

Board Member Certification

Chapters 718 and 720, Florida Statutes
Division of Condominiums, Timeshares & Mobile Homes



dbpr

DIVISION OF
condominiums, timeshares
& mobile homes

GOVERNOR
Ron DeSantis

SECRETARY
Melanie S. Griffin

Disclaimer

This course has a duration of four (4) hours. Participants must remain for the entire session to satisfy the statutory requirement and qualify for a certificate of completion. Partial credit will not be awarded. The participant will be required to attend another offering of the course in its entirety, if they do not attend for the duration of the course.

Certificates of completion will be issued **only** to **the registered individual** whose name and email address were used during the registration process. The name entered at the time of registration will be the name displayed on the certificate.

Only one (1) certificate will be issued per registered account that satisfactorily completes course. Multiple people will be unable to receive credit for the course if they are watching it as a group. **Only** the registered participant will receive credit. For each participant to receive credit for the course, they must register for the course and log in using their own individual Microsoft Teams account. Participants must use their full name when logging in to the course to receive a certificate of completion. The use of initials, nicknames, or first name only will not be sufficient.



The Division's Jurisdiction

Prior to Residential Condominium Turnover

The Division can investigate allegations and enforce compliance relating to the development, construction, sale, lease, ownership, operation, and management of residential condominium units.



The Division's Jurisdiction

After turnover from developer control to unit owner control in residential condominiums, the Division can review records and investigate complaints related the following:



Procedures & records related to financial issues



Elections, including voting requirements, recall of board members, and electronic voting



Records access and maintenance of records



NEW: Procedural completion of Structural Integrity Reserve Studies (SIRS) and **the Milestone Inspections**



NEW: Completion of repairs required by a Milestone Inspection



NEW: Reporting requirements for Structural Integrity Reserve Studies (SIRS)



The procedural aspects of meetings



Disclosure of conflicts of interest



Removal of board director or officer



NEW: The requirement for associations to maintain insurance policy or fidelity bonding for all who control or disperse association funds



Any written inquiries by unit owners to the association



NEW: Board member education requirements



The Division's Jurisdiction

The Division's Arbitration Section **has** jurisdiction over Chapter 720 election and board member recall disputes.





Course Overview

Meetings & Notices	Meeting Requirements
Fines & Suspensions	Levying of Fines and Suspensions
Recordkeeping	Access to and Maintenance of Official Records
Financial Literacy & Transparency	Budget, Reserves, and Financial Reporting
Statutory Inspections	Milestone and Structural Integrity Reserve Studies
Elections	Notices and Election Process

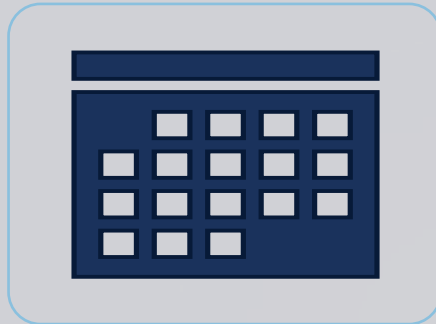


Meetings & Notices

CONDOMINIUM BOARD OF ADMINISTRATION MEETINGS



A board meeting is a gathering of the board where a quorum is present, and the purpose is to conduct association business.



Residential condos more than 10 units must meet at least once each quarter.



Condo meeting notices must clearly list all agenda items and be posted visibly on the property at least 48 hours before the meeting.



Meeting notices, agendas, and related documents must be posted on the website, if applicable.

HOA

Board of Administration Meetings



A meeting of the board occurs whenever a **quorum** of the board gathers to conduct association business



If applicable, the notice, agenda and any other document required for the meeting must be posted on the association's website.



Notice, must identify all agenda items and be posted conspicuously on the condominium property **at least 48 hours** before the meeting.



Meetings must be open to all members and held at a location that is accessible to a physically handicapped person



Board & Committee Meeting Operations

Condominium & HOA Unit Owners

Have the right to:

- Attend
- Speak

Condominium Association Unit Owners

Have the right to:

- Ask Questions
 - Construction or repair projects
 - Revenues, expenditures & other issues
- May tape record or videotape

Condominium & HOA Voting Interests

20% may:

- Petition to add items to the agenda

Condominium & HOA Unit Owner Meetings

Condominiums



May be conducted in person or by video conference

Quorum is a majority of voting interest

Written notice must be mailed, hand delivered or electronically transmitted at least 14 days before the meeting

Must be posted on property

If bylaws are silent of timeframe, then 14 days notice

If applicable, 14 day notice of unit owner meeting must be posted on the association's website

HOA



Quorum is 30% of total voting interest

Decisions that require a vote requires at least a majority of the voting interests present at a meeting at which a quorum has been attained.

Actual notice must be mailed, hand delivered or electronically transmitted at least 14 days before the meeting

If bylaws are silent of timeframe, then 14 days notice

If applicable, notice must be posted on the association's website

Members have right to attend and speak for at least 3 minutes on all items opened for discussion or included on the agenda.



Condominium Meeting Notices

Video Conference

Meeting notices by video conference must include the following:

- A hyperlink
- A conference telephone number
- The address of the physical location to attend in person
- A statement it is to be held by video conference

Meetings by video conference must:

- Meetings must be recorded
- A sound transmitting device must be used so that the conversation of members may be heard
- Recordings must be maintained as an official record of the association
- Meeting must be held within 15 miles of the condo property or within the same county



Condominium Meetings – Video Conference

Unit Owners and Board Meetings

Unit Owner Meetings

A unit owner may vote electronically
(See s. 718.128 F.S.)

A quorum of the **members of the board** must physically be present at the physical location where unit owners can attend the annual meeting.

Board Meetings

Member's participation counts toward a quorum and **may vote as if physically present.**



Board of Administration Meetings

Condominium and HOA

Directors present at board meetings have a duty to vote or abstain due to an asserted conflict of interest.

Directors present at board meetings have four options:

- **Vote yes;**
- **Vote no;**
- **Remain silent** — which is presumed to agree to the action taken and means they are saying yes; and
- **Vote to abstain;**



Condominium Conflicts of Interest

Prohibited:

- Associations cannot hire or contract with a provider owned or operated by a board member or their relative
- Exception requires approval by a two-thirds majority of other board members during a meeting

Definition of Relative:

- Within the third degree of consanguinity by blood or marriage (e.g., parent, child, sibling, etc.)

Disclosure Requirements:

- Conflict of interest must be written on all contracts and transactional documents
- A copy of the meeting agenda where the topic was discussed must be included
- Contract is voidable if there is a failure to disclose

Record-Keeping:

- Meeting minutes must disclose the conflict of interest



Can still attend meeting



Can make a presentation



Recuse from vote & leave during



Counts toward quorum



Voidable with 20%



Condominium Conflict of Interest

HOA Conflicts of Interest



Directors and officers must disclose any potential conflict of interest to the association at least 14 days before voting or entering into a related contract.

A director or an officer, or a relative of a director or an officer enters into a contract for goods or services with the association.

A director or an officer, or a relative of a director or an officer, holds an interest in a corporation, limited liability company, partnership, limited liability partnership, or other business entity that conducts business with the association or proposes to enter into a contract or other transaction with the association.



Other Types of Meetings

Condominiums and HOA

Regular Assessment

Non-Emergency
Special Assessment
Meetings

Emergency
Special Assessment
Meetings

“Unit/Parcel Use” Rule
Adoption Meetings

Closed Meetings

Assessment Notices

Regular or Special



State the
Consideration

Condo

HOA



Provide
Estimated
Cost

Condo



Describe the
Purpose or
Nature

Condo

HOA



A Copy of the
Contract
if Applicable

Condo



Meeting Notice Recap

Meeting Types	48-Hour Notice/ Agenda	14-Day Notice/ Agenda	Post On Property	Mail, Deliver or Electronically Transmit	Retain Affidavit & File In Official Records
Board/ Committee	Yes	No	Yes	Yes	No
Regular Assessment	Yes	No	Yes	Yes	No
Special Assessment	No	Yes	Yes	Yes	Yes
Unit Use Rule Adoption	No	Yes	Yes	Yes	Yes
Unit Owner Meeting	No	Yes	Yes	Yes	No – Condo Yes - HOA



Fines & Suspensions





Fines or Suspensions

- Associations may impose reasonable fines.
- Associations can temporarily suspend a unit owner, occupant, licensee, or invitee from using common areas, facilities, or other association property if rules or provisions are not followed.

Cannot Exceed
\$100 Per
Violation/ Max
\$1000 Overall
*HOA Max can
exceed \$1000*

Cannot
Become A Lien
Against a Unit

Opportunity
For A Hearing
*HOA – Hearing
can be by
electronic means*

Committee =
At Least Three
Members

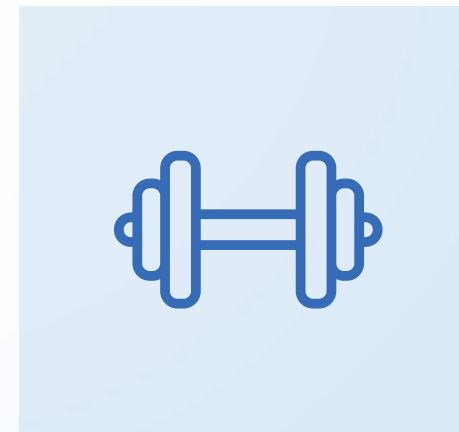
Due Five Days
After Notice

- HOA fine notice must include date and location of the fine hearing.

Suspension of Use Rights

Associations can suspend the rights to use common elements/facilities/property due to delinquency.

- Must be more than **90 days overdue** for fees, fines, or other monetary obligations.
- Must provide at least **48 hours notice** for the board meeting.
- Must notify the affected parties by **mail or hand delivery**.





Suspension of Voting Rights

An association may suspend the voting rights of a unit owner or member due to nonpayment of any fee, fine, or other monetary obligation due to the association.

