



RESPONSIBILITIES OF THE COMMUNITY MANAGER (CAM)

DISCLAIMER

Before we begin, you are reminded that, as training officers, we are here to provide general information and education on NRS/NAC 116, NAC/NRS 116 A&B, and NAC 38. We do not provide legal advice, interpret the law, or give opinions on individual circumstances.

Our goal is to help you learn, understand, and apply the relevant statutes, regulations, and your community's CC&Rs. We want to equip you with the knowledge and tools necessary to effectively manage and live within your common-interest communities.

We will have dedicated time for questions and answers towards the end of the class. Please note that the Q&A session is intended to clarify the material covered today and not to address specific issues you might be facing. Feel free to jot down any questions regarding the class that you may have as we go along, and we will address them during the Q&A period. Thank you.

ICEBREAKER



Please share one key responsibility of an ideal Community Manager?

AGENDA



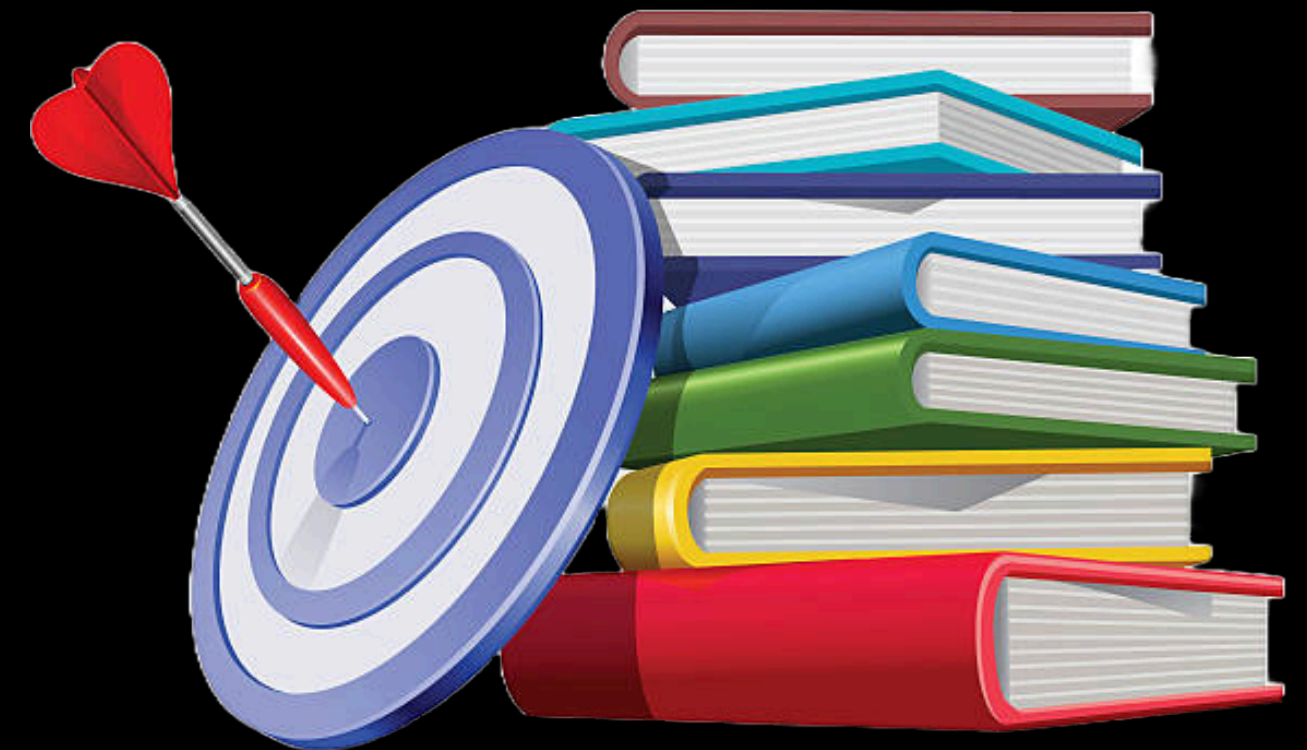
- 01. Icebreaker
- 02. Overview/Intro
- 03. CAM Responsibilities

- 04. Ethical Obligations
- 05. Education Requirements
- 06. Manager License Lookup

LEARNING OBJECTIVES

By the end of this class participants will:

1. Learn the duties and obligations of Community Managers in CICs.
2. Learn about CAM conflict of interest and confidentiality requirements.
3. Explore CAM ethical obligations.
4. Understand CAM education requirements and CE certifications.



