



Mobile Home Park Organizing Guidebook

HOME

A Guide for Mobile Home Owners and Residents

Created by

Alexia Parkos, Rachel Van Amburg, Deborah Cantrell, Brendan Soane,
Elizabeth Topping, Maya Raphael, and Tanvi Kapoor

Sustainable Community Development Clinic at the
University of Colorado Law School





Disclaimer

The Mobile Home Park Organizing Guidebook is not legal advice. All information provided in this Guidebook is for general purposes only. If you have questions regarding your situation, you should consult an attorney. An attorney would be able to help you determine what information in this Guidebook applies specifically to your situation and what information does not.

About the Sustainable Community Development Clinic

The Sustainable Community Development Clinic is housed at the University of Colorado Law School. The Clinic focuses its legal work on empowering communities to work together to create their own solutions to challenges that they face. The Clinic is staffed by law students. They work under the supervision of a faculty member, who is licensed to practice law in Colorado.



Colorado **Law**
UNIVERSITY OF COLORADO **BOULDER**

Copyright Notice

The Mobile Home Park Organizing Guidebook may not be duplicated, reprinted, or distributed without the consent of the Sustainable Community Development Clinic. To contact the Clinic, please call 303.492.8126.

© 2021 Sustainable Community Development Clinic at the University of Colorado Law School.



Non-Discrimination, Inclusiveness, and Anti-Racism

The Sustainable Community Development Clinic is committed to actively promoting anti-racism and inclusion. The Sustainable Community Development Clinic seeks to promote these values in all of its materials and in its legal work, including through this Guidebook.

This Guidebook was created to aid communities in forming organizations that are diverse, inclusive, and equitable where all members feel valued and respected, irrespective of their race, color, national origin, gender, sex, sexual orientation, religion, political affiliation, age, size, marital status, disability, or military status. The Clinic believes that community organizations should be committed to combating racism, promoting inclusion, and providing equal opportunities to community members to serve in leadership capacities. The Clinic further believes that organizations should respect and value diverse life experiences and heritages and work to ensure that all voices are valued and heard.



Contributions

We want to thank 9to5 for their contributions to this Guidebook and for serving as a vital resource for understanding community organizing measures. Their trainings and knowledge of mobile home park communities were indispensable in writing about community organizing.

We also want to thank Colorado Poverty Law Project for their input on the legal sections of the Guidebook, and for the work they do in providing free legal services to communities around the state.



MY FAMILY, MY COMMUNITY





Table of Contents

Purpose of the Guidebook Pg. 1

How Phrases will be Used Pg. 2

Section One Organizing

Benefits of Organizing Pg. 3

Now What? Pg. 4

Section Two How to Form a Nonprofit

Articles of Incorporation Pg. 10

Bylaws Pg. 11

Things to Consider After Forming Your Nonprofit Pg. 19

Section Three Resources Pg. 24



PURPOSE OF THE GUIDEBOOK

This Guidebook is designed to help mobile home park homeowners and residents organize within their communities.

THE GUIDEBOOK IS SPLIT INTO THREE PARTS

1. The purpose and importance of organizing within your park.

There are several important reasons to organize within your mobile home park, such as:



Actively building a community of neighbors so that you can support and uplift one another



Having collective negotiation power when dealing with people like the park owner, city council members, etc.



Ensuring **your park respects, includes, and represents all** of its residents



Educating community members about their legal rights



Helping community members protect their legal rights



Becoming a part of a statewide network for community-organized mobile home parks

2. Guide for how to start a nonprofit.

This Guidebook will focus on how you can set up a state nonprofit as the kind of voluntary membership organization for community members to use in support of their organizing, education, and advocacy efforts.

3. Sample documents for nonprofits and other resources.

At the end of the Guidebook, we provide some sample documents that you can look at in order to create and successfully run a Colorado state nonprofit.

- **For example**, we give you a sample of a nonprofit's bylaws. The sample bylaws have several options that align with questions throughout the Guidebook designed to show you the range of choices available to you and your community about how to run and operate your nonprofit membership organization.



How Phrases will be Used in This Guidebook

Voluntary organization

This is the group that is coming together to organize in the community. In doing so, the group can organize its strengths, determine best methods of working together, and decide how decisions will be made within the group. You may have heard this kind of group called a “homeowners’ association.” We don’t use that phrase in this Guidebook because it can be confused with another kind of “homeowners’ association” that applies only to places like condominium complexes.

