

# FIDUCIARY DUTIES OF ASSOCIATION LEADERS

*Includes excerpts from "Fiduciary Duties Owed by Directors of Associations"*

<https://www.nar.realtor/videos/fiduciary-duties-owed-by-directors-of-associations>

Association leaders must attend to affairs of the Association as they would their own business, and make a genuine and diligent effort to carry out their duties to advance the Association's interests.

## CARE

- Discharging your responsibilities in a reasonably attentive and diligent manner.
- Prepare for, attend, pay attention at meetings.

## LOYALTY

- Act in best interest of Association.
- If a proposal is good for Association but not helpful to your business, you must support it.
- Avoid and disclose conflicts of interests.
- Identify conflicts early and resolve them so that you don't receive, or appear to receive, unique benefits at the expense of the Association.
- If a member learns of a business or personal opportunity, the member may pursue only if Association has elected not to do so (corporate opportunities doctrine).
- Multiple directors must:
  - Ensure missions do not conflict.
  - Identify in advance of issue considered by board.
  - Make it known to board.



# ***FIDUCIARY DUTIES OF ASSOCIATION LEADERS***

- May need to abstain from voting, discussion, or hearing debate.
- Association policy, chair, or legal counsel should dictate what action is necessary BEFORE taking action.
- Know conflict of interest policy (ASK).

## **OBEDIENCE**

- Abide by bylaws, policies, governing documents.
- Support decisions of the Board, even if you vote against.
- Badmouthing or undermining violates this duty.

## **ACCOUNTING**

- Safeguard and preserve Association assets by ensuring proper procedures and controls are adopted and followed.

## **CONFIDENTIALITY**

- Don't disclose/share non-public info learned as result of leadership position.

**\*Always act in good faith and seek best interest in the association**