- The obligation must be over \$1,000 **and** over 90 days delinquent





Recap

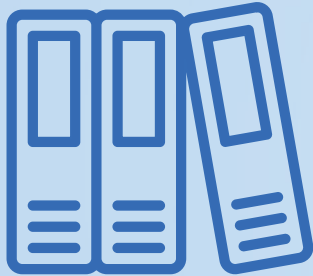
Meeting Types	48-Hour Notice/ Agenda	14-Day Notice/ Agenda	Post On Property	Mail, Deliver or Electronically Transmit
Suspension of Use Rights	Yes	No	Yes	Mail or Deliver Only
Suspension of Voting Rights	Yes	No	Yes	Mail or Deliver Only
Fine or Suspension	No	Yes	Yes	Mail or Deliver Only



Recordkeeping

Official Records, Access to and Maintenance of Official Records

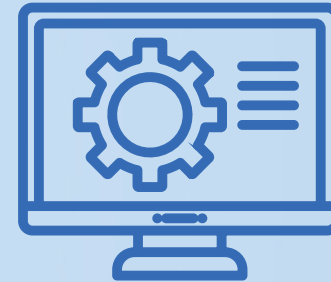
Overview



Official
Records



Unit Owner
Rights



Website
Requirements



Official Records

Developer Documents	Governing Documents	Minutes of All Meetings (Book or Electronic)	Video Conference Meeting Recordings	Rosters
Insurance	Leases or Contracts	Bill of Sale or Transfer	Accounting Records	Voting Materials
All Rental Records	Question and Answer Sheet	Bids	All Affirmative Acknowledgements	Structural Integrity Reserve Studies
Inspection Reports	All Affidavits	All Other Written Records	Building Permits	Educational Certificates



Official Records Retention

Condominium

Must be maintained **in an organized manner** that facilitates inspection of records by a unit owner

1 year

- Election voting materials
- Contract & Bids
- Minutes for meeting held by video conference*

7 years

- All other official records

15 years

- Milestone Inspections
- Structural Integrity Reserve Studies

Permanent / Forever

- Developer Documents
- Governing Documents
- Meeting Minutes – Book(s) or electronic records

HOA

1 year

- Election voting materials
- Contracts & Bids

7 years

- All official Records, unless the governing documents of the association require a longer period

Unit Owner Right to Inspect Records



Written
Request



Association
Receipt of
Request

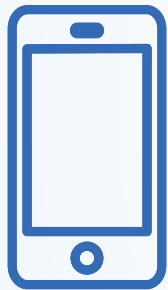


Access within
10 Working
Days

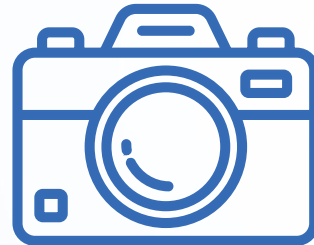


Provide a
Checklist
(Condo Only)

Copies



Smartphone



Camera



Scanner



Association
Copies



Access = Inspection

- The official records of the association are open to inspection **by any association member and any person authorized** by an association member at all reasonable times.
- In an HOA, the association cannot limit a parcel owner's right to inspect records to less than one 8-hour business day per month.
- The condominium and homeowner association may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspection and copying,
- Records access in a condo or homeowner association may also be complied with, by any of the following:
 - Having a copy of the official records available for inspection or copying on the association property; or
 - Offering the option of making the records available to a unit owner electronically via the Internet; or
 - By allowing the records to be viewed in electronic format on a computer screen and printed upon request.
- Condominium associations also **may fulfill** its obligations by directing requesters to the website or an application on a mobile device.



Records Not Available for Inspection

Lawyer / Client	Approval of Lease, Sale or Transfer	Guest Visits (HOA)	Medical Records
Social Security Numbers	Driver's License Numbers	Credit Card Numbers	Emergency Contact Information
Electronic Security	Software (Operating System)	Employee Records	All Affirmative Acknowledgements



Criminal & Civil Penalties

Officers and directors **MUST** be removed from office and a vacancy declared

First Degree Misdemeanor

For willfully and knowingly or intentionally defacing or destroying required accounting records or failing to create or maintain required accounting records with the intent of causing harm to the association or one or more of its members

Second Degree Misdemeanor

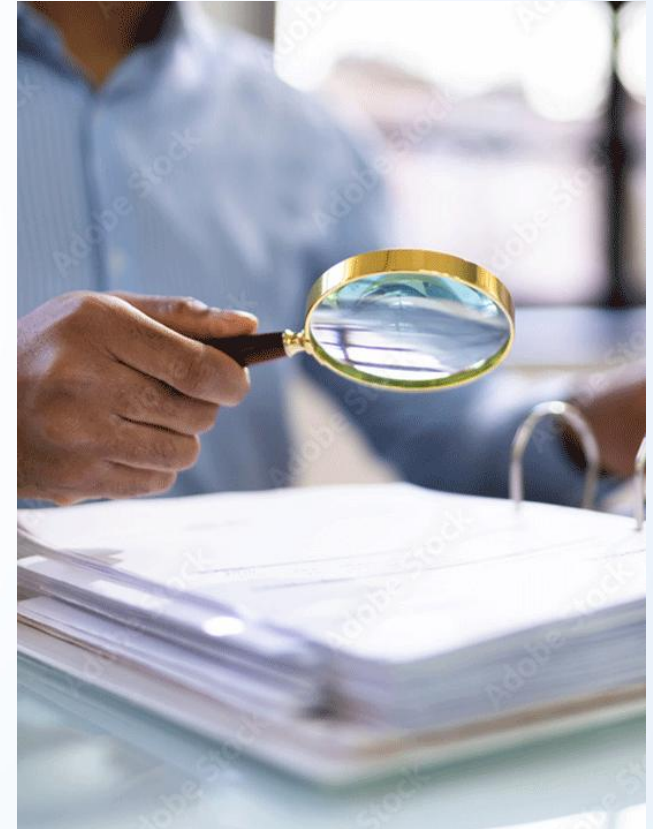
For willfully and knowingly or intentionally violating any specified requirements relating to inspection and copying of official records of an association

Third Degree Felony

For willfully and knowingly or intentionally refusing to release or produce association records, with the intent to avoid or escape detection, arrest, trial, or punishment for the commission of a crime, or to assist another person with such avoidance or escape

Requirement to Provide An Accounting of Amounts HOA

- Association parcel owners may make a written request for a detailed accounting of any amounts owed to the association.
- If the association fails to provide the accounting within 15 business days of a written request, any outstanding fines of the requester are waived if the fine is more than 30 days past due and the association did not give prior written notice of the fines.
- Parcel owners may not request another detailed accounting within 90 days of such a request.





Requirements to Provide Copies of Rules & Covenants

HOA

- Homeowner Associations must provide a physical or digital copy of the association's **rules and covenants** to every member and new member of the association.
- If an association's **rules or covenants** are amended, the association must provide every member with an updated copy of the amended rules or covenants. An association may adopt rules establishing standards for the manner of distribution and timeframe for providing copies of updated rules or covenants.
- The requirements may be met by posting a complete copy of **rules or covenants** or a direct link on the homepage of the association's website if such website is accessible to the members of the association and the association sends notice to each member of its intent to utilize the website for this purpose.

Notice must be sent in both of the following ways:

- By electronic mail to any member of the association who has consented to receive notices by electronic transmission and provided an electronic mailing address to the association for that purpose.
- By mail to all other members of the association at the address identified as the member's mailing address in the official records of the association.

Condominium Association Directory

- It is optional for condominium associations to publish a unit owner directory.
- Unit owners may also opt out from providing their names, unit addresses, phone numbers, and other contact information published in the condo association directory
- The association is not liable for inadvertently disclosing information volunteered by the owner and not requested by the association.





Website/Application

Condominium

- Website required for 25 or more units
- Must be created by January 1, 2026
- Unless a shorter period is otherwise required, a documents must be made available on website of application within 30 days after the association receives or creates an official record

Homeowner

- Required for 100 or more parcels
- Required as of January 1, 2025





Website Application – Official Records

- Governing Documents
- Rules
- The approved minutes of all board meetings over the preceding 12 months – Condominium
- The video recording or a hyperlink to the video recording for all meetings conducted by video conference - Condominium
- A list of all executory contracts or documents
- Summaries of bids for materials, equipment, or services which exceed \$500. Copies of the bids may be posted in lieu of summaries – Condominium
- List of bids within the past year – HOA
- The annual budget and any proposed budget
- The financial report and any monthly income or expense
- Certification of each director
- All contracts or transactions between the association and any director and any director, officer, corporation, firm, or association
- Any contract or document regarding conflict of interest
- Notice of Board meetings
- Current Insurance Policies – HOA
- Notice of unit owner meetings
- Structural Integrity Reserve Studies - Condominium
- Inspection Reports - Condominium
- Building Permits - Condominium
- A copy of all affidavits - Condominium