Nonprofit

This is the legal entity that a voluntary membership organization can create. A nonprofit has to follow state law.¹

Organization structure

The way in which your organization comes together and assigns responsibilities amongst members.

¹Governed by C.R.S., title 7, sections 121 through 137.

Section One | Organizing

Benefits of Organizing

As you read through this Guidebook you may find yourself asking, “Why would I want to take the time and put effort into creating a voluntary organization?” The answer is simple, organizing provides many benefits to you and for your community. A voluntary organization is formed not to impose rules upon your community, but rather to empower you and other residents to make decisions about your community for your community. The voluntary organization helps empower its members through solidarity.

- **A voluntary organization is formed not to impose rules upon your community, but rather to empower you and other residents to make decisions about your community for your community.**

Solidarity with members of your organization is a powerful tool because it allows you to represent the interest of the community with a more powerful voice than speaking only by yourself. This unified voice is beneficial when negotiating with others, like a park owner. It can also help to bring attention to issues that otherwise may have been ignored.

The voluntary organization can also be incredibly helpful in solving problems. Two heads are better than one, so just imagine how much better an entire community putting their minds together to solve a problem is than one person alone. The diverse experiences and perspectives that come from collaborative problem solving can help you and your community come up with solutions to even the trickiest problems.



It is also beneficial to have a formal organization to make real progress in solving issues and making change in your community. This is because people are more likely to follow through and work together if there are clear responsibilities and a process that has structure. Once people become accountable to each other, as they would in a voluntary organization, you are more likely to be successful in achieving the community’s goals.

Even if there are no current issues in your community, having an organization already in place when issues arise will help the community come to a solution and work to implement it much faster. It will also be beneficial to already be organized if you feel the need to approach a lawyer about issues you are having in the park. Being organized may also help prevent issues from arising. For example, if a landlord knows your community is organized, the landlord can speak with your community representatives about possible changes being made to the park and get the community’s feedback before anything changes. There is power in numbers. When a community is organized and stands together it is far less likely that individual members will be taken advantage of in things such as utility billing or leases. Under Colorado law, a park owner cannot retaliate against you for organizing your community.

Now What?



Colorado has a state law that provides rules about mobile home parks. The law is called the “Mobile Home Park Act.” Under the Mobile Home Park Act, all park residents are permitted to organize within their communities.²

Through this ability to organize, a community can choose to create a voluntary membership organization. Once a group in your community has decided to organize, there are several steps you can take as a group to ensure there is structure and a commitment to inclusion:

Listen to one another.



Listening to each other is an important way to figure out how the group and each individual member can support one another. This may help the group identify common problems faced by residents within a park and help you come together as one group, stronger than each individual on their own. Listening to one another can help the group to bond as a strong community, caring about one another as neighbors.

Try hosting informal meetings.



Informal meetings can start out as just sharing a meal with one another or getting together in a place that is comfortable for everyone. These informal meetings can be a place to get to know one another, share victories and grievances, and connect over commonalities that you may not have known existed. These informal meetings help to gauge the interest in organizing within your community, even if it just starts as a couple of residents meeting with one another. During this time, you could create tentative goals for

the group while meeting for just a short amount of time. These meetings could be held in the park, in someone’s home, or even out in the community at a public place like the library.

Reach out to community members.



Following any informal meetings, the group could reach out to other members in the community to follow up on what was discussed and encourage them to join the group. This can include discussing with neighbors the ideas the group has for forming a voluntary organization within the community, issues that the group is hoping to address, benefits of organizing, and values the group is committed to uphold. Your community could create a group message through WhatsApp or a similar app to facilitate communications with one another to keep people informed of meetings, problems in the community, or other information.

Keep the momentum going.



After the first informal meeting it may be hard to keep your momentum going towards forming a voluntary organization within your community. It helps to keep track of the plans that you make at each meeting, and to set dates for the next meeting at the end of your time together. Even if you meet just once a month, that will help your group keep its momentum.

²C.R.S. § 38-12-206

Create both short-term and long-term goals.



If the group creates both short-term and long-term goals, momentum will be more easily carried forward toward a more organized group within the community.

