



# Condominium 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 property and liability insurance. There are many affordable policies available. Don't forget to include Directors and Officers coverage for your board members and consider earthquake insurance!

**Conduct a Reserve Study**

All condominiums are required to conduct an annual reserve study (see RCW 64.34.380 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 are developed in harmony with the Condominium Act. However, at times there are conflicts. It is important that you are familiar with the laws that govern condominiums AND your governing documents.

**Be Familiar with the Law**

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

[RCW 64.34 \(Condo Act\)](#)\* and [24.03 \(Non-Profit Corporation Act\)](#).

*\*Note: The Condo Act is specific condominiums established after July 1, 1990. If your condo was established prior to this date, please consult RCW 64.32*

**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 must give at least 14 days' notice of this meeting. You may wish to do this at your annual meeting or hold a special meeting called for this purpose. (See RCW 64.34.308)

**Income Tax Return**

HOAs are required to file an annual federal tax return. If your finances are complex, you may wish to hire an accountant to do this for you. However, if your Association earns 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 using 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**

Association 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)

*Serving Associations in the South Puget Sound*

P.O. Box 364 – Gig Harbor WA 98335

Office: (253) 985-3812

FAX: (253) 313-1219

Email: [info@hoacommunitysolutions.com](mailto:info@hoacommunitysolutions.com)