COMMUNITY MANAGER: OVERVIEW



ASSOCIATION AUTHORITY

NOTE: AN ASSOCIATION'S BOARD OF DIRECTORS HOLDS ALL DECISION-MAKING AUTHORITY NOT OTHERWISE ALLOCATED TO UNIT OWNERS BY THE DECLARATION OR BYLAWS.

- **THE BYLAWS SPECIFY WHICH POWERS THE ASSOCIATION MAY DELEGATE TO THE CAM (NRS 116.3106(1)(D)).**
- **MANAGER DUTIES AND AGREEMENTS MUST BE SIGNED BY BOTH PARTIES (NAC 116A.325).**

CAM OVERVIEW

- **THE CAM HAS THE AUTHORITY TO CARRY OUT ANY DUTIES LISTED IN THE MANAGEMENT AGREEMENT. THIS MAY INCLUDE (BUT IS NOT LIMITED TO):**
 - **ENTERING A VACANT UNIT TO ADDRESS POTENTIAL HEALTH AND SAFETY VIOLATIONS (NRS 116.310312).**
 - **COLLECTING PAST-DUE OBLIGATIONS AND ASSESSMENTS ON BEHALF OF THE ASSOCIATION (NRS 116.310313).**
 - **POST AN OPINION ON AN OFFICIAL PUBLICATION CONCERNING AN ISSUE OF INTEREST TO THE CIC ON BEHALF OF THE BOARD.**



RECORDS, FINANCES, AND ELECTIONS

THE CAM MAY:

