



# Homeowners Association Checklist

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Volunteering for your community's board of directors is an important responsibility. There are many requirements and things to remember regarding your HOA. Here are a few things you may wish to add to your community's checklist.

**Hold an Annual Membership Meeting**

Associations are required to hold at least one meeting of members each year. Check your governing documents for specifics regarding the requirements. Be sure to give the minimum required advance notice of the meeting and a quorum must be achieved for business to be conducted.

**Keep your Association Insured**

There is no good reason not to have adequate liability insurance. There are many affordable policies available. Don't forget to include Directors and Officers coverage for your board members.

**Conduct a Reserve Study**

Effective January 2012 all HOAs are required to conduct annual reserve studies (see RCW 64.38.090 for the exceptions to this requirement). This study will help your community plan for its financial future.

**Renew your Non-profit Corporation status with the State of Washington**

It only takes 5 minutes and a \$10.00 fee to renew your status online. Keep your Association registered with the state and keep your community's non-profit corporate umbrella intact.

**Know Your Community's Governing Documents**

The Declaration of Covenants, Bylaws and Articles of Incorporation all need to be referenced frequently. In most instances these documents work in harmony with the HOA Act. So it is important to reference both your documents and the HOA Act.

**Be Familiar with the Law**

There are two chapters of law that HOAs must frequently reference.

[RCW 64.38 \(HOA Act\)](#)\* and [24.03 \(Non-Profit Corporation Act\)](#).

*\*Note: The HOA Act is specific to planned individual residence communities condominiums should reference the Condo Act*

**Prepare an Annual Budget**

The board must adopt an annual budget. The board adopted budget must then be mailed to the community members for review and ratification. The budget is ratified at a membership meeting. You may wish to do this at your annual meeting or hold a special meeting called for this purpose. (See RCW 64.38.025)

**Income Tax Return**

HOAs are required to file an annual tax return. You may wish to hire an accountant to do this for you. However, if your Association earned less than \$100.00 last year in interest income and does not collect income from any other source other than Assessment income, you will likely find completing the 1120-H form fairly simple and straightforward. If your tax return is more complicated, your CPA may recommend the 1120 form.

**1099 Forms**

HOAs are required to report income paid to independent contractors for payments of \$600.00 or more. 1099 forms must be filed before January 31<sup>st</sup> for payments made the previous year.

**Educate Your Self**

Consider joining an organization like the Washington Chapter of the Community Association Institute (CAI). CAI offers affordable and sometimes free education to Association board members and volunteers. To learn more about their class offerings check out their [website](#).

**Know where to turn for Assistance**

HOA boards must often turn to professionals for assistance. For legal matters, seek the advice of an attorney, for tax returns, a CPA. Associations can limit their liability by relying on the services of skilled professionals.

Some associations need the extra help and time saving services that a professional management company can provide.



**Questions about management for your community?**

**HOA Community Solutions**

[www.hoacommunitysolutions.com](http://www.hoacommunitysolutions.com)

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