

Maintaining and organizing association records is critical to the successful and efficient operation of community associations. In addition to legal requirements for maintaining certain records, **an association's records serve a number of functions**, including helping future boards understand why decisions were made in the past. It's not uncommon for a board to question whether a set of rules was ever adopted, but that question can be easily answered if sufficient records of past actions are kept.

Community associations are required by the **Davis-Stirling Common Interest Development Act and the Corporations Code** to keep certain records. In addition, there are other state and federal laws and regulations that require an association to maintain certain records. Generally speaking, association records are **documents that record the decisions, operations, and activities of an association**, and include both hard copy and electronic files. Records include minutes, agendas, contracts, administrative information, tax returns, financial and accounting records, employment and personnel records, and unit/lot violation and architectural application records.

Many association records must be made available to members of the association and board members upon request. For example, minutes of board meetings must be kept permanently. Additionally, if an association is involved in litigation, having detailed records can be critical to the success of the association's case. *Civil Code Section 5200* describes the **association records that members are entitled to inspect and copy**, including the timeframes in which an association must

provide those records upon a written request.

Considering the importance of good recordkeeping, every association should adopt a records retention policy that clearly states which records must be kept and for how long. This policy helps ensure that a community association is **keeping important records for specific time frames**, and also establishes a routine procedure for the disposal of older records to avoid the cost and

space required for storing unnecessary and obsolete files. This can be a great benefit for managers because they can handle record retention without having to add one more action item to an already full agenda.

Prior to adopting a records retention policy, boards should consult with association legal counsel, financial professionals (i.e., Certified Public Accountants and investment brokers), and insurance representatives for guidance. This consultation will help determine if the association's policy meets the needs of the association and established in-

dustry practices, including whether it complies with applicable laws. Once the records retention policy is prepared, boards should be able to adopt it simply by approving it at a board meeting; a records retention policy would generally not be considered an operating rule that requires homeowner/member comment prior to adoption by the board.

Managers should familiarize themselves with their associations' obligations to maintain proper records and assist their boards with preparing records retention policies. A systematic organization of records will **save time, money, and possible legal headaches**, all of which will greatly benefit both managers and the associations they serve. 📌



By **John D. Hansen, Esq.**
Baydaline & Jacobsen, LLP