

Annual Meeting Checklist:

Things to Do NOW to Prepare

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The fourth quarter of the year is here and this means annual meeting time for many community associations. While most boards know they must hold an annual meeting, many boards fail to plan adequately, or far enough in advance, for the meeting. Do you find that you ask yourself the same old questions every year: What is our quorum? Can delinquent owners vote? What items should we cover? Take advantage of this Annual Meeting Checklist to prepare now for this year's annual meeting and planning is sure to be a breeze.



Give Proper Notice

Most association bylaws contain specific requirements for giving notice of the annual meeting to the members. If the notice requirements are not met, the validity of the meeting and all business that was conducted at the meeting is subject to challenge. There are usually three things to remember that you must satisfy with your notice:

Deliver on Time

Association bylaws and Georgia law require boards to deliver notice of the annual meeting to the members within a specified time period. The Georgia Condominium Act and the Property Owners' Association Act require that associations give at least 21 days' notice of the annual meeting. For associations not bound to these laws, their bylaws may state a different notice period, for example, that the annual meeting notice must be delivered to the members no more than thirty days and no less than ten days in advance of the meeting.

Say the Right Thing

Association bylaws may also specify the content of the annual meeting notice. Many bylaws require the notice to state the date, time and location of the meeting. Some bylaws also require that the notice contain a statement about the nature of business to be conducted at the meeting.

Send the Right Way

Association bylaws often indicate specific methods for delivery of notices to the membership. For example, some bylaws may allow for delivery by hand at the lot or unit of the owner. Other bylaws may require notices to be delivered by mail to the last address on record for each of the owners. If you want to send notices electronically, be sure to confirm that your association bylaws allow for email notices. If not, consider amending your bylaws to allow for electronic notices.

Although you must meet all of these specific notice requirements, there is nothing to prevent the board from reaching out early to the owners informally to market the annual meeting. Make it easy for the members to attend by providing them with ample notice of the meeting date, place and time.

Know Your Quorum

No official action of the association can take place at an annual meeting if a quorum is not achieved. A quorum is the number of people who must be present, in person or by proxy, in order to call the meeting to order to conduct business. If there is no quorum, there can be no official action, including election of new directors. Remember to review your association's bylaws early on to determine the quorum requirement you must meet. Be sure to note whether the quorum includes only the "eligible" vote of the community, or if the quorum requires a specific percentage of all members to be present. Many governing documents do not count delinquent owners as part of the required percentage of members for the quorum.

What if you don't get a quorum? Here are the typical options:

1. **Recess** for a short time until more members show up at the meeting. Hit the phones and knock on doors to draw more owners to the meeting.
2. **Adjourn** the meeting to a later date. Appoint a committee to contact members and collect proxies to ensure a quorum will be present when the meeting is reconvened. Make sure to check the bylaws to determine if there is a deadline for reconvening an adjourned meeting.
3. **Cancel** the meeting and reschedule the meeting for a new date.

Promote Proxies

Most community association bylaws provide that owners may attend the annual meeting by proxy and their proxy counts toward the quorum requirement. A proxy assigns the right of a member to another person to attend the association's meeting and vote on behalf of the member at the meeting. To be valid, proxies must contain the following information:

- The name or title of the person authorized to act at the meeting. For example, a proxy may state that Jane Doe is the appointed proxy, or it could provide that the secretary of the association is the appointed proxy.
- The signature of the member giving the proxy.
- The date signed by the member.

Make it easy for members to return a proxy to the board. Include a proxy with each annual meeting notice along with a self-addressed, stamped envelope for return to the board or community manager. Also, remember that proxies are not voting instruments. Whoever holds a proxy for a member at the annual meeting will need a meeting ballot to cast the member's vote at the meeting. Note that if the member giving the proxy appears at the meeting, or revokes the proxy prior to the meeting, the proxy will be invalidated. Also, if more than one proxy is delivered for the same property, the latter proxy revokes the first. Finally, proxies generally expire after eleven months unless the proxy itself provides for a different termination date.

