

POA Education Center

Education Series #001

What Is a Property Owners Association (POA)?

Why This Matters

Many people purchase property in a community association without ever having lived in one before. As a result, it is common to have questions about what a Property Owners Association is, why it exists, and what role it plays within the community.

Understanding the purpose of a Property Owners Association is the foundation for understanding the Association's governing documents, the responsibilities of the Board of Directors, and the rights and responsibilities of property owners.

What Is a Property Owners Association?

A **Property Owners Association (POA)** is a private, nonprofit organization created to administer and preserve a residential community according to its recorded governing documents and applicable law.

When a subdivision is developed, the developer typically records restrictive covenants (also called deed restrictions or CC&Rs) that establish certain rights, responsibilities, and standards for the community. The Property Owners Association is created to carry out the responsibilities assigned to it by those governing documents.

Unlike a city or county government, a POA is not a governmental entity. It is a private association whose authority comes from its governing documents and applicable law.

What Does a POA Do?

Every community is different, but most Property Owners Associations are responsible for functions such as:

- Maintaining common property and amenities.
- Collecting assessments needed to operate the Association.
- Managing the Association's finances.
- Enforcing the governing documents in a fair and consistent manner.
- Conducting membership and Board meetings.
- Maintaining Association records.
- Entering into contracts for services such as road maintenance, landscaping, insurance, utilities, or other community needs.
- Protecting the long-term interests of the community.

The exact responsibilities of any Association are determined by its governing documents.

How Does This Apply to SunEagle Bay?

SunEagle Bay Property Owners Association serves the owners of property within the subdivision.

Among other responsibilities, the Association manages and maintains common areas and amenities, collects assessments approved under the governing documents, conducts Association business through an elected Board of Directors, and works to administer the community in accordance with its governing documents and applicable Texas law.

Like every Property Owners Association, SunEagle Bay's authority is limited to the authority granted by its governing documents and applicable law.

Who Owns the Association?

One of the most common misconceptions is that the Board "owns" or "runs" the Association.

In reality, **the Property Owners Association belongs to its members.**

The members elect the Board of Directors to conduct the day-to-day business of the Association on behalf of the membership.

The Board is responsible for carrying out the duties assigned by the governing documents and applicable law, while remaining accountable to the membership through the Association's governing processes.

What a POA Is Not

A Property Owners Association is **not**:

- A city government.
- A law enforcement agency.
- A court.
- A private business owned by the Board.
- A group that may simply create or ignore rules at will.

The Association operates within the authority granted by its governing documents and applicable law.

Key Takeaway

A Property Owners Association exists to administer the community according to its governing documents and applicable law.

Its purpose is not simply to collect assessments or enforce restrictions. Its purpose is to manage the Association's responsibilities, protect the common interests of the community, and preserve the framework established by the governing documents for the benefit of all property owners.

Next in the Series

Education Series #002

HOA vs. POA – Is There Really a Difference?

Sources

This article is based on:

- SunEagle Bay Governing Documents
- Texas Property Code
- Texas Business Organizations Code
- Generally accepted community association governance principles

Educational Disclaimer: This article is intended for general educational purposes and is not legal advice. If a conflict exists between this article, the Association's governing documents, or applicable law, the governing documents and applicable law control.