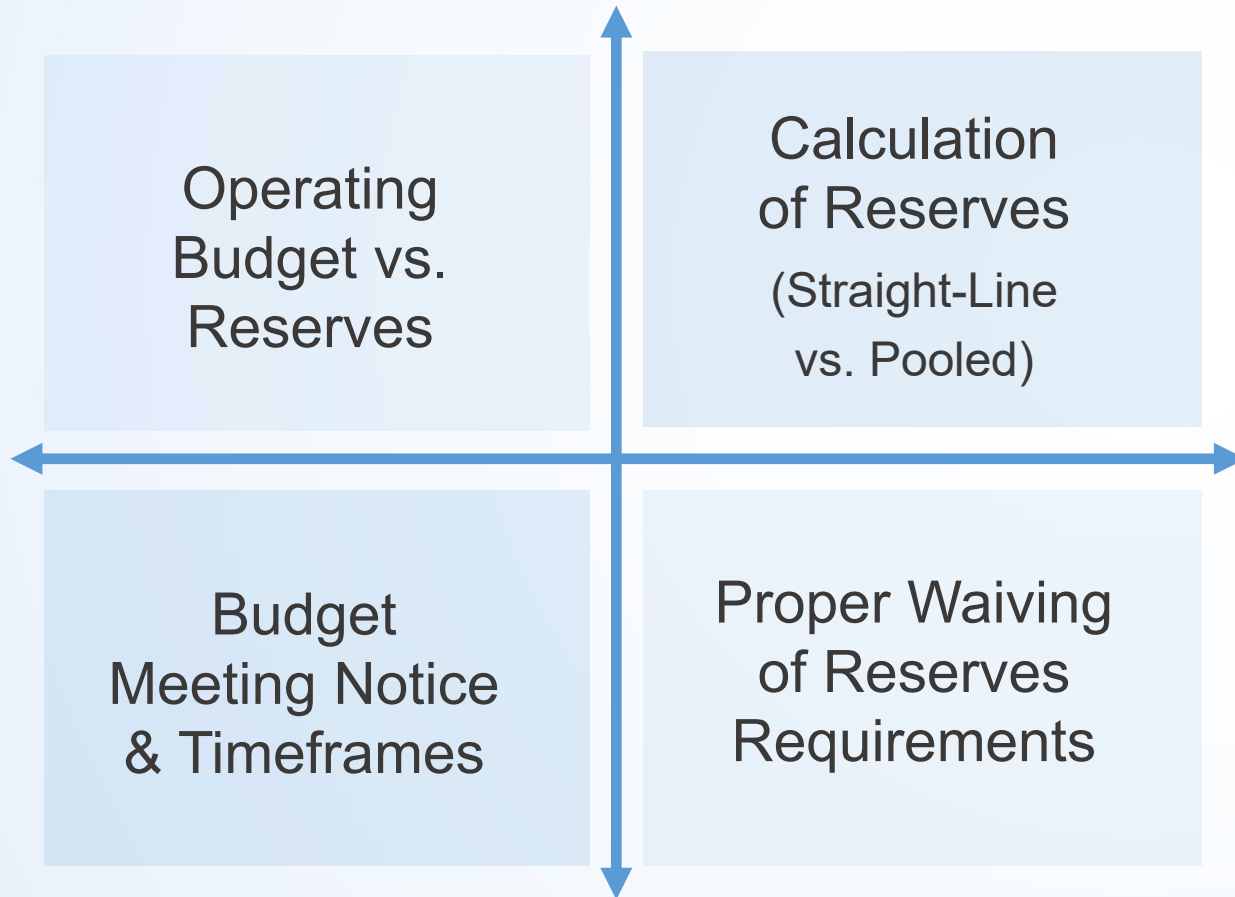


Financial Literacy & Transparency

Budget, Reserves and Financial Reporting

Financial Literacy & Transparency

Annual Budgets & Reserves





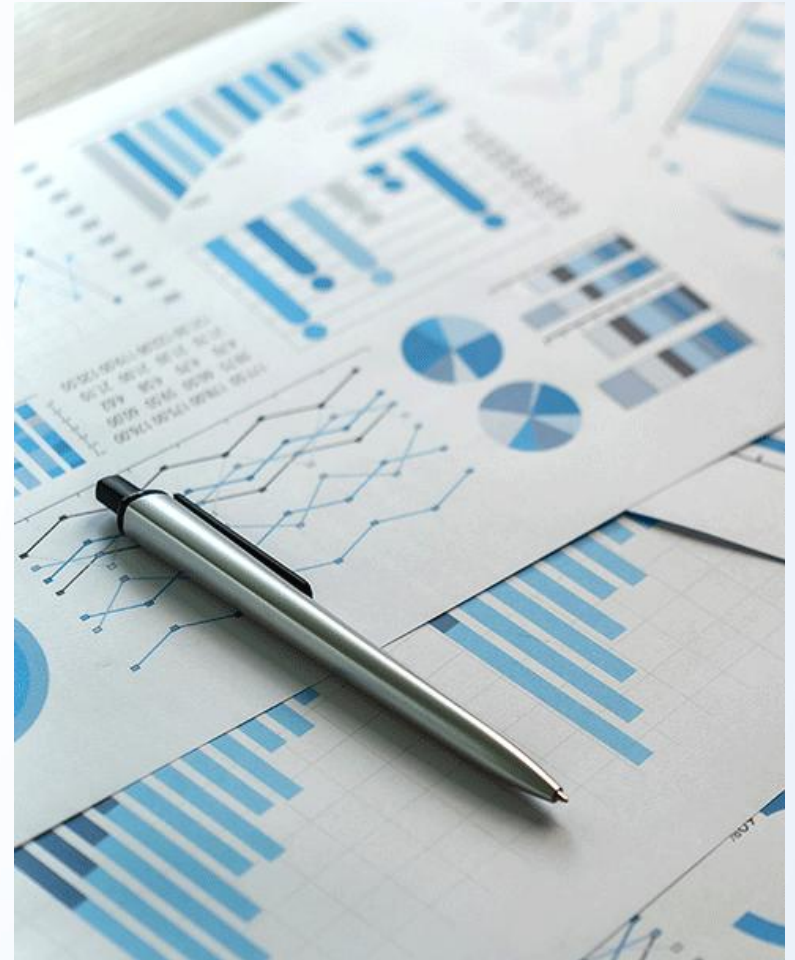
Annual Budgets & Reserves

Associations must prepare an annual budget which shows the estimated revenues and expenses for the upcoming year.

An annual budget is the board's formal written plan of the association's estimated future revenues and expenses.

For condominiums, the budget must include fully funded reserves. For HOA, fully funded reserves is optional.

For HOA's the budget also needs to include the estimated surplus or deficit at the end of the current year.



What's Required on an Annual Budget?



Beginning
and Ending
Dates



Revenues and
Expenses



Fully-funded
reserves
(Condo Only)



Assessment
Per Unit
Type



Budget Revenues & Expenses

Estimated Revenues

- Assessments
- Interest
- Lease or rent from unit owners
- Any other form of income

Estimated Expenses

Annual condominium fees to the Division

Insurance costs/fidelity bond

If applicable, costs of running and maintaining the association, such as:

- Administration expenses;
- Management fees;
- Maintenance expenses;
- Rent for recreational and other commonly used facilities;
- Taxes upon association properties;
- Taxes upon leased areas;
- Security provisions.



Reserve Types

Capital Expenditure – The purchase or replacement of an asset whose life is greater than one year, or an addition to an existing asset to extend its life for a period greater than one year.

- *Example – New Pool Pump*

Deferred Maintenance – Any maintenance or repair that will be performed less frequently than once a year and will result in maintaining the useful life of an asset.

- *Example – Balcony Restoration*

Reserves – Any funds, other than operating funds, which are reserved for only deferred maintenance and capital expenditures, including the items required by section 718.112(2)(f)2., Florida Statutes, and any other funds restricted as to use by the condominium documents or the condominium association.

- *Example – Statutorily Required Reserve Items (See Next Slide)*



HOA Reserves

- **There are NO statutorily required reserve items for HOA's.**
- Reserves might have been established by the developer.
- You may also establish reserves by a majority vote of the total voting interest.
- If established, the amount to be reserved in any account is based on the remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item.



Statutorily Required Reserves

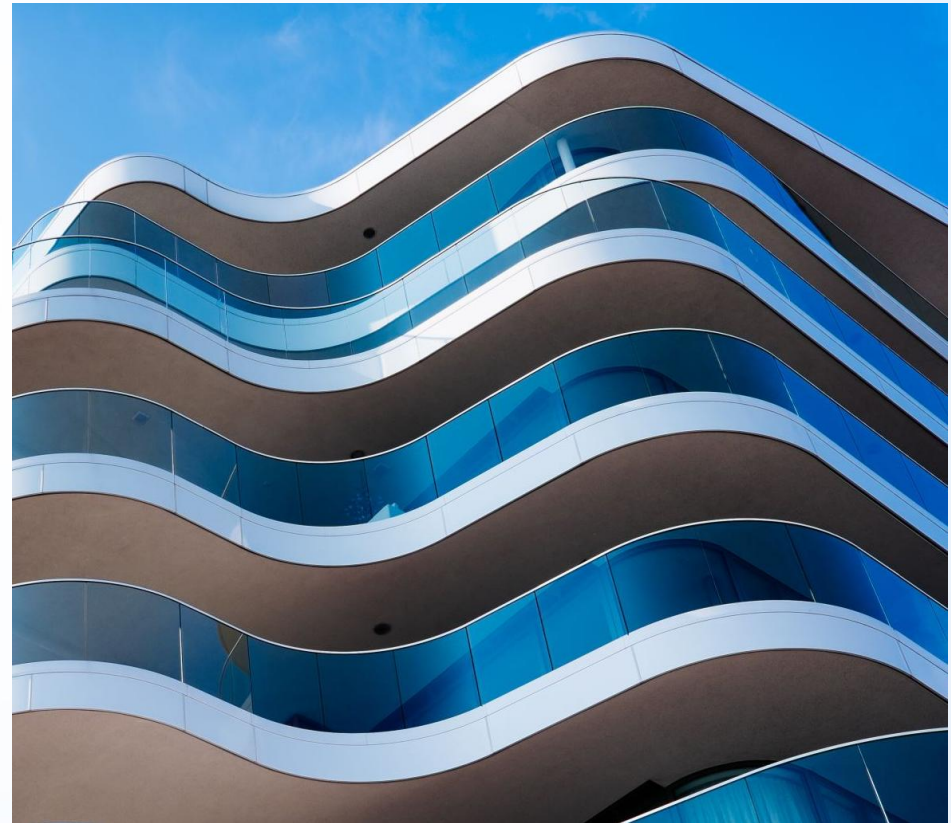
Condominium

Roof Replacement

Building Painting

Pavement
Resurfacing

Items over \$25,675
or the inflation-
adjusted amount
determined by the
division, whichever
is greater



Statutorily Required Structural Reserves

Section 718.112(2)(g)

Condominium



Roof



Plumbing



Any other item that has a deferred maintenance expense or replacement cost that exceeds \$25,675 or the inflation-adjusted amount, whichever is greater



Structure, including load-bearing walls and other primary structural members and primary structural systems



Electrical systems



Waterproofing and exterior painting



Fireproofing and fire protection systems



Windows and exterior doors



Reserve Funding

Condominium

Reserves for the items listed in paragraph (g) may be funded by

- Regular assessments
 - Special assessments
 - Lines of credit
 - Loans
- A special assessment, a line of credit, or a loan requires the approval of a **majority vote of the total voting interests** of the association.
 - The line of credit or loan must be sufficient to fund:
 - Cumulative amount of previously waived reserve
 - Unfunded portions of reserves required
 - Most recent structural integrity reserve study



Reserve Funding

Condominium

- A special assessment, a line of credit, or a loan secured must:
 - Be included in the annual financial statement along with any related details,
 - Be approved by a majority vote, and
 - Be reflected in the SIRS.
- Funding from the line of credit or loan must be immediately available for access by the board. No further approval required.
- Budgets must align with most recent version of SIRS and must reflect funding method.



Investment of Association Funds

Condominium

A board shall use best efforts to make prudent investment decisions that carefully consider risk and return to maximize returns on invested funds.

An association, including a multi-condominium association, may invest reserve funds without requiring the vote of unit owners

- In one or any combination of certificates of deposit;
- In depository accounts at a community bank, savings bank, commercial bank, savings and loan association, or credit union.

HOA

Jointly invested reserve funds must be accounted for separately

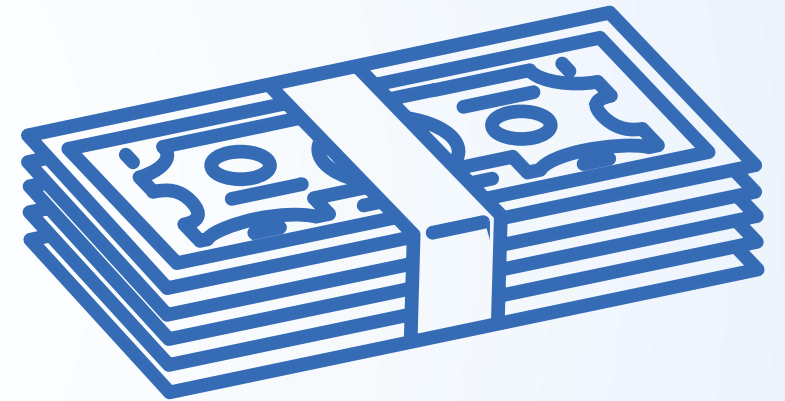


Straight-Line Reserve Schedule

Condominium & HOA

Money collected for each asset can **ONLY** be used towards the named reserve item.

- Restricted use to designated items
- Dedicated funding for each item
- Limited flexibility
- Risk spending funds for unintended purposes



If funds are used for other than intended purposes, your association may be in violation of Florida Statutes.

