

Rules of Procedure, Codes of Conduct:
Keeping it Civil & Getting Association Business Done

By: Nancy I. Sidoruk, Esq.

Productive board meetings are productive business meetings. However, the issues handled by community association boards are not necessarily easy. Productivity can be sidelined by flaring tempers, controversy, interruptions and the challenges that come with addressing sensitive and sometimes complex matters. To successfully manage productivity and decorum issues that may occur at board meetings, a board might enact procedural rules to govern meeting conduct. A board might also consider adopting a code of conduct applicable to directors and other association volunteers.

Rules of Procedure

While some associations' governing documents specify a particular "order of business" or parliamentary procedure (*e.g., Robert's Rules of Order*), most do not (and if they do, are more likely prescribed for membership meetings, rather than board meetings). Thus, the majority of boards are left with little guidance on how to hold effective meetings which allow for efficient conduct of business and which also facilitate a healthy level of member input.

Board meetings are supposed to enable the conduct of essential association business; they are not social events. From prohibiting consumption of alcoholic beverages at meetings to establishing time periods and guidelines for member input, standing rules of meeting procedure can help provide an atmosphere conducive to conducting business, preserving decorum, and facilitating member contribution.

The Open Meeting Act restricts the ability of community association boards to take action on non-agenda items, albeit with certain limited exceptions. (Civil Code §4930) In certain respects, these restrictions can be helpful to boards challenged by meeting interruptions and by the temptation to engage in excessive dialogue with those in the "audience." It is, of course, still important to encourage member attendance and participation at meetings, so more members become interested and participate in community activities.

Directors should note that although members will not always agree with every action taken by the board, member participation typically brings with it the potential to improve the board's chances for achieving better long-term results for their community and minimize claims that the board lacks transparency. On the other hand, as those elected to handle the business of the association, the board must be permitted to conduct business without unreasonable interference. Thus, owner participation should remain orderly and be limited to the portion of the meeting set aside for such participation.

From establishing a “first, second, final warning” or similar system for admonishing those who interrupt board meetings, to setting forth the process and criteria for recessing and adjourning unmanageable meetings, and setting time periods and guidelines for member input, standing procedures for meeting conduct can be effective tools for conducting effective board business and ensuring fruitful member participation.

Codes of Conduct

While there is no statutory requirement for a director to execute a statement or agreement regarding ethics as a condition of serving on a board, many associations find such policies to be good general statements of what the board expects in terms of individual director performance. A code of conduct or code of ethics is something that could be used for both the board and members of an association’s volunteer committees. Professional and courteous treatment of fellow directors and of association management, employees (if any) and vendors is necessary to accomplish the business of the association, and to help protect the association and its directors from liability.

Codes of conduct vary in their exact content and level of detail, yet their provisions typically target three objectives: maintaining decorum, facilitating efficient business operations and fulfilling fiduciary duties. In addition to keeping meetings civil and accomplishing association business, the need for directors to fulfill their fiduciary duties must not be overlooked. Director duties of loyalty, confidentiality and fair dealing are owed by each director to the association as a whole and are assumed upon taking office as a director. Adopting and adhering to a code of conduct can thus help an association and its directors minimize potential liability.

Although the policies discussed above are operating rules, in that they apply generally to the management and operation of the association or the conduct of its business and affairs, they are not among the specified rules subject to the rulemaking procedures of Civil Code section 4360. Before adopting rules of procedure for board meetings or a code of conduct, a board should nevertheless consult with the association’s legal counsel to review its proposed rules and policies or to assist in drafting such rules and policies to suit the association’s particular needs and concerns.

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