



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 the members each year. Associations in Washington State are required to give a minimum of 14 days' notice of the meeting (unless your governing documents specify a greater requirement). Check your bylaws for notice and quorum requirements. Without a quorum, you cannot conduct any business at the meeting, other than to ratify your annual budget.

☐ **Keep your Association Insured**

There is no good reason not to have adequate property and liability insurance. There are many affordable policies available. Consider Directors' and Officers' coverage for your board members. Not many individuals are willing to serve on boards without this important protection.

☐ **Conduct a Reserve Study**

All HOAs are required to conduct an annual reserve study (see RCW 64.38.090 for the exceptions to this requirement). This study will help your community plan for its financial future. Also, note that Washington State requires your community to disclose its levels of reserve funding to the membership each year along with the budget.

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

It only takes 5 minutes and a small fee to renew your status online. Keep your Association's non-profit corporation status in good standing by registering with the Washington Secretary of State. Don't risk losing the protections afforded your community by the corporate umbrella.

☐ **Read Your Community's Governing Documents**

The Declaration of Covenants, Bylaws and Articles of Incorporation all need to be referenced frequently. It is important that you are familiar with the laws that govern HOAs in our state as well as your governing documents. Consider having an attorney evaluate your documents every 5 to 10 years so that your documents are consistent with changes in the laws.

☐ **Be Familiar with the Laws for your Community**

There are several possible chapters of law that homeowners associations may have to reference frequently.

For HOAs established prior to July 1, 2018, consult [RCW 64.38 \(The HOA Act\)](#)

For HOAs established after July 1, 2018 [RCW 64.90 WUCIOA](#)

If you do not find the information you are seeking in the specific acts listed above, be sure to also check the new Non-Profit Corporation Act [24.03A \(Non-Profit Corporation Act\)](#)

☐ **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 at a properly scheduled meeting. The budget is ratified at a membership meeting unless members representing 51% of the units vote to disapprove of the budget. Don't forget you must give at least 14 days' notice of this meeting (your governing documents may require more notice). Some associations may wish to combine the budget ratification meeting with the annual meeting, others hold a special meeting called for this purpose.

☐ **Income Tax Return**

Associations are required to file a federal tax return annually. If your finances are complex, you may wish to hire an accountant to do this for you. However, most associations can easily use the 1120-H form to file. This form is simple and straightforward. If your tax return is more complicated, your CPA may recommend filing an 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 31st for payments made by the Association during the previous calendar year.

☐ **Educate Your Self**

Consider joining an organization like the Washington Chapter of the Community Association Institute (WSCAI). WSCAI 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 may determine that they can benefit from the extra help and time-saving services that a professional management company can provide.



Questions about management for your community?

HOA Community Solutions

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