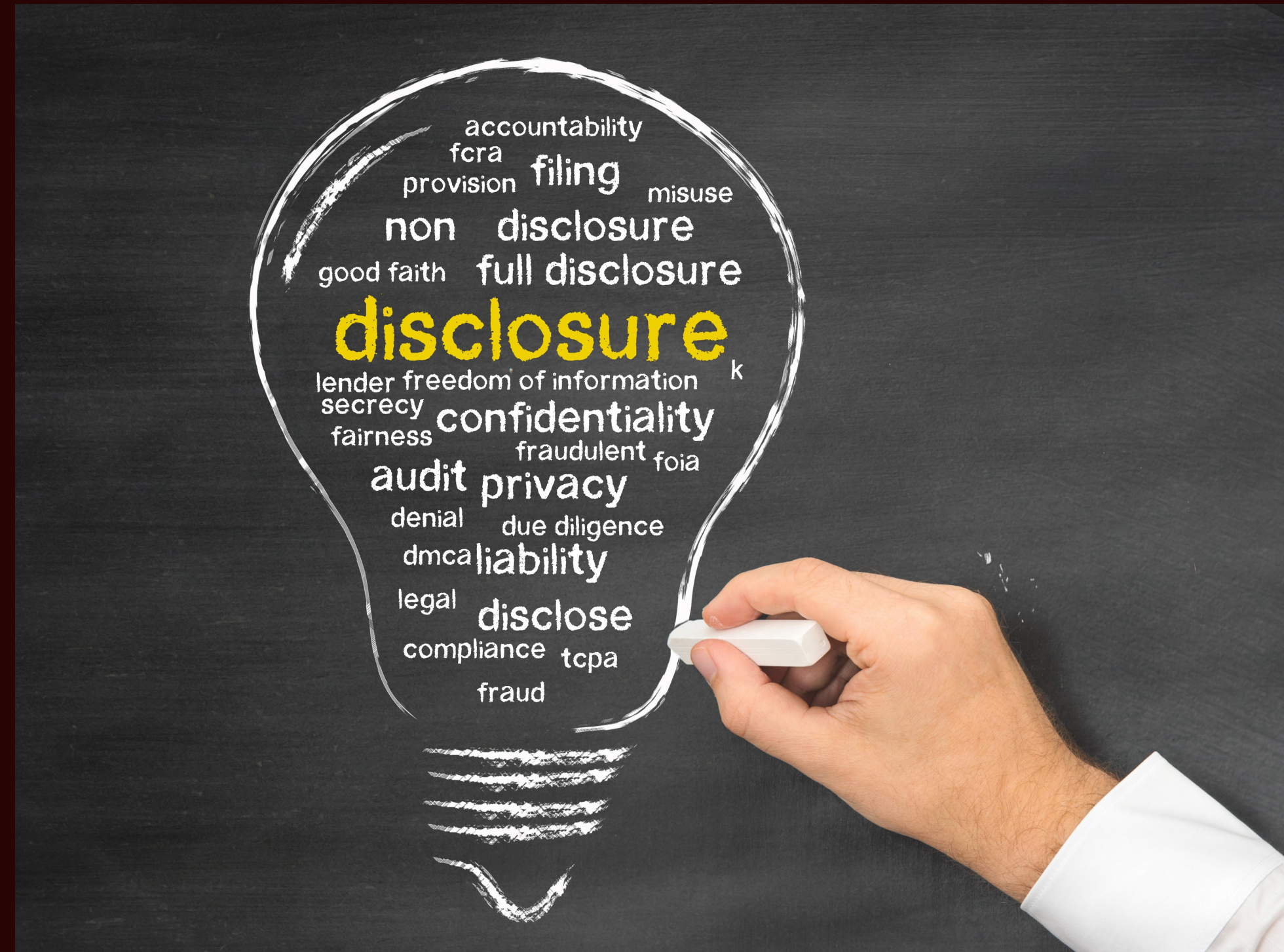
- RECEIVE PETITIONS FROM UNIT OWNERS TO REMOVE BOARD MEMBERS, AS OUTLINED IN NRS 116.31036.
- OBTAIN QUALIFIED BIDS FOR CAPITAL IMPROVEMENT PROJECTS.
- MAKE AVAILABLE THE ASSOCIATION'S BOOKS, RECORDS, AND OTHER DOCUMENTS UPON REQUEST.
- DEPOSIT OR INVEST ASSOCIATION FUNDS ACCORDING TO THE ASSOCIATION'S FINANCIAL POLICIES.
- WITHDRAW MONEY FROM THE OPERATING ACCOUNT IN ACCORDANCE WITH NRS 116.31153 AND THE ASSOCIATION'S APPROVED PROCEDURES.

MANAGEMENT AGREEMENTS

Agreements, Disclosures, and Insurance

DISCLOSURES

- **Before** entering a management agreement, the CAM **must** disclose in writing the following:
 - Whether the CAM or any member of their organization expects to receive any direct or indirect compensation, gifts, or profits from any person or entity who will perform services for the client (NRS 116A.610).
 - Any affiliation with or personal interest in any person or business that furnishes any goods or services to the client.
 - Any monetary relationships with unit owners, board members, or officers.



MANAGEMENT AGREEMENTS

1. Agreements must:

- a. Be signed and in writing by all parties, clearly stating the identity and legal status of the contracting persons.
- b. Be entered into by the association and the CAM or the CAM's employer.
- c. State the basic terms of the agreement.
- d. State the basic considerations for the services to be provided and the payment schedule.
- e. State the spending limits of the CAM.
- f. State any limitations on the liability of each contracting party.
- g. Include a statement on the scope of the work of the CAM.

NRS 116A.620 & NAC 116A.325

MANAGEMENT AGREEMENTS, CONTINUED



1. Agreements must also have a complete schedule of all fees, costs, expenses, and charges to be imposed by the CAM, including:
 - a. Start-up costs.
 - b. Fees for non-routine services.
 - c. Fees for the sale or resale of a unit, or for setting up accounts for a new member (following the sale of a unit).
 - d. Reimbursable expenses.
 - e. The portion of fees that are to be retained by the CAM and the portions retained by the association.
2. Finally, the agreement must include provisions relating to the grounds and procedures for terminating a CAM.

- After signing the management agreement, the CAM shall provide a copy of the agreement to each member of the executive board.
 - Additionally, within 30 days of the election or appointment of a new member to the executive board, the CAM shall provide the board member with a copy of the agreement as well.