These goals do not need to be so extreme or intense as to scare people away, but can be more representative of the values the group holds. For example, there may be some sort of improvement you want to see within the park or events you want to host to create a sense of community among your neighbors.

Evaluate strengths and weaknesses of the group.



After those initial meetings, begin to find people in the community that may have the strengths needed to help organize your community. These skills may include:

- **Note-taking skills** – helpful to keep meeting notes and send them out to the group to keep everyone up to date.
- **Leadership skills** – helpful to run meetings or lead a committee depending upon the organization of the group.
- **Communication skills** – helpful to spread the word among community members about the organization that is beginning to form, getting people involved, and spreading information these neighbors may need to know.

Figure out a structure.



In order to make a voluntary organization within your park, you need structure. Structure is the base that holds up the organization and makes the group strong and effective. We will talk more about how to structure your group later in the Guidebook, but it is important to note that structure will be a major key to keep the organizing going in your community.

Don't underestimate yourselves.



Even if you haven't held a leadership position before, don't be afraid to step up. A leader is not defined as someone who speaks a certain language or has specific experiences. Rather, a leader is someone who cares about their community, has time to dedicate to the work of the group, and can motivate the people around them to work towards common goals.





Now that you have a group that is committed to coming together and organizing, there are some key questions you need to ask. These questions will help provide a baseline for how your organization comes together and allow you to hit the ground running.



- **Priorities**
- **Structure**
- **Who is making up your organization**
- **Terms of membership**
- **Keeping members informed**
- **Voting and/or electing representatives**
- **Finding good leaders**
- **Dream big**



PRIORITIES

First, think about what you want to achieve with your organization.

- **What are the priorities of your group's members?**

When trying to determine these priorities it will be helpful to think about why you decided to come together in the first place, whether it be a current issue or a desire to be prepared for future issues, or maybe a set of goals you have for your neighborhood community. When thinking about what priorities your group has, keep in mind that there are lots of uses for your organization. Your voluntary organization might want to create childcare for park residents, or host social events so that people who live in different parts of the park can meet each other more readily. You also might want your organization to play a more active role in helping residents learn their legal rights, or possibly come together to purchase your mobile home park.

STRUCTURE

Once you have a clear idea as to what your goals for the voluntary organization will be, it's time to think about structure. Structure is critical in any organization. The structure of your organization will help everyone know who has agreed to be responsible for what duties and help everyone be accountable to each other.

Hierarchical

One choice of an organizational structure is a **hierarchical, or "top-down" structure**. A hierarchical structure is where every member of an organization, except for one member, reports to someone above them. This type of structure provides a chain of command. It clearly defines levels of authority and gives responsibility to particular individuals rather than every person in the group. This type of organization may work for you if you have many people interested in organizing, but only a few individuals that have the necessary time and desire to take on the full responsibilities of keeping an organization going. If your group has several members who are interested in taking on leadership roles but are unable to do so for an indefinite amount of time, or if your group cannot come to a consensus on who should lead, you could consider a structure where people regularly rotate through leadership roles. With that structure, more people can step up into leadership roles that require time.

Horizontal

Another common structure is a **horizontal structure**. With a horizontal

structure, members come together on the same footing to work on issues. The responsibility is shared equally among members. Because horizontal structures involve a group of people working collectively towards a common goal, they are ideal for collaborative environments. This type of structure may be beneficial for smaller organizations with plenty of involved members.

Other

Please also remember that you are not obligated to pick an organizational structure we mention in this Guidebook. The organizational structure is to help your voluntary organization achieve its goals, and if you believe that those goals would best be met by a structure not mentioned in this Guidebook then use that structure! The Guidebook is designed to guide *your* decision making, not to limit your options.

WHO IS MAKING UP YOUR ORGANIZATION

The next step is to consider who is making up your organization. For example, think about the following questions:

- **Who out of those you have talked to have decided to be current members?**

Who is going to be involved in the decision-making process?

Who do you want membership to be open to in the future?

Does your membership represent the park as a whole, or only a small group of residents?

The culture and diversity of a mobile home park should be reflected in your organization. Consider whether you want to represent the whole park and have the power of the entire collective voice, or if it is critical to your group's goals that you remain small and focused on a specific issue.

TERMS OF MEMBERSHIP

There's another critical question to ask in terms of membership.

