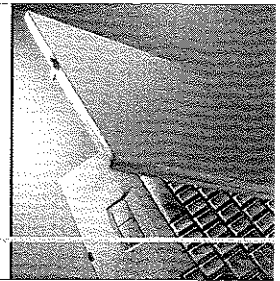


CHAPTER THREE:

CORRESPONDENCE AND RECORDS MAINTENANCE



THE ASSOCIATION SECRETARY IS RESPONSIBLE for handling all correspondence and maintaining the association's records. The flow of information will not overwhelm a secretary, if an efficient system is established. Very large associations such as master associations may wish to create an additional position of corresponding secretary to handle a high volume of work. A sample resolution for creating such a position can be found in Figure 8.

Regardless of the size of the association, the following items will help the secretary manage the association's exchange of information:

- Letterhead bearing the association's name, mailing address, phone number, and e-mail or Web site addresses. Letterhead stationery does not need to be elaborate—the association's budget will determine the quality of the paper.
- Postcards imprinted with a return address and phone number can be used for short messages and will reduce postage costs. Preprinted messages can be used for distributing meeting notices, architectural control, or assessment information to homeowners.
- A date stamp should be used on all incoming correspondence, minutes, and records.
- Form letters are easy to produce if the association has a computer. If not, a master copy can be typed and duplicated for routine matters.
- A copy machine should be purchased if possible. Reasonably priced copiers are available in most office supply or electronics stores.

The board will determine who will be responsible for writing and signing the various types of correspondence. These assignments should be formalized by either a resolution or description of duties documented in the minutes.

MAIL SORTING

Either the association president, secretary, or managing agent receives and routes the mail to the proper person. The individual who typically receives correspondence may be required to acknowledge receipt or make an initial response pending board action. General authority to do so should be granted by the board with the provision that no response should bind the board. If that person receives applications or complaints, he or she should be authorized to send a postcard acknowledging receipt and promising a timely response by the appropriate committee or the board.

It is important for the secretary to know who should receive copies of correspondence. Make a list of letters by category and a roster of those who should receive copies. Keep this information in the procedure book. Generally, the president gets a copy of all correspondence. Many associations keep every letter in a file which directors can review at will.

In addition to external correspondence, every community association has a plethora of internal communications. Again, the board will decide who will write and sign in-house mail.

HELPING COMMITTEES

Various committees may ask the secretary to type and mail bid materials for them. Those calling on the secretary for help should understand that the secretary already has many duties and must answer to other committees as well.

Committees should provide as much advance notice as possible for such tasks. While the secretary may type and proofread copy for typographical and grammatical errors, he or she cannot be responsible for proofreading for accuracy of content. A committee member who attended the meeting should do that. The secretary can forward a draft copy to the proper committee chair and the association attorney. The secretary should never be asked to prepare a contract unless it is very simple and routine. All other contracts should be drafted and prepared by professionals.

LETTER WRITING

Owners and residents may write to the association with questions. The secretary should be ready to respond to them with the answer, but he or she will need to know if this can be done without prior approval by the board or an officer. Therefore, the board should determine if the secretary is authorized to compose and sign mail without further approval.

Regardless of the purpose of any letter, it is essential that the secretary carefully

FIGURE 8. SAMPLE RESOLUTION TO ESTABLISH A SECRETARY POSITION

**Administrative Resolution No. 20
Corresponding Secretary**

WHEREAS, Article IV of the bylaws of the [name] Association empowers the board to employ such persons necessary for the efficient conduct of association business, and

WHEREAS, the efficient conduct of the association business would be augmented through the establishment of the position of corresponding secretary,

NOW THEREFORE BE IT RESOLVED THAT the board does hereby establish the position of corresponding secretary, and

BE IT FURTHER RESOLVED THAT the board shall retain the right to initiate and terminate the employment of such position, and

BE IT FURTHER RESOLVED THAT the person so filling the position of corresponding secretary shall be compensated as deemed appropriate by the board, and

BE IT FURTHER RESOLVED THAT the person so filling the position of corresponding secretary shall conduct the duties set forth under the rules and regulations governing the association, and

BE IT FURTHER RESOLVED THAT the duties and responsibilities of the position of corresponding secretary shall include, but not necessarily be limited to, the following:

- Maintain a current list of all association board members, officers, and members
- Help the recording secretary create and distribute meeting notices as set forth by the association's bylaws and declaration
- Conduct correspondence as directed by the board
- Report on and read important correspondence at regular board meetings
- Report all correspondence requiring immediate attention from a board member
- Perform tasks as directed by the board, in agreement with the duties and responsibilities listed above

BOOK OF MINUTES # _____, page _____

Date _____

President _____

[association seal]

review it for tone, form, and spelling. Every letter and postcard is a part of the association's history. A poorly written letter creates a poor image.

MAINTAINING ASSOCIATION RECORDS

The importance of maintaining association records cannot be overestimated, nor can the secretary's role in this function. The documents that govern the association are crucial to its very existence. Every community has documents that protect it from liability, as well as other valuable documents such as contracts and bids. These papers must be kept in a safe place. Copies should be made, and the association should consider renting a safe deposit box or asking the association attorney to keep the originals.

Some records are more important than others—but they all represent the association's history and must be carefully guarded. Current and previous records must be accessible at all times.

