and reporting decisions and actions taken promptly to the membership.
- ⌘ Repair and maintenance: the long- and short-term upkeep of the cooperative's building and its contents.
- ⌘ Fiscal controls: keeping track of the corporation's finances and reporting to the membership, making an annual corporate financial statement, and hiring auditors.
- ⌘ Annual budget: preparing and presenting to the membership each year's projected budget.
- ⌘ Maintenance charges: setting, adjusting and collecting monthly charges.
- ⌘ Resale policies: determining methods for figuring the equity of members who want to sell their shares, and establishing policies for the resale of shareholders' stock and the selection of new members.
- ⌘ Personnel: hiring, firing, supervising and paying the corporation's employees, as well as paying payroll taxes.

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- ✧ Reserve funds: creating cash reserves for special or emergency purposes, and regulating the spending of those reserves.

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