- **Will you require people to pay dues to join your voluntary organization?**

If you are requiring dues, you need to decide what they will be used to fund beforehand. Dues are a complicated issue. For more information on this topic, see the legal section of the Guidebook.

KEEPING MEMBERS INFORMED

It is also likely that not all of your members will be able to attend every meeting, so think about how you will keep members informed.

- **Will it be someone's job to call or visit all absent members?**

Or to distribute a summary of what happened during the meeting?

Also bear in mind that residents in your park may speak different languages. It's important to think about what steps you need to take to make sure that every member understands the current agenda of the organization.

VOTING AND/OR ELECTING REPRESENTATIVES

While thinking about membership, also consider how you want decisions in your organization to be made.

- **Do you want all members to vote on every issue?**

Or all members to vote on select issues and representatives to make the decisions after the group has decided on a path?

Perhaps you don't want individual members to vote at all, and you would rather elect representatives to make all the decisions. It is important to consider that people usually do want to have a some say in organizations they are a part of, especially when the organization

so directly impacts their community. However, having members vote on every issue can bog down progress and cause valuable time together to be wasted on convincing each other that one path or another is right, when that time could be better spent achieving goals or deciding on more general directions for the organization.

FINDING GOOD LEADERS

Your organization will require a decision-making board. Going forward it will be valuable to think about who amongst your group has leadership qualities that would make them a good fit for decision-making.

- **Think about what makes a good leader, and who in your group has those qualities.**

Good leaders will be critical moving forward to energize your group and keep its momentum up, as well as to ensure that it stays on a focused path. There are several leadership roles that voluntary organizations often have, including a president, a treasurer, and secretary. Each of those roles needs different sets of skills, so there are opportunities for people to act as leaders in different kinds of ways.

DREAM BIG

The last critical component that you want you to keep in mind as you move through this Guidebook is to be a dreamer. You know what your community needs. Dream big, and your voluntary organization will help you achieve those ends.



Section Two | How to Form a Nonprofit



In Colorado, a nonprofit corporation (“nonprofit”) is a way that your group can come together and be recognized under state law. The state law is called the Colorado Revised Nonprofit Corporation Act (“Nonprofit Act”).

Throughout this section, we will point out when the Nonprofit Act requires your group to work in a specific way, and when it lets your group have some flexibility. We focus on a nonprofit as the kind of organization for your group to use because we think it is the most straightforward choice. But, it’s not your only choice. If you want to think about an organization like a cooperative, your group should talk to a lawyer who works specifically with forming that kind of organization. The information in this Guidebook relates only to nonprofits in the state of Colorado.

There are two main legal documents that your group will need to have in order to form a nonprofit. The nonprofit will need “Articles of Incorporation,” and “Bylaws.” We talk about both of those documents more below.

We want to take a moment here to talk about one other kind of nonprofit that many people are familiar with—a “501(c)(3)” organization. That is an organization

that is created as a nonprofit under state law. It also meets certain, very specific requirements under federal tax law so that it does not have to pay tax on the money that it brings in. You might have heard 501(c)(3)’s also called “tax-exempt organizations.” We talk about tax-exempt status in more detail below. For now, we just want to highlight that being a nonprofit under state law is not the same as being a 501(c)(3), or a “tax-exempt,” organization.

The sections below refer to the Nonprofit Act that is part of the Colorado Revised Statutes. Sometimes when we refer to a section of the Nonprofit Act, we only are talking about a small part of the section. If you want to see the full text of any section of the Act, you can find the laws online at the Colorado General Assembly’s [website](#).



1. Articles of Incorporation (C.R.S. 7-122-102)

The Articles of Incorporation create your nonprofit and lay out its structure. You will file the Articles of Incorporation with the Colorado Office of the Secretary of State.

Checklist of what *must* be contained within the Articles of Incorporation:

- ☐ Name of the nonprofit.
- ☐ Name and address of the person who will take care of mail and notices for the nonprofit. This person is called the “registered agent.” A nonprofit can be its own registered agent.
- ☐ Principal office address - this can be the address of someone’s home within the park.
- ☐ Name and mailing address of each incorporator - the incorporators are the person(s) filing the articles of incorporation on behalf of the nonprofit. Each incorporator’s name and mailing address should be included.
- ☐ Answering whether the association will be a membership organization or not, and whether members will have voting rights. Your association does not have to be a membership organization.
- ☐ A description of how the nonprofit will distribute its assets when it no longer exists. There are special rules that apply if you want your nonprofit to also be a 501(c)(3). The Guidebook talks about those rules in the tax-exempt status section.