ESTABLISHING A FILING SYSTEM

Initially, when the association is in its infancy, the developer manages it. Often developers keep legal documents and minutes from all projects in the same location. It is best if the developer does not mix association records with other business files. The association's files must be turned over to the association when the developer no longer manages the association.

When the association assumes control, the association board should help the secretary identify and categorize all current and archival information.

When the secretary sets up a filing system, a prototype for secretaries to come is established. The inexperienced secretary might seek advice from secretaries of similar organizations. Once a system of handling records is decided, the secretary should visit an office supply store to see what types of equipment—from office machines to file cabinets—will best suit the association's needs and what they will cost. An alphabetical filing system is easy to follow and will accommodate future files. However, if there are several files located under the same heading and more than one person uses the files, papers may not be returned in the same sequence.

A numerical system would eliminate that disadvantage, but would require coding. Numbers would be assigned to various file categories. An index would have to be created and distributed to all who might use the files.

A combination of both the alphabetical and numerical systems could be a workable solution. The basis of this system is alphabetical, but each category is also assigned a number in a pattern. The number is written first on the file label followed by the file title.

STORING FILES

It is best to purchase file storage supplies and equipment that will accommodate the association's future needs. Consider where and how files will be stored before making a purchase. If records are to be kept in a place where environmental controls are lacking—such as a self-storage facility or a garage—be aware that fluctuating temperatures may damage some documents. Fragile items such as blueprints, sepia drawings, thermal paper, microfilm, cassette tapes, videotapes, or computer disks are more difficult to store and may need special packaging or preparation, as well as storage in environmentally neutral locations. Records stored electronically—computer disks, tapes, CDs, and other electronic media—should always have a backup copy stored in a separate location.

Vital records such as originals of the articles of incorporation, bylaws, amendments, warranty deeds, and declaration of covenants, conditions, and restrictions should be kept in a safe deposit box or in the association attorney's office.

FOLDERS AND LABELS

File folders are available in either legal size or letter size and come in many colors making organization easy. On the other hand, manila folders are cheaper and they can be easily written on and used repeatedly. Plain colored stick-on labels or white labels with colored stripes can be used to highlight a certain file category.

Folders and labels are of little value, however, without a commentary memorandum—a listing of files, their color, label color, and a brief description of the type of information in the file.

PURGING FILES

Some documents need to be kept longer than others. A retention schedule should be reviewed by the association's accountant and attorney before it is adopted by the board. Once approved, the secretary must devise a way to label those inactive files that are to be retained for a specific time period. These files should be placed in file storage containers. Office supply stores carry a wide variety of plastic and cardboard file boxes, and associations can select an appropriate type depending on where the files will be stored. The destroy date can be printed on the front of each file folder and on an index listing on the outside of the storage container. The secretary should then make a complete list of the files and how and where they are filed. (See Figure 9 for a sample retention schedule.)

FIGURE 9. SAMPLE RETENTION SCHEDULE

Retention Schedule for Community Association Records

File Name	Current File	Storage
Annual Reports	2 years	Permanently
Articles of Incorporation	Permanently	
As-Built Specification Plans	Permanently	
Assessment Information	1 year	7 years
Assessment Status	1 year	7 years
Bank Reconciliation	1 year	1 year
Budget	1 year	Permanently
Cancelled Checks and Bank Statements	1 year	7 years
Cash Disbursements Journal	1 year	Permanently
Cash Receipts Journal	1 year	Permanently
Certificates of Insurance	1 year	7 years
Committee Reports	1 year	3 years
Contracts	1 year	7 years
Correspondence: General Matters	1 year	3 years
Correspondence: Legal and Contract	1 year	Permanently
Declaration	Permanently	
Deeds	Permanently	
Duplicate Deposit Tickets	1 year	1 year
Employee Applications	1 year	1 year
Employee Files	1 year	7 years
Federal Income Tax Returns	3 Years	Permanently
Monthly Financial Statements	1 year	7 years
General Ledgers	1 year	Permanently
General Journals	1 year	Permanently
State and Federal Identification Numbers	Permanently	
Insurance Policies	1 year	7 years
Open Insurance Claims	Until Settled	
Settled Insurance Claims	1 year	7 years

FIGURE 9. SAMPLE RETENTION SCHEDULE (CONTINUED)

Retention Schedule for Community Association Records

File Name	Current File	Storage
Investment Statements and Closed Passbooks	1 year	7 years
Supply Invoices	1 year	7 years
Valid Leases	Until Expired	
Expired Leases	7 years	
Open Legal Files	Until Closed	
Closed Legal Files	1 year	Permanently
Mailing Lists	1 year	
Management Notices	1 year	3 years
Board Meeting Minutes	1 year	Permanently
Newsletters	1 year	3 years
Payroll Records	1 year	7 years
Plat of Survey	Permanently	
Proposals	1 year	7 years
Purchase Orders	1 year	1 year
Real Estate Taxes	1 year	7 years
Right of First Refusal Letters	1 year	Permanently
Rules and Regulations		Permanently
State Income Tax Returns	3 years	Permanently
State and Federal Unemployment Taxes	3 years	Permanently
Valid Warranties	Until Expired	
Expired Warranties	7 years	
State and Federal Withholding Taxes	3 years	Permanently