AFTER THE AGREEMENT

INSURANCE



1. Management agreements must identify the amounts and kinds of insurance carried by each contracting party (included but not limited to):
 - a. The CAM or their employer shall maintain insurance covering liability for errors or omissions, professional liability, or a surety bond to compensate for losses in the amount of \$1,000,000 or more.
2. The agreement must also include provisions for dispute resolution.
 - a. It must also acknowledge that all records and books are the property of the client, with the exception of any proprietary information or software belonging to the manager.
3. Within 10 days after signing the agreement, the CAM shall provide all board members with evidence of insurance.

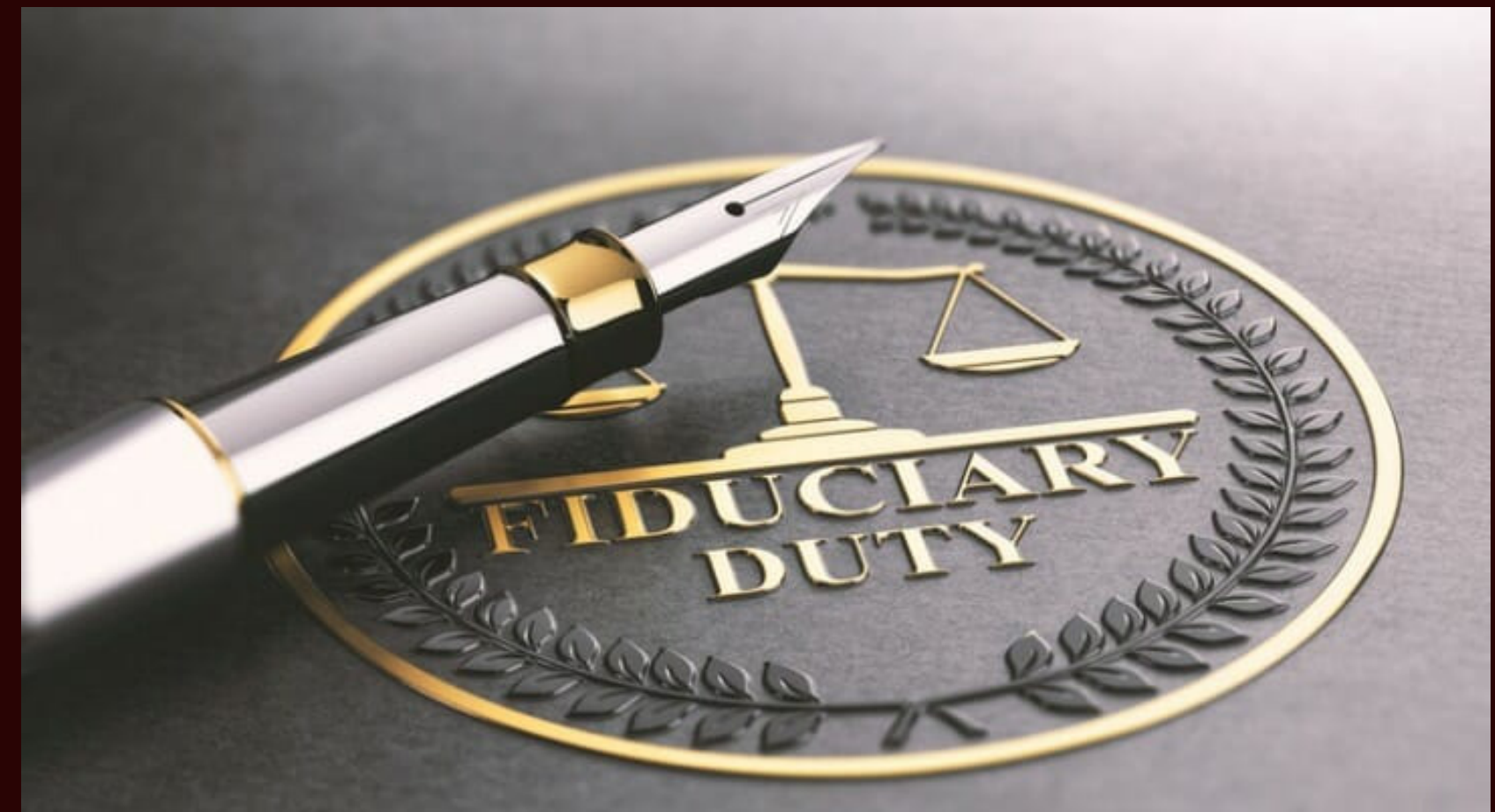
- CAMs shall ensure at all times that:
 - All financial transactions of a client are current, accurate, and properly documented.
 - There are established policies to provide reasonable assurances in the reliability of the reporting, including:
 - The proper maintenance of accounting records.
 - Documentation of the authorization for any purchases, expenditures, or disbursements.
 - Verification of the integrity of the data used in business decisions.
 - Facilitation of fraud detection and prevention.
 - Compliance with all applicable laws and regulations governing financial records.