Pooled Reserve Schedule

Condominium & HOA

Money collected for reserves is combined into one “Pool”:

- **Single** account to hold reserve funds
- For two or more reserve components
- Can use to pay for any item listed in reserve schedule
- More flexibility

Proposed annual budget must be sufficiently funded to meet or exceed all reserve components in the pool



Reserve Calculation Methods

Straight Line

Only for roof replacement

Only for building painting

Only for pavement resurfacing

Only for an item over \$25,675k on schedule

Pooled

- Roof replacement
- Building painting
- Pavement resurfacing
- Any item over \$25,675k on schedule

VS.

Optional Reserve Examples



Hurricane
& Storm Damage



Deferred
Maintenance



Capital
Expenditures





Reserve Account Interest & Commingling

Interest

- Must remain in reserve accounts.
- Association may establish policy regarding allocation of interest among reserve accounts.

Commingling

- When funds are collected from owners in condominium associations, reserve portion of such assessment must be moved to reserve account within 30 days of receipt.
- Transfer is to avoid using reserve funds for unintended purposes.
- In HOA - If an association collects a deposit from a member for any reason, including to pay for expenses that may be incurred, as a result, of construction on a member's parcel, such funds must be maintained separately and may not be commingled with any other association funds. The association must provide accounting to the member within 7 days after receiving the member's request and must remit payment of any unused funds to the member within 30 days after receiving notice that the member's construction project, or other reason for which the deposit was collected, is complete.

Inflation Adjustment

- Reserve assessments may be annually adjusted to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance.



Annual Budget Meeting

Condominium

- 14-day notice
- The notice **MUST** include:
 - Copy of proposed budget
 - Fully funded reserve schedule
 - Copy of substitute budget if required
- An affidavit must be obtained to reflect when the notice and all its components were sent or provided to the unit owners
- A budget must be proposed and adopted no later than 14 days before the beginning of the fiscal year in condominium associations

Video
Conference
Eligible

HOA

- 48-hour notice
 - The association **MUST** provide each member with a copy of the annual budget
- OR
- A written notice that a copy of the budget is available upon request at no charge to the member.



Substitute Budget Condominium

If > 115% of prior year assessments

Must exclude any authorized provision for required reserves, anticipated expenses for items listed in par.(g), and **Insurance Premiums**

Unit owners must consider & may adopt a substitute budget at meeting

The substitute is adopted if approved by a majority of all voting interest or if bylaws requires greater percentage of voting interests



Condominium

Waiving of Reserves or Collecting Less

Associations that are **NOT** subject to the Structural Integrity Reserve Study requirement **MAY** waive or reduce the reserves

Unit owner meeting is scheduled – 14 days' notice is required



A **majority vote** of the total voting interests



Results of the votes are only good for **one year**



Limited Proxy Requirements

If waiving or reducing reserves, the limited proxy **MUST** have the text below. Please note that the letters must be in a **BIGGER** and darker font than anything else on the proxy.

The proxy must read as follows:

**WAIVING OF RESERVES, IN WHOLE OR IN PART, OR
ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN
UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED
SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**



Sample Limited Proxy

DBPR Form CO 6000-7
Rule 61B-23.002, FAC
Effective: June 23, 2009

SAMPLE LIMITED PROXY FORM

The undersigned, owner(s) or designated voter of unit No. _____
in _____ (name) _____ Condominium, appoints

(PRINT NAME OF PROXYHOLDER)

or _____ (Instructions to associations: Fill in the name or
position of an officer or director who will serve as proxy holder.) as my
proxyholder to attend the meeting of the members of
_____ (name) _____ Condominium Association, Inc., to be held
_____ (date) _____, 20____ at _____ (time) _____, in _____ (place) _____,
Florida. The proxyholder named above has the authority to vote and act for me
to the same extent that I would if personally present, with power of substitution,
except that my proxyholder's authority is limited as indicated below:
GENERAL POWERS (You may choose to grant general powers, limited
powers or both. Check "General Powers" if you want your proxyholder to vote
on other issues which might come up at the meeting and for which a limited
proxy is not required).

_____ I authorize and instruct my proxy to use his or her best judgment on
all other matters which properly come before the meeting and for which a
general power may be used.

LIMITED POWERS (FOR YOUR VOTE TO BE COUNTED ON THE
FOLLOWING ISSUES, YOU MUST INDICATE YOUR PREFERENCE IN THE
BLANK(S) PROVIDED BELOW).

I SPECIFICALLY AUTHORIZE AND INSTRUCT MY PROXYHOLDER TO
CAST MY VOTE IN REFERENCE TO THE FOLLOWING MATTERS AS
INDICATED BELOW:

(Instructions to associations; List below the specific questions or issues to be
voted on. The following are only examples.)

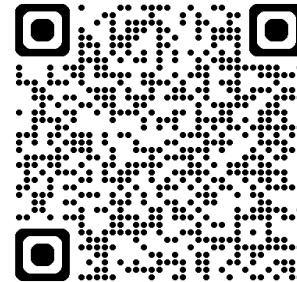
Financial Reporting Waiver

A. Do you want to provide for a lower level of year-end financial reporting than is
required by § 718.111(13), Florida Statutes, for the next fiscal/calendar year?
Currently, the Association is required to prepare a (list the level).

_____ YES _____ NO

If yes, vote for one of the board proposed options below: (The option
with the most votes will be the one implemented.)

LIST OPTIONS HERE



Reserve Funding Waiver

**WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING
ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT
OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL
ASSESSMENTS REGARDING THOSE ITEMS:**

B. Do you want to provide for less than full funding of reserves than is required
by § 718.112(2)(f), Florida Statutes, for the next fiscal/calendar year?

_____ YES _____ NO

If yes, vote for one of the board proposed options below: (The option with the
most votes will be the one implemented.)

LIST OPTIONS HERE

DATE: _____

SIGNATURE(S) of OWNER(S) OR DESIGNATED VOTER

SUBSTITUTION OF PROXYHOLDER

The undersigned, appointed as proxyholder above, designates
_____ to substitute for me in
voting the proxy as set forth above. (print name)

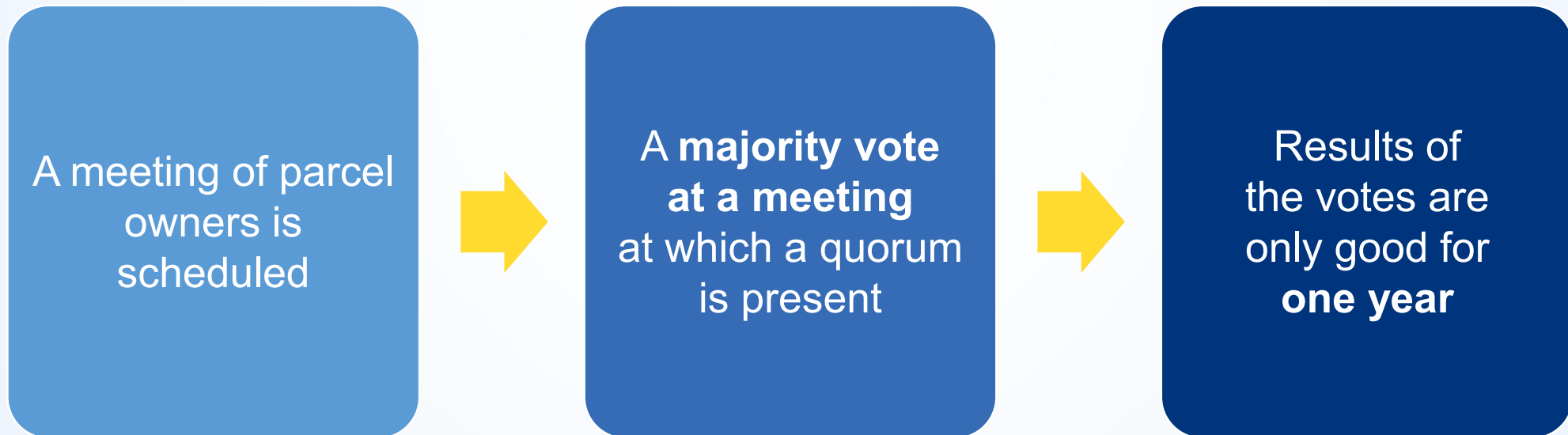
Signature of proxyholder Date: _____

THIS PROXY IS REVOCABLE BY THE UNIT OWNER AND IS VALID ONLY FOR THE
MEETING FOR WHICH IT IS GIVEN AND ANY LAWFUL ADJOURNMENT. IN NO
EVENT IS THE PROXY VALID FOR MORE THAN NINETY (90) DAYS FROM THE
DATE OF THE ORIGINAL MEETING FOR WHICH IT WAS GIVEN.

HOA

Waiving of Reserves or Collecting Less

The parcel owners **MAY** vote to waive reserves or not fully fund reserves.





HOA Capital Improvements

If reserves have not been established and the association is responsible for the capital improvements that may result in a special assessment, each financial report must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.



HOA Deferred Expenditure

If the budget does provide for funding accounts of deferred expenditures, but reserve accounts have not been established, each financial report must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.



Natural Disasters & Reserves

Condominium

- If the entire building is uninhabitable after a natural emergency, the board **may pause or reduce reserve contributions** without owner approval.
- Funds from reserve accounts can be used to repair and make the building habitable.
- Once the building is declared habitable, the association must immediately resume reserve contributions.





Temporarily Pausing Milestone Inspection Reserves Condominium

Budgets adopted by Dec 31, 2028, **AND**
milestone inspection done within the prior 2
years:

- The board may temporarily pause or reduce reserve contributions for up to 2 consecutive years (with majority vote approval)
- Before resuming, a structural reserve study is required to determine funding needs

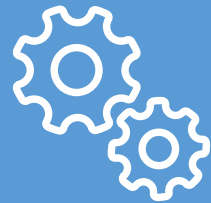




Meeting Notice Recap

Meeting Types	14-Day Notice/ Agenda/Copy of Budget	Post On Property	Mail, Deliver or Electronically Transmit	Retain Affidavit & File In Official Records
Condo Budget	Yes	Yes	Yes	Yes
HOA Budget	No 48 Hours	Yes	Yes	No
Alternative Budget <i>Condo Only</i>	Yes	Yes	Yes	Yes
Waiving or Reducing Reserves	Yes	Yes	Yes	No

Overview



Financial
Reporting
Requirements



Types of
Financial
Reporting



Who Prepares
the Financial
Reports



Year-End Financial Report

Provides a summary of the financial activities and financial position of the association

Covers the associations' prior fiscal year, such as:

- Calendar year, January 1 to December 31
- A fiscal period, October 1 to September 30





What Are Actual Revenues & Expenses

Include, but are not limited to:

Actual Revenues

Assessments

Interest

Insurance Proceeds

Any Other Form of Income

Actual Expenses

Annual Condo Fees to the
Division

Insurance Costs

Expenses to Run and Maintain
the Association

Annual Reporting Requirements

Condominium

When to prepare, complete and provide:



90 Days

Prepare and complete or contract



180 Days

Deadline to complete
Must deliver a copy OR
a notice that a copy will
be delivered upon
request



5 Business Days

Provide upon
receipt



An Affidavit

must be executed
by an officer or
director as proof of
compliance



Annual Reporting Requirements

HOA

When to prepare, complete and provide:



