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National Manufactured Home Owners Association



i'mPOWERED! June 2015



NMHOA's President Tim Sheahan Welcomes You to i'mPOWERED!

Welcome to NMHOA's educational series, i'mPOWERED!. As they say, "knowledge is power," which inspired NMHOA to create a new and distinctive name for this service that combines the three words I-am-empowered.

This month, our featured article focuses on responsibilities of board members to their organizations and members. Operating an advocacy organization in a credible and professional manner, whether it be an individual community HOA or statewide association, empowers that association to reach higher levels of relevance and effective advocacy. We're pleased to pass-along some of the tips NMHOA board members recently received at a nonprofit board training conference in Kansas City and hope they prove valuable for you.

Yours in solidarity,

Tim Sheahan,
NMHOA President

Is Your Board Governing Responsibly?

By Tim Sheahan, NMHOA President

Last month, NMHOA board members Carla Burr, Myra Close and I traveled to Kansas City to participate in nonprofit organization "Board Oversight and Governance" training, thanks to scholarships provided by **NeighborWorks America**, which sponsored the event. **NeighborWorks** is one of NMHOA's valued partners and financial supporters and we appreciated the opportunity to gain knowledge from its training event.

While we were familiar with many of the general principles of serving as volunteer board members for NMHOA and other organizations, the targeted training provided helpful details on the duties and responsibilities of board members of nonprofit organizations, which generally apply to all types of nonprofit boards, whether it be an HOA board of a MH community or the board of a multi-national nonprofit group. The following are some highlights from a "BoardSource" manual used in the training. You can learn more about **BoardSource** at www.boardsource.org and **NeighborWorks America** at <http://neighborworks.org>.

Basic responsibilities of board members include:

Oversight:

1. Establish financial policies and ensure fiscal accountability and financial health

DID YOU
KNOW
?

We wonder how many of NMHOA's members ever look at our website: www.nmhoa.org. There are a host of interesting news articles and other pertinent information about NMHOA, our state association members, and our national partners.

Of particular interest for some of you, will be our Resources Section: <http://www.nmhoa.org/resources.html> where you can access articles on a range of topics from APAC's manual on community organizing to "How to Host a Candidates' Forum" and much more besides.

We encourage all our members to visit NMHOA's website often and especially in the coming months when we will be posting more and more information about NMHOA's Annual Convention, being held in Minneapolis on October 24 and 25. See you there.



NMHOA Annual Convention

SAVE THE DATE: The NMHOA Annual Convention will be held October 24 & 25 in Minneapolis, MN. Our location and other details will follow soon, and you will be able to get updated information and register on our website [HERE](#).

2. Monitor and implement strategic goals and evaluate program effectiveness
3. Ensure compliance with laws and ethical standards
4. Articulate, safeguard and model organizational values
5. Provide annual CEO performance review (if applicable)

Governance:

"To govern is to steer, to control and to influence from a position of authority, Governance deals with the legitimate distribution of authority throughout a system - whether a country or an organization. To play a leading role, board members should continuously be answering three fundamental questions, thereby determining the shape and course of the organization:"

1. Where should our organization be headed and what should it become over the long run?
2. What should our organization be now and in the future?
3. How well is our organization performing - programmatically, financially and administratively?

Legal Obligations

Even though volunteers of nonprofits generally don't have significant personal liability for good-faith mistakes made in the operation of their nonprofits, if they enjoy a personal financial benefit or engage in other forms of "self-dealing," they could be personally liable. Board members should promote the will of the majority of those voting, while protecting the rights of the minority and enabling dissenters to be heard. Nonprofits organized for some form of tax-exempt public benefit are considered a type of charity and might qualify for grant funding and tax-deductible contributions. They are often registered with, and monitored by, the state Attorney General.

Fiduciary Responsibilities of Board Members

One of the main responsibilities of board members is to maintain financial accountability of their organization. Board members act as trustees of the organization's assets and must exercise due diligence to oversee that the organization is well-managed and that its financial situation remains sound.

What Does Fiduciary Mean?

Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy and efficient. Board members, as stewards of public trust, must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

Understanding Financial Basics

Not every board member can be a financial wizard. Every board member, however, needs to be a financial inquisitor. It is essential to understand basic terminology, be able to read financial statements and judge their soundness and have the capacity to recognize warning signs that might indicate a change in the overall health of the organization. If a board member does not understand something, he or she must be willing to find out the answer.

Specific questions board members should ask:

1. Is our financial plan consistent with our strategic plan?
2. Is our cash flow projected to be adequate?
3. Do we have sufficient reserves?
4. Are any specific expense areas rising faster than their sources of income?
5. Are we regularly comparing our financial activity with what we have budgeted?
6. Are our expenses appropriate – do they translate into growth of the organization?
7. Do we have the appropriate checks and balances to prevent errors, fraud, and abuse?
8. Are we meeting guidelines and requirements sent by our funders?