Deal with Delinquent Owners

All members of a community association are entitled to attend the annual meeting and hear the reports of the directors and officers and learn updates about the affairs of the community. However, most governing documents provide that only those owners who are current with their assessments are in “good standing” and are eligible to vote at the annual meeting.

Prior to the annual meeting, your board should ensure that it has a current list of those owners whose assessments are past due and the board should notify those owners that their right to vote at the meeting has been suspended in accordance with the association’s declaration or bylaws. The board should give these owners an opportunity to bring their account current before the annual meeting. If there remain delinquent owners at the time of the annual meeting, the board should deal with each owner individually by advising the owner during the meeting check-in process that any vote they cast at the meeting will not count. If the board knows the total balance due, the board may allow the owner to pay current at the meeting so that he or she can vote and count toward the quorum requirement. Do not post a list of the delinquent owners at the meeting and do not discuss any of the particular accounts at the meeting.

Organize Meeting Check-In

Many boards do not establish formal check-in procedures before the annual meeting, and often times, members just wander into the meeting room, find a place to sit, and wait for someone to start talking. At every association meeting, there should be a check-in table or area where a board member or manager should be stationed with a current membership list and a sign-in sheet. Organized check-in procedures are essential to the association’s ability to establish a quorum and control meeting ballot distribution. When members check in for the meeting, you can collect any proxies they are carrying and ensure that they and their proxies are counted as present for the quorum requirement. In addition, you can ensure that the proper number of ballots are distributed to each member for his or her vote and for the vote of any proxy they hold.

Set an Agenda

Don’t underestimate the importance of a formal agenda for your annual meeting. A clear, concise and timed agenda prepared in advance of the meeting will help ensure a successful meeting. You may include the agenda in the meeting notice to allow members the opportunity to see exactly how the meeting will be conducted. The agenda should set forth all matters to be addressed at the meeting and should allocate specific, realistic time periods for each item.

To help stay on track, the board member running the meeting should use the association’s established rules of order to conduct the meeting. It’s up to the board to make sure that the meeting does not stray too far off the planned agenda. Members may try to take actions or votes that are not within their authority. You may thank the members for their suggestion and move on to proper business for the meeting. Remember that keeping the members on track and conducting an efficient annual meeting will generate confidence in the board.

When setting the agenda, be sure to include time to allow the directors and officers to update the membership on the accomplishments of the association during the previous year and plans for the coming year. The annual meeting also typically is the time to present the budget and inform the members of the assessments for the coming year. Be careful. The governing documents for your association may not require a membership vote to approve the budget or assessments. However, the board should update the owners on the financial condition of the association. Finally, the annual meeting is also generally the time to elect new directors.

Anticipate Owner Participation

Most association bylaws do not require that time for member questions and comments be included on the annual meeting agenda. Questions and comments from members during the meeting, while important, can cause considerable delay and disruption. Legitimate questions relating to matters presented at the meeting should be encouraged, but questions unrelated to the agenda items should not be. Inform the members at the beginning of the meeting that you have a lot of business to conduct and, while you will try to take and respond to all legitimate questions and comments, the primary function of the meeting is to finish the business on the agenda. If you also inform the members that the directors or the association's community manager is available for questions and comments after the meeting or at board meetings, then most members at the meeting will accept being politely cut off when its time to move to other business on the agenda or if the question is inappropriate for the meeting.

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Your board also may consider holding a time for member questions and comments at the end of the meeting. If so, the board should limit the time for comments by each member of the community to, for example, no more than two minutes per person. Advise owners not to expect an immediate answer or response to every issue raised. Some items may need to be reviewed and discussed by the board after the meeting, and the board may contact the owner later to address resolution of a specific problem or concern.

We are confident that if you plan ahead and ensure that you follow the items on this checklist, your annual meetings will be successful. Good luck!