FINANCES

- A CAM shall act as a fiduciary in any client relationship and exercise ordinary and reasonable care at all times.
- Comply with all applicable laws, regulations, ordinances, and provisions of the governing documents of the client.
- Keep informed of new developments in the management of a CIC through continuing education (18 hours every 2 years).
- Advise a client to obtain advice from an independent expert relating to matters that are beyond their expertise.
- Uniformly enforce all provisions of the association's governing documents.
- Comply with all lawful directions of a client.

FIDUCIARY DUTY



MULTIPLE CHOICE REVIEW

◦ **WHICH OF THE FOLLOWING IS TRUE?**

- A. THE CAM MAY WITHDRAW FUNDS FROM THE RESERVE ACCOUNT.**
- B. CAMS MAY ENTER THE INTERIOR OF A UNIT WITHOUT NOTICE.**
- C. CAMS MAY POST PROFESSIONAL OPINIONS ON ISSUES CONCERNING THE CIC ON BEHALF OF THE BOARD.**
- D. SOLICITING AT LEAST 2 BIDS FOR CAPITAL IMPROVEMENT PROJECTS.**





CAM ETHICAL OBLIGATIONS

PROHIBITED ACTS



A CAM shall not:

1. Perform their duties without a certificate.
2. Disclose confidential information relating to a client.
3. Intentionally apply payment of an assessment from a unit owner toward any fine, fee, or other charge that is due, or refuse to accept payment because there is an outstanding payment due.
4. Collect any fees or other charges from a client not specified in the management agreement.
5. Accept any compensation, gift, or any other item of material value as payment unless the client consents in writing.

PROHIBITIONS, CONTINUED

A CAM shall not:

1. Refuse to accept a unit owner's payment of any assessment, fine, fee, or other charge.
2. Purchase a unit foreclosed on by any of their clients.
3. A CAM may not be the spouse, parent, or child- by blood, marriage or adoption and perform the duties of a CAM for an association when their relative is a candidate for the board or another office of the association.

(NRS 116.31034(10))

- a. Note that this rule also applies to master associations or sub-associations subject to master association governing documents.

A CAM may be terminated by the client, without penalty, upon 30 days' notice following a violation by the CAM of any provisions of NRS or NAC 116.

Unless stated otherwise in the agreement, the CAM, within 30 days after termination, shall transfer possession of all books, records, and other payments to the client or the succeeding CAM.

NRS 116A.640

RETALIATION

Neither the board nor the CAM shall:

- a. Take or encourage another person to take any retaliatory action against a unit's owner because they complained or requested to review the books, records, or other papers of the association.



NRS 116.31183

CAM & BOARD RESTRICTIONS

Neither the board nor the CAM may:

- a. Enter into a contract to provide goods or services to the association for compensation.
- b. Accept, directly or indirectly, any gifts, incentives, gratuities, rewards, or other items of value that exceed \$500/year (NAC 116.482).
- c. Solicit or accept compensation based on the number or amount of fines imposed for violations of governing documents.
- d. Receive any compensation, gratuity, or reward, directly or indirectly, swaying his or her vote, opinion, or action in any manner that would influence their duties.
- e. Purchase a foreclosed unit within their association (NRS 116.31185).