Setting Up and Monitoring Key Financial Indicators

Having the proper tools to monitor and evaluate financial performance strengthens the board's capacity to judge the health of the organization. Board members need to agree on general guidelines and standards to measure the effectiveness of organizational accomplishments. Appropriate policies must be in place to guide management and board decision-making.

Ensuring Adequate Control Mechanisms

Control mechanisms aren't intended to detect fraud but rather to prevent it. Ensuring clarity in job descriptions and responsibilities; defining financial and account procedures (signing checks, handling of cash, approving expenses, outlining parameters for credit card usage); managing potential conflicts of interest with a clear policy; and requesting regular external audits are all manifestations of fiduciary responsibility.



ASK ISHBEL

Q. Our landlord has just given us all notices to get out of our community so that he can build \$700,000 homes on it. What can we do, and where can we go?

A. Unfortunately, I think this is going to be a question that home owners are going to be asking more and more in the coming months and years. NMHOA staff are currently working with home owners in Kodiak, Alaska, Kirkland, Washington, and Scottsdale, Arizona, all of whom will be displaced from their manufactured housing communities in the next few months. What are they to do? ORGANIZE!

My first piece of advice to all NMHOA members is to be pro-active. Work with your city councils and county commissions to ensure the preservation of your manufactured housing community by asking them to zone all communities under their jurisdiction as "manufactured housing communities" so that there is some restriction on the use of the land under your homes. The Association of Manufactured Home Owners in Washington (AMHO) has been successful in getting "mobile home park" zones passed in 4 jurisdictions thus providing a level of security for more than 2,000 households. AMHO is currently working on zoning ordinances in two other jurisdictions.

Alternatively, it may be possible to persuade your local government to set up a relocation assistance fund in the event that your community will close. NMHOA worked with the City of Fort Collins, Colorado in 2013, whereby the City developed a comprehensive pro-active approach so that they had a range of solutions in place before any community closed. Here is a link to that report:

<http://www.fcgov.com/socialsustainability/pdf/mobile-home-redevelopment-services-plan-final.pdf>

If however, it is too late to preserve your community and the situation appears to be hopeless, there is nothing to be gained by just sitting back and letting the landlord ride roughshod over you. At the very least you will go down fighting and you may not even go down at all! NMHOA Community Organizer, Kylin Parks, lived in a community where the landlord had sold the land for future town home development but through her perseverance and by organizing her neighbors and friends, she was able to save her community and continues to live in her manufactured home, eight years later.

Kylin and I are more than happy to work with home owners anywhere across the country who are facing the closure of their community. There are strategies, both legal and moral, as well as media campaigns and legislative initiatives that can lead to a much better outcome that may at first appear possible.

Working together to save your community or at least to get help to compensate you for the loss of your home is worth doing and NMHOA can help you. Please email me at: ishbel@nmhoa.org if this is something you would like to understand better.

If you have a question for Ishbel, please email it to her at: ishbel@nmhoa.org.



As a Member, you have access to more resources.

Approving the Budget

The budget creates the framework for program management and overall administrative decisions. The annual budget approval process helps curb any tendency for the board to micromanage. Securing necessary funding is part of a viable budget. Examining financial statements regularly, comparing actual figures to the projected ones, allows the board to verify that the general guidelines stay on track. The board should question any major variances.

Overseeing the Organization's Legal Obligations

The board verifies that all filing requirements and tax obligations are completed. Larger organizations must fill out Form 990 completely and file it on time. They must regularly withhold and pay employment taxes. To avoid intermediate sanctions, the new IRS regulations on nonprofits' financial transactions, the board must document and justify its executive compensation.

Fiduciary duty can be broken down into more specific subcategories:

1. Duty of Care

- a. Using your best judgment
- b. Actively participating, paying attention
- c. Asking pertinent questions

2. Duty of Loyalty

- a. Avoiding conflicts of interest
- b. Putting aside personal and professional interests

3. Duty of Obedience

- a. Staying true to the organization's mission
- b. Obeying the law, both public and organizational

4. Individual Responsibilities

- a. Actively participate
- b. Be informed
- c. Promote the organization
- d. Safeguard Ethics and Values

NMHOA Board members are asked to sign a "board member expectation agreement," to clarify what is expected of them and what they can expect from the NMHOA board, which we feel is a good guide for other groups to follow. Click [here](#) for a copy of the NMHOA agreement, and good luck with your advocacy endeavors!

Archives for i'mPOWERED! are kept on [NMHOA's website](#). Log in to i'mPOWERED! from the main menu using the password: MHO2000*



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National Manufactured Home Owners Association

The mission of the National Manufactured Home Owners Association (NMHOA) is to promote, represent, preserve, and enhance the rights and interests of manufactured home-owners throughout the United States.



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