90 Days

Prepare and complete or contract



120 Days

Deadline to complete

Must provide a copy OR a written notice that a copy is available upon request



10 Business Days

Provide upon receipt



Report Types

There are two types of financial reports:

Report of Cash, Receipts and Disbursements = Less than \$150K

- Cash
- Receipts
- Disbursements

Statements = \$150K or more

- Financial Statements
 - Compiled
 - Reviewed
 - Audited



Report of Cash, Receipts & Disbursements

Less than \$150K

One (1) Report Type

- Report of Cash, Receipts & Disbursements

Cash Basis

- Reporting of receipts & expenditures as they occurred

The Report Must Include the Following Disclosures:

- Reserves
- Special assessments
- Limited common elements





Financial Statements

Three (3) statement types

- Compiled
- Reviewed
- Audited

Accrual Basis

- Revenue is accounted for when it is earned/billed

Required Components of Financial Statements:

- Accountant/auditor report
- Balance sheet
- Statement of revenues and expenses
- Statement of changes in fund balances
- Statement of cash flows
- Notes to financial statements
- Reserve disclosures

Compiled Statements

More than **\$150k** but less than **\$300K**

Accrual Basis

Based on Association Records

No Assurance





Reviewed Statements

More than **\$300k** but less than **\$500K**

Accrual Basis

Performed by a Florida-Licensed CPA

Limited Assurance

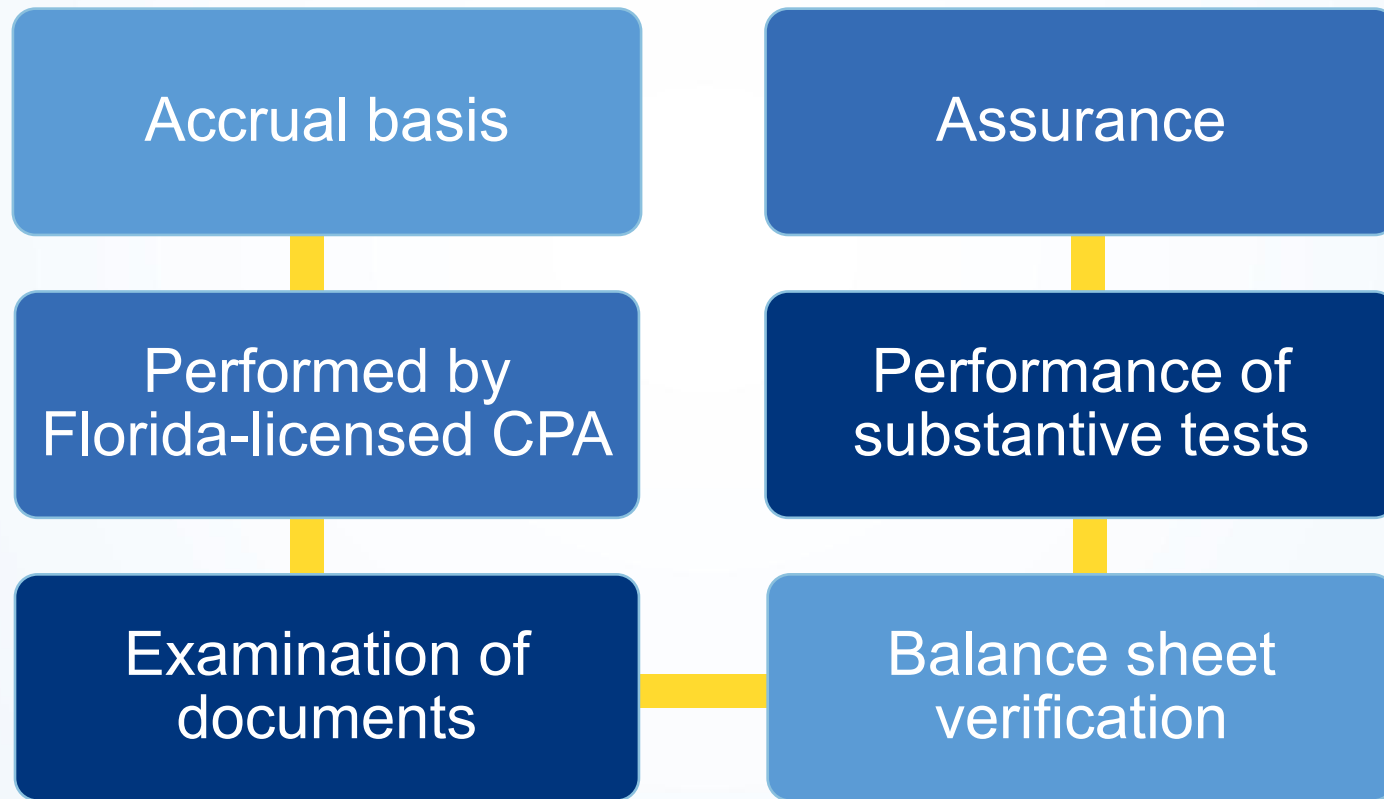
Some Analytical Procedures & Inquiries





Audited Statements

Condo & HOA – More than \$500K | HOA – 1,000 or More Parcels





Year-End Reserve Disclosures

For All Reports/Statements

Reserve Disclosures

- Beginning balance
- Assessments and additional amounts
- Expended or removed amounts
- Ending balance
- Amount to fully fund reserves

Additional Disclosures

- Allocated income and expenses
- Purpose(s) of special assessments
- Special assessment amounts
- Disposition of funds collected
- Limited common elements amount

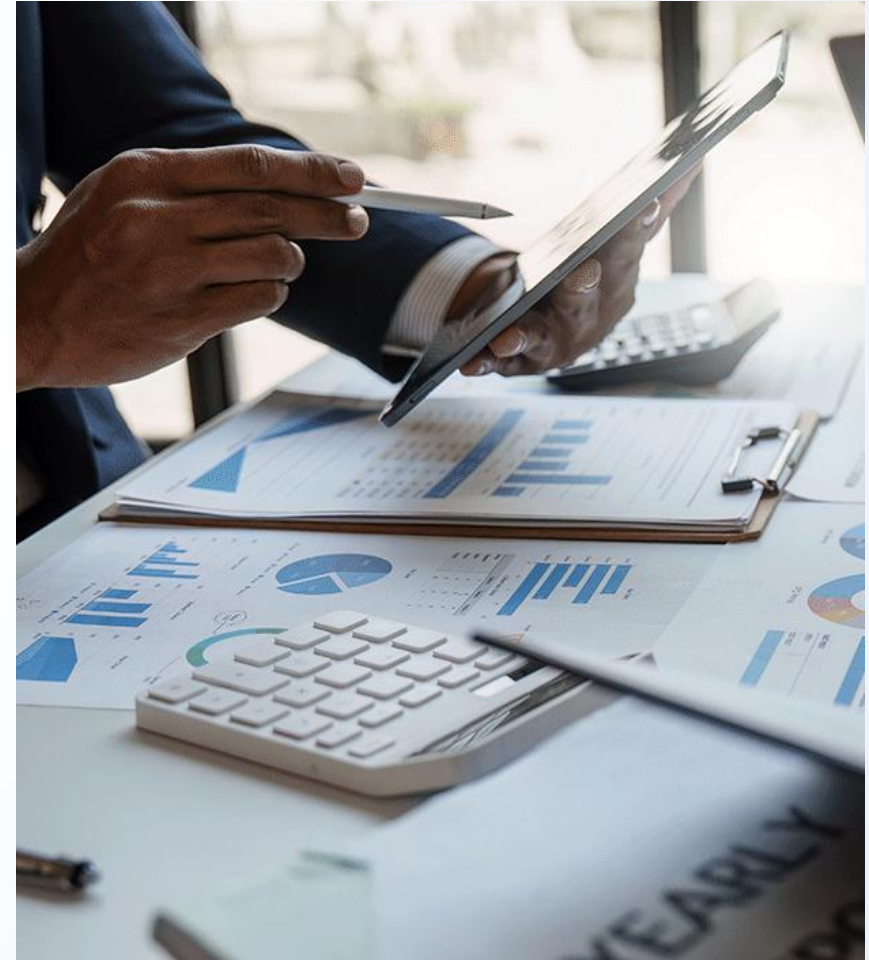
Levels of Reporting – Condominium

Higher Level of Reporting

- A board decision – not a unit owner decision

Lower Level of Reporting

- Member participation is required.
A majority vote **of all the voting interests**
- May **NOT** repeat for consecutive fiscal years
- An association **CANNOT** waive the requirement to prepare a year-end financial report





Levels of Reporting - HOA

Higher Level of Reporting

- 20% must petition the board
- Association must duly notice and hold a membership meeting **within 30** days of petition
- Majority of **total voting interest** is required
- If approved, must amend budget or adopt a special assessment to pay for the financial report
- Must provide to owners **within 90 days** of the meeting or fiscal year, whichever occurs later

Lower Level of Reporting

- **Majority** of the voting interests **present at the meeting**
- May **NOT** repeat for consecutive fiscal years
- An association **CANNOT** waive the requirement to prepare a year-end financial report



Basis & Preparation





Statutory Inspections

Milestone Inspections

Structural Integrity Reserve Study



Milestone Inspection Deadlines



The year the building turns 30 years of age

December 31st
OF THAT YEAR



30 years old before July 1, 2022

December 31st
2024



30 years old on or after July 1, 2022, but before December 31, 2024

December 31st
2025

Repeat every 10 years thereafter



Local Enforcement Agency & the Association

Milestone Responsibility

The Association

- Must arrange for the milestone inspection to be performed
- Responsible for ensuring compliance with the requirements of section 553.899, Florida Statutes
- Responsible for all costs associated with the milestone inspection

After notice is received

- Within 14 days, unit owners must be notified of the required inspection and provided the expected date of completion

After receipt of milestone report

- Within 45 days, the association must distribute a copy of the inspector-prepared summary of the inspection report to each unit owner by mail or personal delivery and by electronic transmission
- Must post a copy of the inspector-prepared summary in a conspicuous place on the condominium property
- Must publish the full report and inspector-prepared summary on the association's website, if required to have website



Who Can Perform the MI

Milestone inspection services may be performed by a team of professionals with an architect or engineer acting as a registered design professional in charge with all work and reports signed and sealed by the appropriate qualified team member.





Milestone Inspections – Phase One

PHASE ONE

Visual Examination

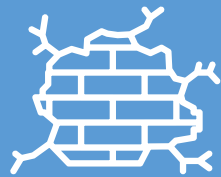
- Phase one is a visual examination of the habitable and non-habitable areas of the building.
- This phase **must be completed within 180 days** after the owners of the building receive the written notice the milestone inspection is due.
- If there are no signs of substantial structural deterioration to any building components, then phase two is not required.
- Completion of phase one of the milestone inspection means the licensed engineer or architect submitted the inspection report to the local enforcement agency.



