CAI's Designation Code of Ethics for Management

Community Associations Institute has developed a Code of Ethics for Management that applies to manager members and member companies who have achieved specific credentials (CMCA, AMS, LSM, PCAM, AAMC). The code of ethics sets forth the general and technical standards for integrity and objectivity, professional courtesy, conflict of interest, use of client funds, and limitations of practice. All managers should follow this policy to ensure their duties to the client are met. (*Note: CAI has also adopted Code of Ethics for the Reserve Specialist (RS) and Community Insurance and Risk Management Specialist (CIRMS) designations and for board members.)*

The Manager Shall:

1. Comply with current bylaws, standards and practices as may be established from time to time by CAI subject to all federal, state and local laws, ordinances, and regulations in effect where the manager practices.

2. Participate in continuing professional education through CAI and other industry related organizations.

3. Act in the best interests of the client; refrain from making inaccurate or misleading representations or statements; not knowingly misrepresent facts to benefit the manager.

   Undertake only those engagements that they can reasonably expect to perform with professional competence.

4.

> **Best Practice –**
> **Carefully choose your words and your assignments:** In the process of working with the board of directors it is important for them to have confidence in our abilities and provide us with exciting challenges. Be careful not to answer questions too quickly without the appropriate research. Always use care in accepting additional assignments and obtain guidance from a supervisor if you do not have the technical expertise.

5. Exercise due care and perform planning and supervision as specified in the written management agreement, job description or duly adopted board policies.

> **Best Practice –**
> **Develop an Annual Calendar:** To assure that all association obligations are performed in a timely manner, develop an Annual Calendar to track routine tasks and special projects.

6. Disclose all relationships in writing to the client regarding any actual, potential or perceived conflict of interest between the manager and other vendors. The manager shall take all necessary steps to avoid any perception of favoritism or impropriety during the vendor selection process and negotiation of any contracts.

7. Provide written disclosure of any compensation, gratuity or other form of remuneration from individuals or companies who act or may act on behalf of the client.

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8. Ensure that homeowners receive timely notice as required by state statutes or legal documents and protect their right of appeal.

> **Best Practice –**
> **Use a trusted method for sending and tracking homeowner communication:** Members place their trust in the board of directors, and management, that they will receive information about association meetings in a timely manner. They also trust they will receive notifications about enforcement and payment procedures timely as required. Develop a system to monitor and track homeowner communication.

9. Disclose to the client the extent of fidelity or other contractually required insurance carried on behalf of the manager and/or client and any subsequent changes in coverage, which occur during the manager's engagement if the amount is lower than the contract amount requires.

10. See that the funds held for the client by the manager are in separate accounts, are not misappropriated, and are returned to the client at the end of the manager's engagement; Prepare and furnish to the client accurate and timely financial reports in accordance with the terms of the management agreement, job description or duly adopted Board policies.

11. Recognize the original records, files and books held by the manager are the property of the client to be returned to the client at the end of the manager's engagement; maintain the duty of confidentiality to all current and former clients.

> **Best Practice –**
> **Management Transition:** As in all businesses, client transition is a routine part of the profession. It reflects positively on all of us in community association management when we handle the transition in a professional manner. Timely transition of records and sharing information on current business is the example of an ethical transfer of responsibilities. Withholding information, failure to forward mail, speaking negatively about the new management company and providing misinformation to homeowners are all examples of unethical conduct.
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> When a community association board decides to change management companies, the transition can often be a source of emotions and anger. However, professional managers and management companies understand that they still must maintain their business-like and professional image by assisting the transition in every way possible by:
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> * Continuing to comply with every contract provision until the termination date
> * Maintaining a customer service attitude
> * Promptly responding to board, owner and new management company requests
> * Transferring hard-copy and software data as quickly as possible
> * Not acting on behalf of the association after the contract ends, including writing checks for company reimbursement
> * Not burning bridges; perhaps the board will realize what it is missing and ask to return to your company

12. Refrain from criticizing competitors or their business practices; act in the best interests of their employers; maintain a professional relationship with our peers and industry related professionals.

Best Practice – **Support the Profession:** Involvement in CAI provides the opportunity for mentoring and supporting each other as we enhance our professional development. It is unethical to speak negatively about another manager or harm someone for your own personal gain.

13. Conduct themselves in a professional manner at all times when acting in the scope of their employment.

14. Not engage in any form of price fixing, anti-trust, or anti-competition.

15. Not use the work products of colleagues or competing management firms that are considered proprietary without the expressed written permission of the author or the management firm.

Best Practice – **Management Firm Support:** In addition to the Duty of Care and Loyalty we extend to our clients we also owe this duty to our employer. As you proceed through your career and have opportunities with new firms and communities, honor the work products, client list, and technology used by your former employers. It is unethical to use a former employer's proprietary reports, forms or information in your new management position.

Summary

As community association managers we have an impact on the most expensive asset most people will own: their homes. We are extended a large degree of trust when given the opportunity to participate in the management of a community association. We honor that trust and present a positive image for the industry when we conduct ourselves ethically and apply strong ethical principles to our work.