



DYNASTY  
WORLDWIDE

# HDFC COOPERATIVE BOARD RESPONSIBILITIES

LEADERSHIP • GOVERNANCE  
COMPLIANCE • STEWARDSHIP



**LEADERSHIP**  
Fostering vision,  
collaboration &  
community values.



**GOVERNANCE**  
Upholding fiduciary  
duties, policies &  
ethical standards.



**COMPLIANCE**  
Ensuring regulatory  
adherence, risk  
management &  
transparency.



**STEWARDSHIP**  
Protecting assets,  
sustainability &  
long-term value  
for shareholders.

PREPARED BY  
DYNASTY WORLDWIDE  
MANAGEMENT SERVICES LTD

# **CO-OP BOARD MEMBER MANUAL**

## ***Governance, Duties, Compliance & Best Practices for NYC Cooperative Corporations***

### **1. Introduction to Board Governance**

#### **1.1. Purpose of This Manual**

**This manual provides a clear, practical, and legally aligned guide for all board members of a cooperative corporation. It defines responsibilities, decision-making standards, fiduciary duties, communication protocols, and operational expectations to ensure the building is governed professionally, transparently, and in compliance with NYC and NYS law.**

#### **1.2. Who This Manual Applies To**

- **Board President**
- **Vice President**
- **Treasurer**
- **Secretary**
- **General Board Members**
- **Committees (if applicable)**
- **Managing Agent / Property Manager (as support)**

## **2. 2. Legal & Fiduciary Responsibilities**

### **2.1. Duty of Care**

**Board members must make informed, well-researched decisions, review documents, ask questions, and act with reasonable diligence.**

### **2.2. Duty of Loyalty**

**Board members must act in the best interest of the co-op — not themselves, friends, or specific shareholders.**

### **2.3. Duty of Obedience**

**Board members must follow:**

- **The Co-op's Bylaws**
- **Proprietary Lease**
- **House Rules**
- **NYC/NYS Housing Laws**
- **HPD, DOB, FDNY, DOF, DEP regulations**

### **2.4. Confidentiality Requirement**

**Board discussions, financials, legal matters, and shareholder issues must remain confidential.**

### **3.3. Roles & Responsibilities**

#### **3.1. Board President**

- **Leads board meetings**
- **Oversees building operations with the managing agent**
- **Signs contracts and official documents**
- **Ensures compliance and timely filings**
- **Acts as primary liaison with shareholders and vendors**

#### **3.2. Vice President**

- **Supports the President**
- **Assumes duties when President is unavailable**
- **Oversees committees or special projects**

#### **3.3. Treasurer**

- **Oversees financial health of the co-op**
- **Reviews monthly financial statements**
- **Works with accountant and managing agent**
- **Ensures timely tax filings, audits, and budgets**
- **Monitors arrears and cash flow**

### **3.4. Secretary**

- **Maintains corporate records**
- **Prepares meeting minutes**
- **Oversees annual meeting notices and voting procedures**
- **Ensures compliance with corporate governance requirements**

### **3.5. General Board Members**

- **Participate in decisions**
- **Review materials before meetings**
- **Vote responsibly**
- **Support committees and initiatives**

## **4. 4. Board Meetings & Decision-Making**

### **4.1. Meeting Frequency**

**Boards should meet monthly or at minimum quarterly.**

### **4.2. Agenda Structure**

**A standard agenda includes:**

- 1. Call to Order**
- 2. Review & Approval of Minutes**
- 3. Financial Review**
- 4. Management Report**
- 5. Old Business**

## **6. New Business**

## **7. Executive Session (if needed)**

## **8. Adjournment**

### **4.3. Voting Rules**

- **Majority vote required unless bylaws specify otherwise**
- **Conflicted members must recuse themselves**
- **Votes must be documented in minutes**

### **4.4. Minutes Requirements**

**Minutes must be:**

- **Factual**
- **Neutral**
- **Concise**
- **Stored in the corporate record**

## **5.5. Financial Oversight & Budgeting**

### **5.1. Annual Budget**

**The board must approve an annual operating budget covering:**

- **Utilities**
- **Insurance**
- **Repairs & maintenance**
- **Staff payroll**
- **Capital reserves**
- **Management fees**

## **5.2. Financial Statements**

### **Boards must review monthly:**

- **Income & expense reports**
- **Balance sheets**
- **Arrears reports**
- **Reserve fund status**

## **5.3. 5.3 Audits & Tax Filings**

- **Annual audit required**
- **Tax filings must be completed on time**
- **Treasurer and accountant coordinate all filings**