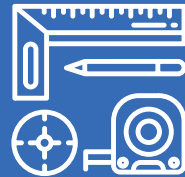
Milestone Inspections – Phase Two

PHASE TWO

Destructive or Nondestructive Testing



Performed only if any substantial structural deterioration is identified during phase one



Can involve destructive or non-destructive testing

If a phase two inspection is required, **within 180 days** after submitting a phase one inspection report, the architect or engineer must submit a phase two progress report to the local enforcement agency with a timeline for completion of the inspection



Milestone Inspections – At Completion

PHASE ONE OR TWO

Completion of Inspections



The architect or engineer must submit a **sealed copy** of the inspection report with a separate summary of, at minimum, the material findings and recommendations in the inspection report to the association, any other owner of any portion of the building which is not subject to the condominium form of ownership, and the building official of the local government which has jurisdiction.

The inspection report must be filed in the official records of the association.



Milestone Inspection Reports

PHASE ONE OR TWO

The inspection report must, a minimum, meet the following criteria



Bear the seal and signature, or the electronic signature, of the licensed engineer or architect



Indicate the manner and type of inspection



Identify any substantial structural deterioration



State whether unsafe or dangerous conditions were observed



Recommend any remedial or preventive repair



Identify and describe any items requiring further inspection



Milestone Exemptions

Single-family, two-family, three-family or four-family dwellings with three or fewer **habitable** stories above ground are exempt from the milestone inspection requirements.

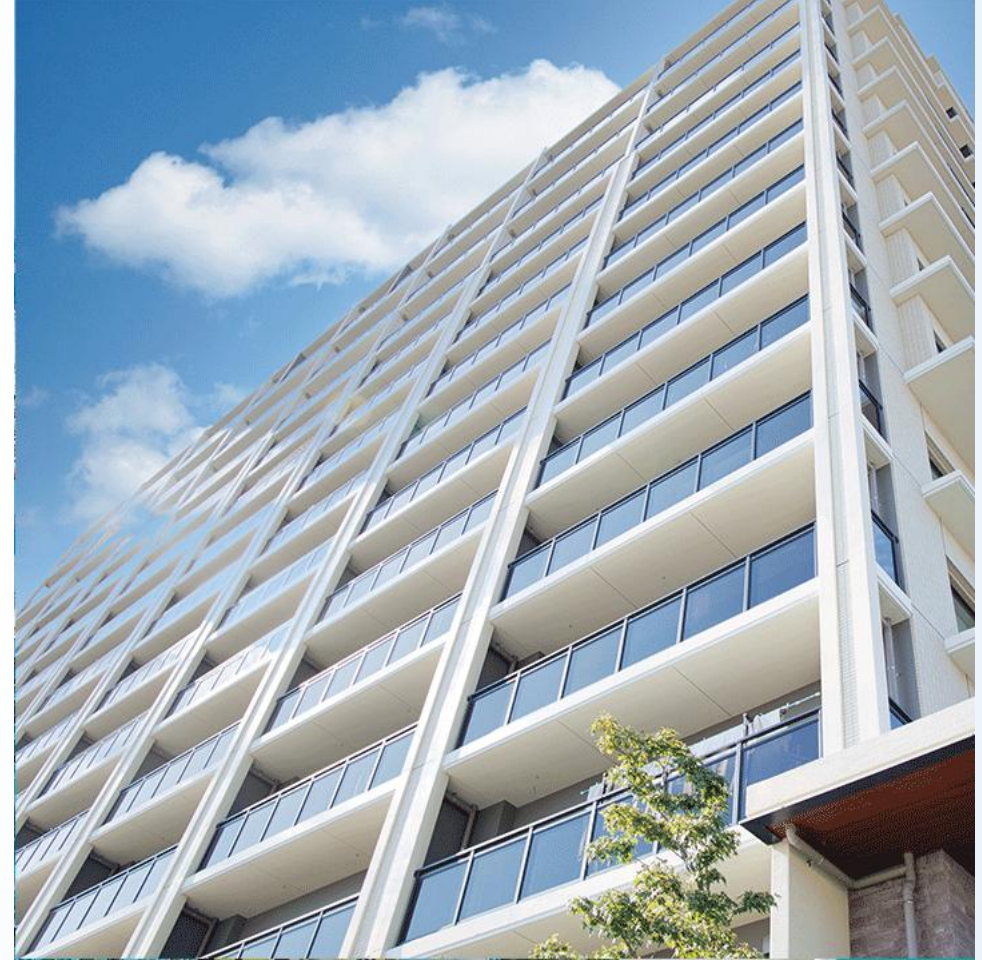


Structural Integrity Reserve Studies

Residential Condominiums

Three habitable stories
or higher

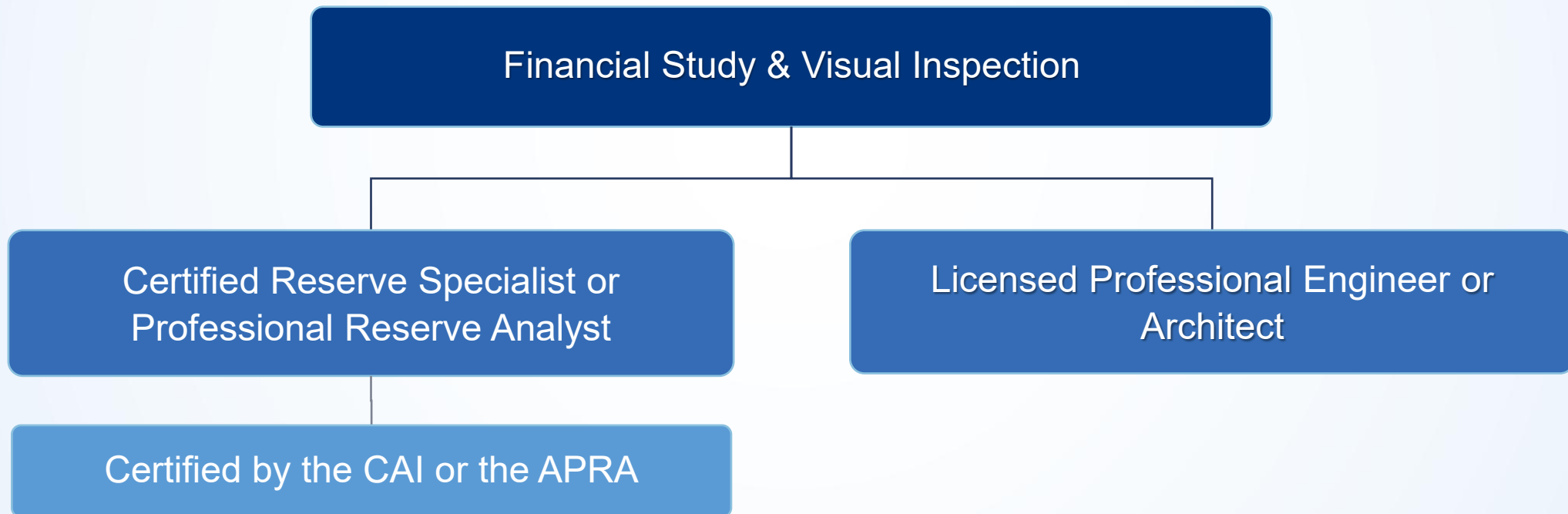
Must complete SIRS at
least every 10 years





Who Can Perform a SIRS?

Structural Integrity Reserve Study



Structural Integrity Reserve Study Requirements

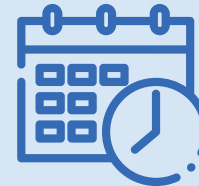
At a minimum, a structural integrity reserve study must:



Identify each item of the condominium property being visually inspected



State the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item



Provide a reserve funding plan or schedule with a recommended annual reserve amount



Recommendation for reserve funding schedule based on a baseline funding plan



Structural Integrity Reserve Study Requirements - Continued

- SIRS must take into account funding method(s).
- If SIRS is performed before special assessment, loan, or line of credit is secured, SIRS must be updated.
- SIRS may be updated to reflect changes of useful life after replacement or repair.
- Associations must obtain updated SIRS before adopting any budget which funding plan does not align with most recent SIRS.



SIRS Notice Requirement

- Within 45 Days after the SIRS, associations must:
 - Distribute a copy of the study or notice the completed study is available for inspection and copying upon a written request.
 - Provide a statement to the Division in the manner established by Division and posted on Division's website.
- An officer or a director must sign an affidavit acknowledging receipt of the completed structural integrity reserve study.
- Remember: The deadline to complete a SIRS is December 31, 2025.
- If applicable, the current copy of the most recent SIRS must be posted to the association's website or application.



SIRS with Milestone Inspections

Associations existing on or before July 1, 2022, must have a structural integrity reserve study completed by December 31, 2025, for each building on that is three habitable stories or higher in height.

An association may complete the Structural Integrity Reserve Study simultaneously with the Milestone Inspection if required to complete a Milestone Inspection **on or before December 31, 2026**.

The SIRS *must* be completed by **December 31, 2026**.





Satisfying SIRS

Associations **may satisfy the SIRS requirement with a previous Milestone Inspection**, or an inspection performed for a similar local requirement, if the inspection had been performed **within the previous five years**.

The inspection may be used **in place of the visual inspection** portion of the SIRS to produce the required reserve funding schedule.

If the association completes a milestone or similar inspection, the association may **delay performance of a required structural integrity reserve study** for no more than the 2 consecutive budget years immediately following the milestone inspection

Inspections – Disclosures

Milestone/Structural Integrity Reserve Study

Must disclose in writing to the association their intent to bid on any services which may be recommended by the inspections

May not have any interest or be a relative of any person having any interest unless the relationship is disclosed to the association in writing

Conflict of Interest Disclosure

Failure to provide written disclosure of relationship voids and terminates a contract for services upon the association filing a written notice terminating the contract

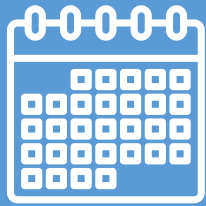
A professional or contractor may be subject to discipline for failing to provide the written disclosure of the relationship



Elections



Overview



Election
Timeline



Candidate
Eligibility



Ballots



Conducting
the Election



Board
Member
Certification



HOA Elections

Elections of directors must be conducted in accordance with the procedures set forth in the governing documents of the association.

Check bylaws to see who is eligible to serve on the board and the length of the term.

Members may nominate themselves at the meeting; provided, however, that if the election process allows candidates to be nominated in advance of the meeting, the association is not required to allow nominations at the meeting.

Do not have a statutory process for elections like condos unless the bylaws direct you to conduct the election in the manner provided by s. 718.1255.

Any election dispute between a member and an association must be submitted to binding arbitration with the Division or filed with a court of competent jurisdiction. Such proceedings that are submitted to binding arbitration with the Division must be conducted in the manner provided by s. 718.1255 and the procedural rules adopted by the Division.