DISCIPLINING CAMS

- If a CAM fails to comply with NRS 116 or the declaration, any person suffering actual damages from the failure to comply may bring a civil action for damages or other relief.
- The association or a class of unit owners consisting of at least 10% of the total number of voting members of the association may bring a civil action against a CAM.



UNPROFESSIONAL CONDUCT

- A CAM is subject to disciplinary action if they commit any of the following:
 - Unprofessional conduct (violating an order of the Commission/Division/NRS/NAC 116; failing to disclose important information to the client; lying on the application for the certificate; exceeding their authority).
 - Professional incompetence (inability to perform duties; lacking the required skills to perform the job).
 - Negligence or felony actions.



FORBIDDEN CONDUCT

- A CAM may also face disciplinary action if they:
 - Had a CAM certificate, permit, or license suspended in another jurisdiction or state.
 - Failed to disclose any information that may be relevant to the client.
 - Engaged in fraudulent, deceitful, or dishonest conduct.



COMMISSION CONSEQUENCES

- If the Commission finds grounds for disciplining the CAM, they may:
 - Revoke or suspend the CAM certificate for at least a year.
 - Impose a fine of no more than \$5,000 for each violation of a statute or regulation.
 - Refuse to renew or reinstate the certificate, especially if the fine has not been paid.
- Note that this is not a comprehensive list of Commission sanctions.



CAM EDUCATION

TRAINING AND CONTINUING EDUCATION



TYPES OF COMMUNITY MANAGERS

Unlicensed Individual	Temporary CAM	Provisional CAM	Licensed CAM	Supervising CAM
Typically support the CAM in an administrative capacity; assistant.	A temporary certificate issued to an experienced CAM, possibly from another state. Expires after 1 year.	Individual who has fulfilled education requirements for certification but lacks required experience requirements.	CAM who holds a certificate or temporary certificate and who has met education and experience requirements.	Licensed CAM who is responsible for supervising one or more provisional or licensed CAMs.

Note: The State of Nevada prohibits anyone without a certificate from acting as a Community Manager (NAC 116A.120).

APPLICANT ED. REQUIREMENTS



- Applicants seeking certification as a community association manager must meet and successfully complete at least 60 hours of instruction in courses in the management of a CIC that has been approved by the Commission.
 - This includes 20 hours of instruction related to federal, state, and local laws applicable to management of a CIC.

TRUE OR FALSE?

- CAMs are required to take courses on landlord-tenant relations as well as housing discrimination laws.

RENEWING YOUR CERTIFICATE

- A CAM certificate must be renewed biennially.
 - The applicant must complete not less than 5 hours of the required continuing education, which must be designated as instruction related to NRS 116 and NRS 116A.
 - These hours must be completed in increments of 1 hour within the two years preceding the date the certificate expires.
- The Commission may collect a fee for issuing a certificate.