## **5.4. Arrears Management**

**Boards must enforce arrears policies consistently and legally.**

## **6. 6. Building Operations & Maintenance**

### **6.1. Managing Agent / Property Manager**

#### **The board oversees the managing agent, who handles:**

- **Daily operations**
- **Vendor coordination**
- **Repairs & maintenance**
- **Compliance filings**
- **Financial reporting**

## **6.2. Preventive Maintenance**

**Boards must ensure:**

- **Boiler inspections**
- **Elevator maintenance**
- **Fire safety compliance**
- **Roof & façade inspections**
- **Plumbing & electrical upkeep**

## **6.3. Capital Projects**

**Boards must:**

- **Plan long-term capital improvements**
- **Obtain competitive bids**
- **Review contracts**
- **Monitor project progress**
- **Ensure compliance with DOB/FDNY/DEP**

## **7.7. Vendor & Contract Management**

### **7.1. Vendor Selection**

**Boards must use:**

- **Competitive bidding**
- **Insurance verification**
- **Performance history review**

## **7.2. Contract Requirements**

### **Contracts must include:**

- **Scope of work**
- **Pricing**
- **Insurance requirements**
- **Timeline**
- **Termination clauses**

## **7.3. Vendor Oversight**

### **Boards must ensure vendors:**

- **Follow building rules**
- **Maintain safety standards**
- **Deliver quality work**

## **8.8. Shareholder Relations & Communication**

### **8.1. Communication Standards**

#### **Boards must communicate:**

- **Professionally**
- **Transparently**
- **Consistently**
- **Without favoritism**

## **8.2. Handling Complaints**

### **Boards must:**

- **Document complaints**
- **Investigate fairly**
- **Respond within reasonable time**
- **Avoid personal involvement**

## **Annual Meeting Requirements**

### **Boards must:**

- **Provide proper notice**
- **Conduct elections**
- **Present financial updates**
- **Allow shareholder questions**

## **9.9. Compliance & Regulatory Requirements**

### **Boards must ensure compliance with:**

- **HPD Annual Registrations**
- **FDNY Safety Filings**
- **Local Law 84 (Benchmarking)**
- **Local Law 87 (Energy Audit)**
- **Local Law 152 (Gas Inspections)**
- **Local Law 55 (Mold & Pests)**
- **Local Law 97 (Carbon Emissions)**
- **Lead paint rules**
- **Elevator inspections**

- **Boiler inspections**

**Failure to comply results in fines and legal exposure.**

## **10. 10. Ethics, Conflicts of Interest & Conduct**

### **10.1. Code of Ethics**

#### **Board members must:**

- **Act with integrity**
- **Avoid conflicts**
- **Maintain confidentiality**
- **Treat all shareholders equally**

### **10.2. Conflicts of Interest**

#### **Examples include:**

- **Hiring friends or family**
- **Steering contracts**
- **Personal financial gain**
- **Preferential treatment**
- **Conflicts must be disclosed immediately.**

## **11. 11. Elections, Terms & Governance Structure**

### **11.1. Elections**

- **Held annually**
- **Conducted by secret ballot**
- **Overseen by the Secretary or managing agent**
- **Terms. Typically 1–3 years depending on bylaws**

- **Staggered terms recommended**

## **11.2. Removal or Resignation**

### **Boards must follow bylaws for:**

- **Removal for cause**
- **Voluntary resignation**
- **Appointment of replacements**

## **12. 12. Emergency Response & Crisis Management**

### **Boards must ensure:**

- **Emergency contact lists are updated**
- **Fire safety plans are posted**
- **Residents receive emergency instructions**
- **Management responds promptly to crises**
- **Documentation is maintained**

## **13. Board–Management Relationship**

### **Boards must:**

- **Set policy**
- **Provide oversight**
- **Avoid micromanagement**
- **Allow management to execute operations**
- **Evaluate performance annually**

## **14. 14. Board Member Training & Orientation**

### **New board members must receive:**

- **This manual**

- **Bylaws & proprietary lease**
- **Financial statements**
- **Current contracts**
- **Compliance calendar**
- **Building history & capital plan**

**Annual refresher training is recommended.**

## **15. Governance Best Practices**

**Boards should:**

- **Maintain transparency**
- **Avoid personal agendas**
- **Document all decisions**
- **Plan long-term capital needs**
- **Maintain adequate reserves**
- **Review insurance annually**
- **Benchmark against similar buildings**