Election Timeline



**90
DAYS**

Notice of
voting rights
suspension



**60
DAYS**

First notice of
election



**40
DAYS**

Notice of
intent to be a
candidate



**35
DAYS**

Candidate
information
sheets



**34-14
DAYS**

Second
notice of
election



First Notice

60 Days Prior

The first notice indicates:

The When

Date and time of the meeting

The Where

Location of the meeting

- Condominium – Within 15 miles or same county





Candidate Eligibility

40 Days Prior

Any unit owner or eligible person may run for the board

To run:

- Give written notice at least 40 days before election; self nomination
- Must be eligible when submitting notice of intent to run

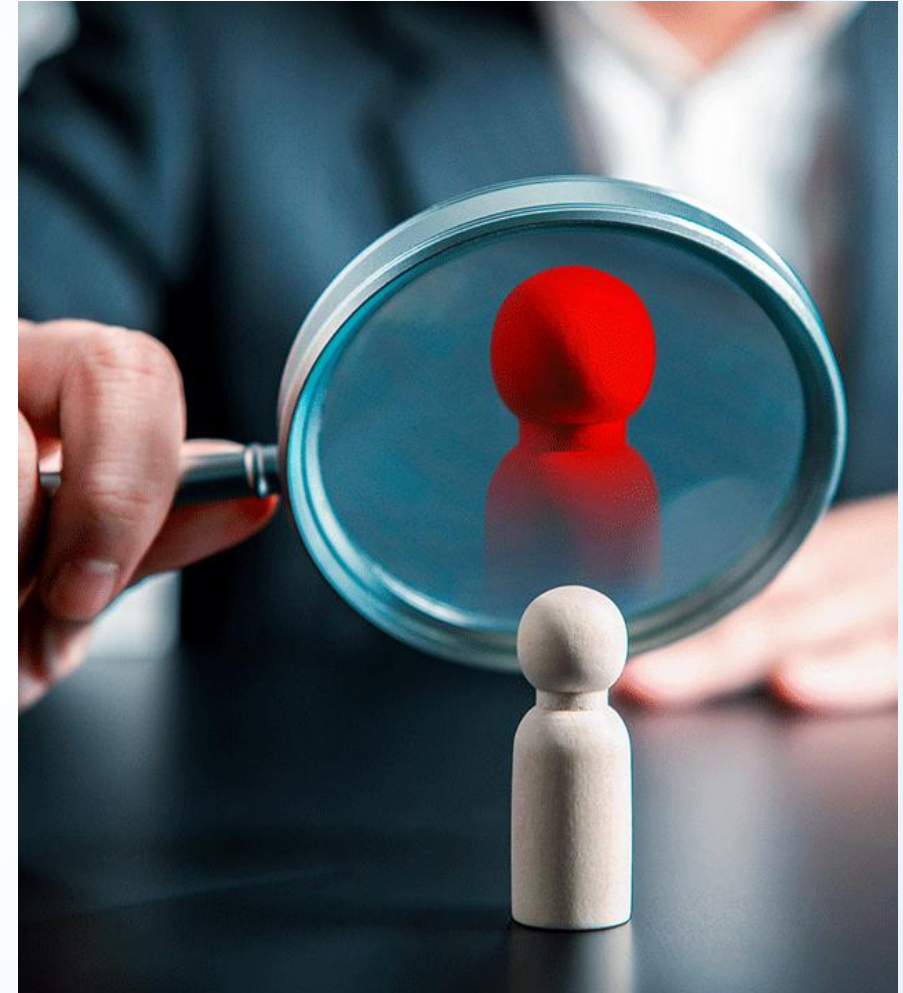
Not eligible:

- Condominium: Assessments owed when submitting written intent (delinquent)
- HOA: Any fee, fine or monetary obligation owed
- Suspended or removed by DBPR
- Condominium/HOA: Convicted felon without full restoration of rights for more than five years
- In 10+ unit associations, co-owners serving at the same time unless they own more than one unit or there are not enough eligible candidates at the time

Candidate Information Sheet

35 Days Prior

- Candidates may submit a personal information sheet
- One-sided, 8.5 x 11 inch page
- Candidate's background, education, qualifications and other relevant information
- Distributed with second notice of election
- Association may not edit, alter, or modify
- Becomes part of the official records of the association





Second Notice

34-14 Days Prior

Included:

- Large outer envelope
- Small inner envelope
- Information sheets
- Annual meeting notice





Notice Recap

Meeting Types	Notice Requirement	Post On Property	Mail, Deliver or Electronically Transmit	Retain Affidavit & File In Official Records
Annual	14 days with agenda	Yes	Yes	Yes
Election	90 days, 60 days, and between 34-14 days	No	Yes	Yes



Ballots

Uniform in color and appearance

Alphabetical order by surname

No indicators for incumbents

No spaces or lines for signature

No unit identification





Electronic Voting

Electronic Voting Requirements – Condo & HOA

Online-voting system requirements:

- Unit owner consent electronically or in writing
- The unit owner's identity has been authenticated
- Through transmission of the electronic ballot, the system ensures secrecy
- It is confirmed that the system works at least 14 days in advance
- Electronic votes counts towards quorum
- Board must adopt online voting at a meeting
- Must allow people to vote by traditional ballot if they wish to do so

If the board authorizes online voting, the board must honor a unit owner's request to vote electronically at all subsequent elections, unless such unit owner opts out of online voting.



Electronic Voting

Petition for Electronic Voting – Condo Only

25% of owners may petition for electronic voting resolution for next election.

- ✓ Petition must be received within 180 days after last annual election.
- ✓ Board meeting must be held within 21 days of receipt to adopt resolution.





Electronically Transmitted Ballots

Processing Electronic Ballots – Condo Only



Unless the association has adopted electronic voting:

- The association must designate an e-mail address for receipt of electronically transmitted ballots.
- A unit owner must transmit completed ballots to the designated e-mail address no later than the scheduled date and time of the meeting during which the matter will be voted on.
- The association must count timely completed ballots that are electronically transmitted to the designated e-mail address





Electronically Transmitted Ballots

Electronic Ballots – Condo Only

A ballot that is electronically transmitted to the association **must include all of the following:**

1. A space for the unit owner to type in his or her unit number.
2. A space for the unit owner to type in his or her first and last name
3. The following statement in capitalized letters and in a font size larger than any other font size used in the e-mail from the association to the unit owner:

WAIVING THE SECRECY OF YOUR BALLOT IS YOUR CHOICE. YOU DO NOT HAVE TO WAIVE THE SECRECY OF YOUR BALLOT IN ORDER TO VOTE. BY TRANSMITTING YOUR COMPLETED BALLOT THROUGH E-MAIL TO THE ASSOCIATION, YOU WAIVE THE SECRECY OF YOUR COMPLETED BALLOT. IF YOU DO NOT WISH TO WAIVE YOUR SECRECY BUT WISH TO PARTICIPATE IN THE VOTE THAT IS THE SUBJECT OF THIS BALLOT, PLEASE ATTEND THE IN-PERSON MEETING DURING WHICH THE MATTER WILL BE VOTED ON.



Conducting an Election

- Must have additional blank ballots and inner and outer envelopes available at the election
- A quorum is not requirement, however, at least 20% of the eligible voters must cast ballots for the election to be valid
- Calculated when the outer envelopes are verified against a list of qualified voters
- Highest plurality wins

20% votes cast for a valid election





Handling Ballots of Members Not Attending Election Meeting

Voting Procedure - HOA

If governing documents permit voting by secret ballot of members not in attendance at a meeting, the ballots:

- Must be placed in an inner envelope with no identifying markings
- Mailed or delivered to the association in an outer envelope bearing the following identifying information:
 - Name of the member
 - Lot or parcel
 - Signature of the lot or parcel owner
- If the eligibility of the member to vote is confirmed and no other ballot has been submitted, the inner envelope must be removed from the outer envelope & placed with the ballots which were personally cast and opened when the ballots are counted.
- If more than one ballot is submitted, the ballots must be disqualified.
- Any vote by ballot received after the closing of the balloting may not be considered.



Election Monitor Program

- **The DBPR Office of the Condominium Ombudsman** oversees the Election Monitor Program, where 15% of the total voting interests or six unit owners, whichever is greater, may petition to appoint an election monitor to attend the annual meeting of the unit owners and conduct the election of directors.
- All costs associated with the election monitoring process are paid by the association.
- Residents may email the Office of the Ombudsman at Ombudsman@MyFloridaLicense.com.





Relinquishing Official Records

- An outgoing board or committee member must relinquish all official records and property of the association in their possession or under their control to the incoming board member **within 5 days after the election.**
- Failure to comply with this requirement can personally subject an individual to a civil penalty.
- Destruction of any official record of a condominium association in furtherance of a crime constitutes a criminal law violation.



Challenging the Election

Applicable to Condo & HOA

Any challenge to the election process must be commenced within 60 days after the election results are announced.





Condo Board Member Certification

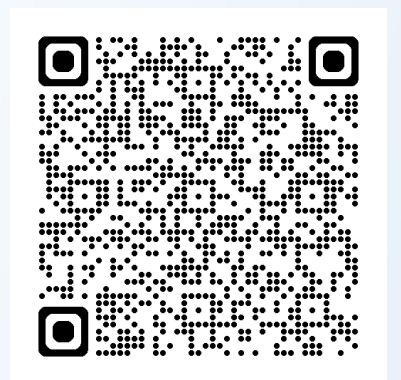
A new condominium association director must:

Within 90 days:

- **Submit a certificate** of satisfactory completion of a DBPR-approved 4-hour educational curriculum.
- **Certify in writing** having read all governing documents, a willingness to work to uphold such documents and policies, and a willingness to faithfully discharge their fiduciary responsibility to the members.

A board president must certify in writing that all the above requirements have been met by their board members.

**All requirements above must be submitted to the secretary of the association



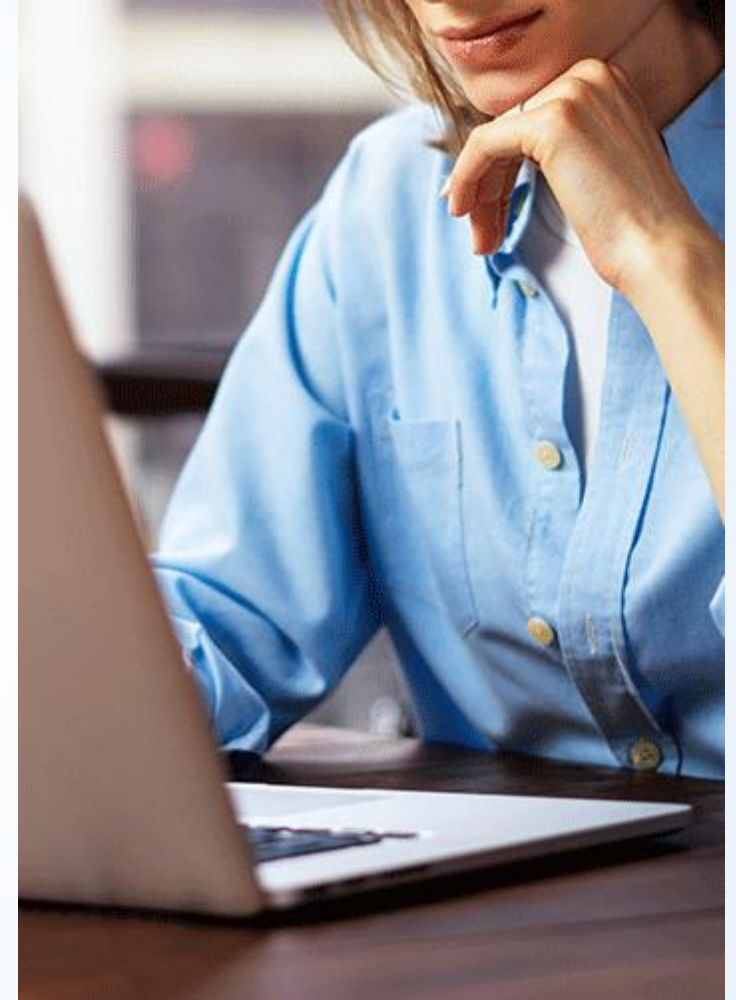


HOA Board Member Certification

HOA Directors elected or appointed prior to July 1, 2024, must complete an educational curriculum within four years, as long as the director serves on the board without interruption during the 4-year period.

