

## Failure to Provide Records

If the executive board failed to provide a copy of any of the records required to be provided (financial statements, budgets, reserve study), the Commission may impose a penalty against the board of \$25 for each day the records were not provided timely. This money is paid to the Nevada Real Estate Division, not the owner who requested the records.

If a community manager fails to make the financial records of the association available to unit owners, that manager is in violation of NRS 116A.630(11) and will also be considered for disciplinary action.

If the executive board failed to provide a copy of any of the records described in paragraphs (a), (b) and (c) of NRS 116.31175(1) within 21 days, or failed to allow a unit owner to review records of the association, the unit owner can complete and submit an Intervention Affidavit Form 530 to the Division. This form allows the Division to compel compliance and escalate the matter to the Commission if appropriate.



## Electronic Records Access

Each CIC containing 150 or more units shall establish and maintain a secure Internet website or electronic portal where the following must be made available to all unit owners: the most recent copies of the governing documents; a copy of the annual budget and any proposed budgets; notices and agendas for upcoming meetings; and any other documents required to be posted by law.

## State of Nevada



Department of Business and Industry  
Real Estate Division

Ombudsman for Owners in  
Common-Interest Communities  
and Condominium Hotels

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Northern Nevada

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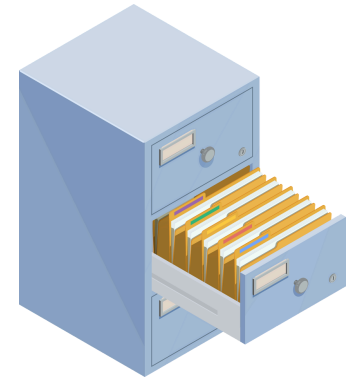
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## Understanding Association Records



## Why Are Records Important?

For any organization, it is extremely important to maintain good record keeping practices.

A good record keeping system should be thorough, accurate, reliable, easy to follow, and have documents that are readily available for inspection and audit when necessary.

For an association, good record keeping allows the board to: easily provide records upon request, justify expenditures, monitor progress, conduct efficient analysis, make informed decisions, and capture the financial status of the association over time.

## Retention of Records

- The books, records and other papers of an association must be maintained for at **least 10 years**.
- This timeframe does not apply to the minutes of a meeting which must be maintained until the common-interest community is **terminated**.



## Custodian of Records

The custodian of records is the person responsible for all association records at their physical location.

Records must be kept at the business office of the association or a designated business address not to exceed 60 miles from the physical location of the community.

All records and books of the association are the property of the association. This is true even if the community manager for the association is identified as the custodian of records.

Upon termination or reassignment of a management agreement, the community manager must, within 30 days, transfer possession of all books, records and other papers back to the association, or to the next manager, regardless of any fees or charges still due by the association.

## Records That Must Be Provided by the Association Within 21 days of Request

1. **The financial statement of the association;**
2. **Budgets prepared pursuant to [NRS 116.31151](#);**
3. **The study of the reserves.**

### Within 30 days

**Minutes**—Not more than 30 days after a board meeting, the audio recording and approved minutes, or a draft summary of the minutes, **MUST** be provided to unit owners upon request.

**Amendments**—If any change is made to the governing documents of the association, within 30 days of the change being made, a copy **MUST** be delivered to unit owners.

## Records That Must Be Made Available to Unit Owners for Review

1. Current, accurate and properly documented financial records of the association as defined in [NAC 116.0433](#), including documentation of the authorization for receipts and verification of the data used in making business decisions;
2. All contracts to which the association is a party;
3. All records filed with a court relating to a civil or criminal action to which the association is a party;
4. Other non-confidential records of the association including the violation record.

All financial and other records of the association must be made available for any unit's owner and their authorized agents to inspect, examine, photocopy and audit. Unit owners can be charged up to [\\$25 per hour](#) to review records during regular working hours of the association as defined in [NAC 116.440](#).



## Violation Record

The executive board shall maintain a general record concerning each violation of the governing documents, other than a failure to pay an assessment, for which the executive board has imposed a fine or other sanction.

The general violation record must:

- (a) contain a general description of the nature of the violation and the type of sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount;
- (b) NOT contain the name or address of the person sanctioned or any other personal information which may be used for identification;
- (c) be maintained in an organized and convenient filing or data system for easy search and review.



## Which Records Must Not Be Made Available?

1. The personnel records of employees of the association, **EXCEPT** for those relating to the number of hours worked, salaries and benefits;
2. Any records relating to another unit owner, including any architectural plan submitted for approval;
3. Any document if it is in the process of being developed and has not yet been placed on an agenda;
4. Any specifics discussed by the executive board when it meets in executive session (including attorney-client privileged conversations), must be generally noted in the minutes of the next board meeting.

## Violations and Civil Action

If any civil action in which the association is a party is settled, the executive board shall disclose the terms and conditions of the settlement at the next meeting of the executive board. The executive board may not approve any settlement which contains any terms and conditions that would prevent such disclosure ([NRS 116.31088](#)).

During executive session, the executive board shall maintain minutes of any decision made concerning an alleged violation and provide, within a reasonable amount of time, written notice of the decision made to the person brought to hearing for the violation.