

Colorado Homeowners Association *Law*

Those Pesky Policies

By Mark K. Payne on May 21, 2012

We've written before about the responsible governance policies required by the **Colorado Common Interest Ownership Act (CCIOA)**. You all know that you're required to have them in place. But, beyond the fact that Colorado law says you have to have them, why should you have them, and what benefit do they provide?

The nine mandatory policies include (1) the adoption and amendment of policies, procedures and rules; (2) collection of unpaid assessments; (3) handling board member conflicts of interest; (4) conduct of meetings; (5) enforcement of covenants and rules, including notice and hearing procedures; (6) owners' right to inspect and copy records; (7) investment of reserves; (8) dispute resolution; and (9) a reserve study policy. In addition to these mandatory policies, there are many others that associations should consider, depending on their own circumstances. For example, in condominium communities, the board should consider adopting policies addressing responsibility for insurance claims adjustment and payment of deductibles, parking, pets, move in/move out, bedbugs, satellite dishes, self-help, neighbor to neighbor disputes, and a myriad of other policies that help govern the community.

It is common for us to receive questions from board members and managers about certain governance matters. Often times, our response is another question – “what does your policy

say?” Too often, the response to that question is “we don’t have a policy” or “I don’t know” or “it doesn’t address that.”

With certain exceptions, such as the conflicts of interest policy and the reserve study policy, CCIOA doesn’t say what your policies must contain. While the declaration, articles of incorporation and bylaws provide the general framework for running your association, the policies are what provide the specifics for governance. Hopefully the declaration discusses when assessments are delinquent, and that late charges and interest can be charged, but rarely does it give the specific steps that should be followed to make sure the collection process is uniform, provides due process, doesn’t appear too heavy-handed, and ultimately is enforceable by a court. Similarly, while the declaration and bylaws will set out the specific requirements of calling meetings, the conduct of meetings policy will provide specifics on actually conducting the meeting – such as allowing members the right to participate, without allowing them to overrun the meeting, and how to handle that disruptive owner.

Unfortunately, too often we encounter policies that were adopted simply to satisfy the requirement that they be adopted. However, too often they fail to provide meaningful assistance to the board in governing the community. Too often, once they’re adopted, they’re put away, and forgotten. Instead of putting them away and saying that you’ve satisfied another one of those pesky statutory requirements, pull them out, dust them off, look at them, and see if they really do provide guidance in governing the association. If they don’t, it is probably time to consider a review and adoption of new, useful policies. If they do, make sure you are following them.

If you have questions about your policies and how they can be more effective, please give us a call.

Published By:



Colorado Homeowners Association Law

Copyright © 2021, Winzenburg, Leff, Purvis & Payne, LLP. All Rights Reserved.