TEMPORARY CERTIFICATES

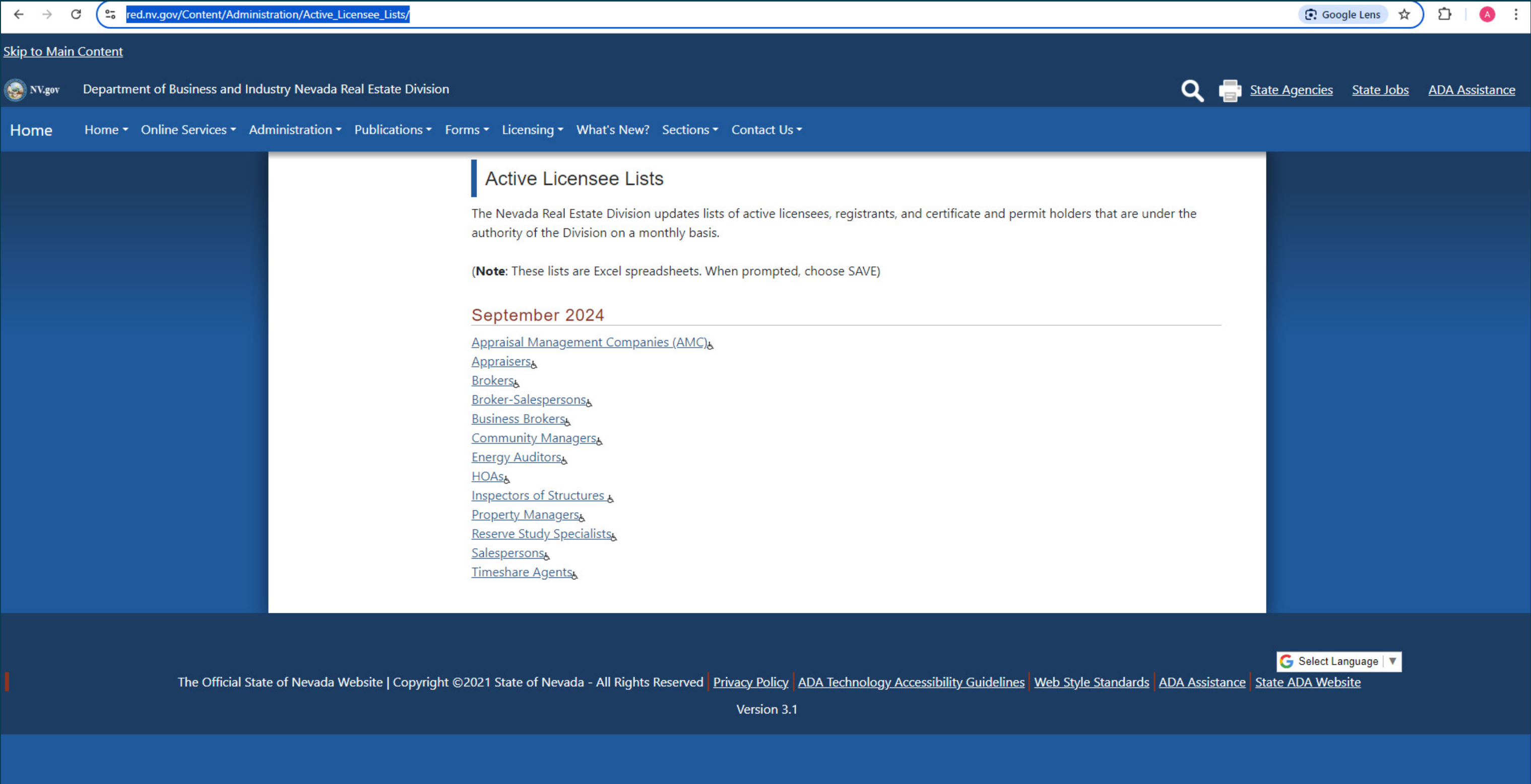
- The Division will issue a temporary 1-year certificate to a person who:
 - Holds a professional designation in the field of management of CICs from a nationally recognized institution.
 - Provides evidence that this person has engaged in the management of CICs for at least 5 years.
 - Has not been subject to disciplinary action regarding the management of CICs in another state.



TEMPORARY CERTIFICATES, CONTINUED

- Except in situations where the Division suspends a certificate sooner than one year if a CAM ceases to be employed by the association or its agent, the Division must provide a certificate for a 1-year period to a person who:
 - Receives an offer of employment as a CAM from an association.
 - Has management experience determined to be sufficient by the executive board of the association or its agent.





CAM LICENSE LOOKUP



BEFORE WE MOVE ON TO THE Q&A SESSION, I'D LIKE TO REMIND EVERYONE THAT WE ARE HERE TO PROVIDE GENERAL INFORMATION AND GUIDANCE. WE CANNOT GIVE LEGAL ADVICE, INTERPRET THE LAW, OR PROVIDE OPINIONS ON INDIVIDUAL CIRCUMSTANCES.

THE PURPOSE OF THIS Q&A SESSION IS TO HELP CLARIFY THE MATERIAL COVERED IN TODAY'S CLASS. PLEASE KEEP YOUR QUESTIONS FOCUSED ON UNDERSTANDING AND THE APPLICATION OF THE STATUTES, REGULATIONS, AND CC&RS RELEVANT TO YOUR ROLES WITHIN YOUR COMMUNITY. FOR SPECIFIC LEGAL CONCERNS OR INDIVIDUAL ISSUES, PLEASE CONSULT WITH A QUALIFIED ATTORNEY.



THANK YOU



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