



Homeowners' Association Checklist

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Volunteering for your community's board of directors is an important responsibility, but it should not be a burden. We have provided this checklist for your reference.

Hold an Annual Membership Meeting

Associations are required to hold at least one meeting of the members each year. Associations in Washington State are required to give a minimum of 14 days' notice of the annual meeting and cannot give more than 50 days notice (unless your governing documents specify a different requirement). Check your bylaws for notice and quorum requirements. If your bylaws do not state a quorum, then reference the appropriate statute (RCW 64.38.040 or RCW 64.90.450). Without a quorum, you cannot conduct any business at the meeting, other than to ratify your annual budget.

Keep your Association Insured

There is no good reason not to have adequate property and liability insurance. There are many affordable policies available. Please consider Directors' and Officers' coverage for your board members an absolute MUST. Community Associations can often be filled with tension. Not many individuals are willing to serve on an association board without this important protection.

Conduct a Reserve Study

Aging communities can look tired and run down, bringing down property values for all the members. HOAs are required to conduct an annual reserve study (see RCW 64.38.090 or 64.90.545 for the exceptions to this requirement). The reserve study will help your community prepare and plan ahead for the costs to maintain the community's common elements many years into the future. Also, note that Washington State requires your association to disclose your current funding levels annually to your members at the same time you present your budget.

Annual Budget

The board must create and adopt an annual budget. The board-adopted budget must then be mailed to the community members for review and ratification at a properly scheduled meeting. The budget is ratified at a membership meeting unless members representing 51% of the units vote to disapprove of the budget. Don't forget you must provide a minimum of 14 days' notice for this meeting (your governing documents may require more notice).

Some associations may wish to combine the budget ratification meeting with the annual meeting, others hold a special meeting called for this purpose. It is important to note that there is no quorum requirement for the budget meeting, like there is for the annual meeting.

Renew your Non-profit Corporation status with the State of Washington

It only takes 15 minutes and a small fee to renew your status online. Keep your Association's non-profit corporation status in good standing by registering with the Washington Secretary of State. Don't risk losing the protections afforded your community by a corporate umbrella. Letting the association's status lapse, can put this extra protection in jeopardy.

Complete the Beneficial Ownership Information Form – Required by the Corporate Transparency Act

Effective January 1, 2025 all Community Associations will be required to complete and file a Beneficial Ownership Information form. [The form](#) must be completed online all at one time. This means you must gather all your members together at one

time and they must provide the necessary personal identification information. There are significant consequences if you do not file this form.

Read Your Community's Governing Documents

The Declaration of Covenants, Bylaws and Rules and Regulations need to be referenced frequently. It is important that you know and understand these documents. Consider having an attorney evaluate your documents every 5 to 10 years so that your documents are consistent with changes in the laws.

Be Familiar with the state statutes for your community

There are several chapters of law that regulate various aspects of homeowners associations. You may have to reference these frequently. We recommend that you bookmark them as web favorites.

- For HOAs established prior to July 1, 2018, consult [RCW 64.38 \(The HOA Act\)](#)
- For HOAs established after July 1, 2018 [RCW 64.90 WUCIOA](#)
- If you do not find the information you are seeking in the specific statutes listed above or your governing documents, then you must also consult the new Non-Profit Corporation Act [24.03A \(Non-Profit Corporation Act\)](#)

Income Tax Return

Associations are required to file a federal tax return annually. If your finances are complex, you may wish to hire an accountant to do this for you. However, most associations can easily use the 1120-H form to file. This form is simple, straightforward, and easy to use for most associations. If your community is larger and the financials are more complex, there may be advantages to having your CPA file the 1120 form.

1099 Forms

HOAs are required to report income paid to independent contractors for payments of \$600.00 or more. 1099 forms must be filed before January 31st for payments made by the Association during the previous calendar year.

Educate Your Self

Consider joining an organization like the Washington Chapter of the Community Association Institute (WSCAI). WSCAI offers affordable and sometimes free education to Association board members and volunteers. To learn more about their class offerings check out their [website](#). WSCAI also offers [mediation services](#) to its members.

Recognize When You Need Assistance

When in doubt, consult a professional for assistance. For legal matters, seek the advice of an attorney, for tax returns, a CPA. Have a certified reserve study specialist conduct your reserve study. Associations can limit their liability by relying on and following the recommendations of skilled professionals.

Some associations may need extra help and the time-saving services that a professional management company, like HOA Community Solutions can provide.

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