Checklist of additional information that you can choose to include in the Articles of Incorporation:

- ☐ Name and addresses of initial directors - these are the initial members of the board of directors, if your organization already knows those people when it files its Articles of Incorporation.
- ☐ A description of the general powers that the board of directors will have.

Checklist of additional information that you *must include* in your Articles of Incorporation if you want the nonprofit to become a 501(c)(3):

- ☐ A description of the tax-exempt purpose. The Internal Revenue Service (IRS) has specific categories that your organization must select in order to be considered a “charitable” group that qualifies for tax exemption. The IRS list often is more specific than how your group might generally describe its mission.
- ☐ A description that limits some activities of the organization, including limits on its ability to lobby government officials.
- ☐ A section that provides that the nonprofit must distribute its assets to another similar tax-exempt organization if the nonprofit no longer exists.
- ☐ A section that promises that your organization will not act in other ways that the IRS prohibits.
- ☐ The sample documents at the end of this Guidebook give you more specific language you can use in your Articles of Incorporation if your group wants to become tax exempt under 501(c)(3).



How to File the Articles of Incorporation:

As mentioned above, the Articles of Incorporation are filed with the Colorado Secretary of State. They must be filed online at this [link](#). The Articles must be filed by someone who is over 18 years old.

The Articles of Incorporation may be amended. For example, if your group did not initially decide to seek 501(c)(3) status, but later on decides that it wants to seek this federal tax-exempt status, it may amend the Articles to include the

necessary information required by the IRS. You might also have to amend your Articles for reasons such as changing the organization's name or changing the purpose of the organization. You file any amendments with the Secretary of State, and you pay a fee of [\\$25](#).

2. Bylaws

The Bylaws are a group of rules established by an organization or community to govern itself.

We often think about the Bylaws as talking to members of the association to let them know how the association is going to run. In contrast, the Articles of Incorporation talk to people outside of the association to let them know that the association exists. The Bylaws will help your organization create a consistent, reliable and accountable way to do its work. The Bylaws are used to communicate an organization's rules and help to avoid disputes between members. The Nonprofit Act lays out some pre-set rules that a nonprofit can use. But, most of those pre-set rules can be changed by your organization if it wants to work differently. For example, the Nonprofit Act has a pre-set rule that an organization must have at least one director on its board, but almost every nonprofit has more directors than that. In your Bylaws, you will decide how many directors it makes sense for your organization to have.

In the sections below, we talk about the areas where your group can choose

between various options. Once your group makes its choice, it can plug the choice into the sample Bylaws provided at the end of this Guidebook. We hope the options provided are helpful to your group. Remember, this is your organization and it needs to reflect your park and the people who live there. Our examples may not be the only ways your group could choose how it wants to work. We try to give you the particular sections of the Nonprofit Act as references in case your group wants to look at the actual language of the law.

There are some sections of your Bylaws where your group won't have flexibility. In the sample Bylaws at the end of the Guidebook, there are choices you can make. For example, there are choices about who counts as a member. In these situations, there will be language for various choices available to your group. Make sure you only make one choice for each section.

Name

What will the name of your association be?

- This will be the same name that you use on your Articles of Incorporation.

Purpose

- If your group is going to remain a state nonprofit, this section should describe what the community-based goals are for the association. As a nonprofit, you must show that your association is designed to do something other than benefit a small group of individuals. The sample Bylaws give you some starting language that you can think about using.
- If your group intends to apply for 501(c)(3) tax-exempt status, then this section of the Bylaws must consider federal tax law, and not just more general community benefits. Your purpose must be a “charitable purpose” that the IRS recognizes. You can see a list of those specific IRS charitable purposes at this [link](#).

Mission

Why are you creating the organization?

- This section is where your group talks about why it is coming together to form a nonprofit organization in your park. You should use this section to describe the agreed-upon goals and ideals of your group. The purpose section and the mission section should relate to each other and be consistent with one another.
- You might think about topics like:
 - Creating an association so that your community can share resources.
 - Creating an association so that mobile homeowner residents can advocate for the community.