HOA Directors appointed or elected on or after July 1, 2024, must complete an educational curriculum within 90 days after being elected or appointed.

Certificate of completion is valid for up to 4 years before the certification course must be retaken.



Continuing Education



Annually, a director of a **condominium association** must complete **at least 1 hour** of continuing education relating to any recent changes to laws and rules during the past year.



A director of an HOA that has fewer than 2,500 parcels must complete **at least 4 hours** of continuing education annually.



A director of an HOA that has 2,500 parcels or more must complete **at least 8 hours** of continuing education annually.

Condominium Requirement to Create an Online Account

- Effective July 1, 2025, Each condominium association must create and maintain an online account with the division (CTMH) and the division may require certain information related to:
 - a) The contact information for the association
 - b) The total number of buildings and for each building in the association
 - c) The association's assessments
- CTMH may require associations to provide information once per year
- CTMH may require associations to update the contact information within 30 days after any change.
- CTMH must give at least a 45-day notice of any requirement to provide any information after the initial creation of the online account.
- Alternate Funding Methods for multicondominiums, SIRS Reporting and Retrofitting Reporting and are submitted through the online account.



CTMH Information

Reserve Threshold Inflation

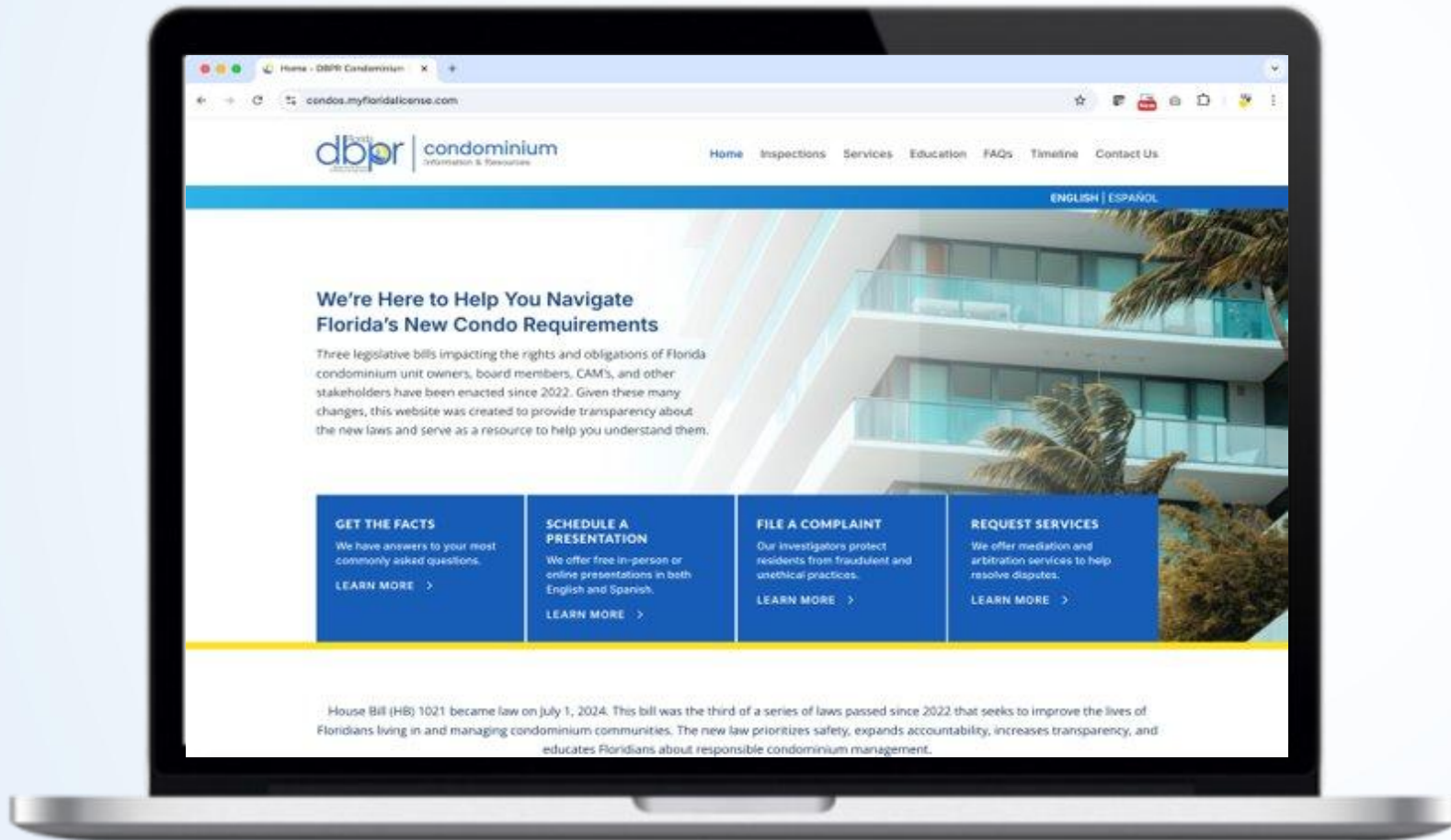
The Division:

- Starting February 1, 2026, shall annually adjust the minimum required reserve threshold.
- Base new threshold on Consumer Price Index for All Urban Consumers, January's release.
- Must conspicuously post the inflation-adjusted minimum threshold required on the website





Helpful CTMH Information & Resources



For more information about Florida's condominium requirements in additional education opportunities, FAQs, our services and more, visit:
Condos.MyFloridaLicense.com



To verify a license or file a complaint, visit:
MyFloridaLicense.com



Helpful CTMH Information Continued

Local Enforcement Agency Responsibility - Milestone

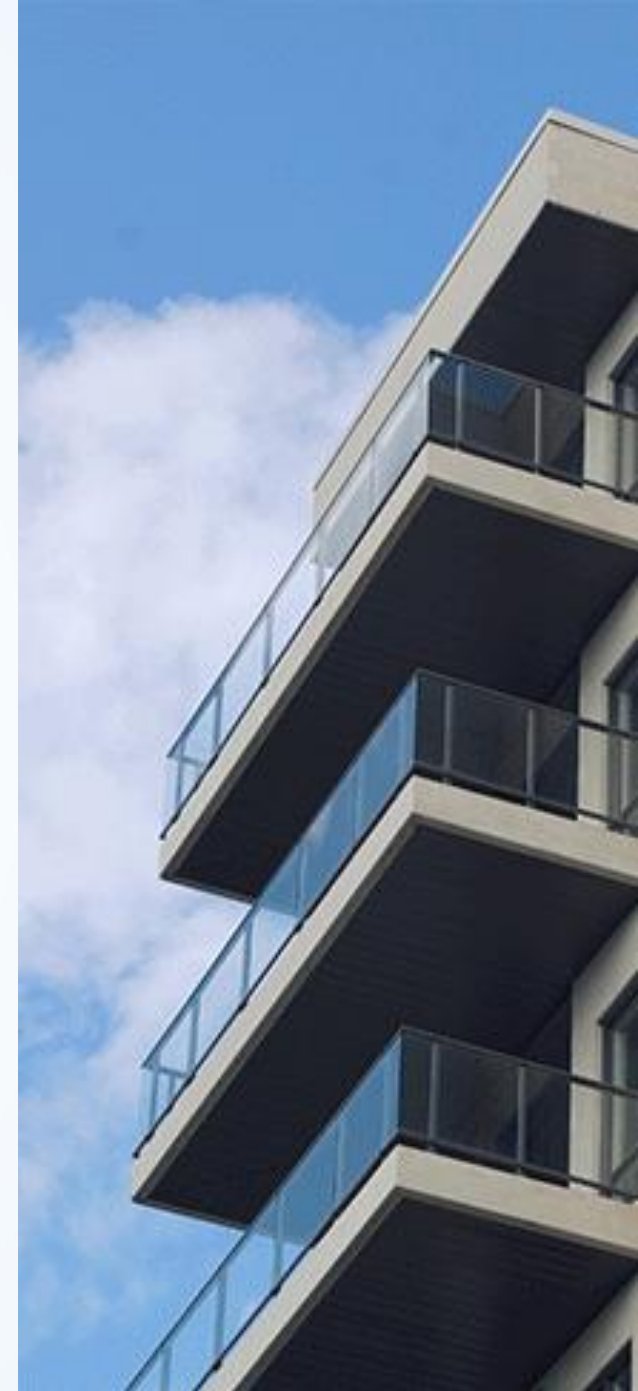
- The number of buildings required to have a milestone inspection within the agency's jurisdiction.
- The number of buildings for which a phase one milestone inspection has been completed.
- The number of buildings granted an extension under paragraph (3)(c).
- The number of buildings required to have a phase two milestone inspection.
- The number of buildings for which a phase two milestone inspection has been completed.
- The number, type, and value of permit applications received to complete repairs required by a phase two milestone inspection.
- A list of buildings deemed to be unsafe or uninhabitable as determined by a milestone inspection.
- The license number of the building code administrator responsible for milestone inspections for the local enforcement agency.

Helpful CTMH Information Continued

Milestone & Structural Integrity Study Questions

For any questions concerning Milestone Inspections or Structural Integrity Reserve Studies visual inspections, you may contact the Florida Board of Professional Engineers by telephone at (850) 521-0500 or by email at <https://fbpe.org/>.

You may also scan the QR code for a direct link to their website.





Helpful CTMH Information Continued



Pay Annual Fees Online

Log into DBPR's Online Services Portal and pay a condominium association's annual billing statement online.

CTMH Education Events Calendar

Explore upcoming education events hosted by the Division.





Helpful CTMH Information Continued

Customer Contact

Scan the QR code to be directed to our online contact form to schedule an appointment with an investigator or virtual office hours.



Or contact us through our Customer Contact Center at 850-488-1122.