- Creating an association to helping homeowners in the park learn about their legal rights.
- Creating an association to be inclusive and representative of all residents within the park.
- Creating an association so that you can develop a support network within the park that could help homeowner residents feel good about living in the community.
- Your mission statement can include more than one goal, ideal or activity.

Members

Who can become a member?

- What kinds of criteria do you want to have in place in order for someone to be a member?
 - Does the person have to be named on the lot lease?
 - Does the person have to own the mobile home and be named on the lot lease?
 - Does the person have to live in the park, but they don't have to be on the lease?
 - Does the person have to be at least 18 years old?
 - Are there member households, instead of individual members? In other words, does each mobile home household have one membership regardless of how many people are in the household?

Which members will have a vote?

- Your group does not have to have voting members. Instead, it could decide that all of the decisions will be made by the board of directors.

- Or, your group can have voting members. It also could have non-voting members.
- If you are going to have voting members, your group will need to decide what criteria a member needs to meet in order to have a vote. Some possible criteria might be:

- Any person who pays dues to the organization.
- A person who owns a mobile home in the park and pays dues.
- A person who owns a mobile home in the park, lives in the mobile home, and pays dues.
- A member of a household living in the park, regardless of whether someone in the household owns the mobile home.

Will members have to pay dues?

- Your group should decide whether members will have to pay dues. You do not have to specify the exact amount of the dues in the Bylaws. But we think it is good practice for a group to come up with a proposed yearly budget before it starts operating. Your group should think about the kinds of activities it hopes to do and what those activities will cost. You also should think about costs for things like office supplies and other items that the group will need to help it communicate with homeowner residents. Having a budget will help your group make sure that it is being realistic about what it can do. You want to make sure that the dues do not create a barrier to people joining while also covering expenses the group will have.

- Some other expenses you might want to think about:

- Buying food for meetings.
- Paying for childcare during meetings.
- Creating flyers or other kinds of informational materials.

When and where will meetings be held?

- The Nonprofit Act requires that every nonprofit hold at least one annual meeting. We recommend that organizations meet more regularly than that. Typically, you'll want to meet once a month. Having a monthly meeting both helps your organization keep up momentum, and gives the organization time to take care of routine decision-making and administration.
- The Nonprofit Act also provides a method for a nonprofit to call meetings outside of the regular schedule. Those kinds of meetings are called "special meetings," and usually are held for an urgent matter that can't wait until the next regular meeting.
- Meetings can be held in any location. A resident could host the meeting in their home. Members could reserve a community center in the park, or space in a local public library, etc.



How will voting work?

- How many members must be present to take a vote?
 - You will want to discuss with your group how many people need to be at a meeting in person in order for a vote to be taken. This is called a “quorum.” The Nonprofit Act pre-sets the rule, and says that a quorum is 25% of members who are entitled to vote. You can change that amount in your Bylaws. Your group should set the percentage for quorum that encourages people to attend in person, but also recognizes that people can have busy schedules. The more you are able to have group members participate, the more your community will be on board with the choices your organization makes.
 - Your organization also will have to decide on what counts as a quorum when the board of directors meets. The Nonprofit Act pre-sets the rule as a majority of the total number of directors. So, if your Bylaws say that there will be 5 directors, a quorum means that 3 of the directors have to show up in person to a board meeting.
- Do you want the majority to win in a vote? 2/3 of those who vote? Consensus?
 - This may depend on what issues are being voted on. For example, if members vote on who gets to be a director on the board, you might decide that it’s such an important question that a candidate needs to get 2/3rds of the votes. Or, you might decide that if a person gets a majority of the votes, that is enough support amongst the community.
 - If your organization is making a really important decision, like amending its Bylaws, your group might decide that you want more buy-in for that decision than just a majority. For example, you could write into your Bylaws that they could only be amended by 2/3rds vote of the members.
- Will you allow members to vote by proxy for certain decisions?
 - Voting “by proxy” means that a person who cannot come to a meeting in person still may vote by telling someone else to be their “proxy.” The proxy person gets to cast their own vote, and the vote of the person who cannot be at the meeting.
 - Proxy voting is helpful because it recognizes that a person might be really engaged with the association, but might have a good reason for not being able to come to the meeting. For example, they might have a very sick family member who cannot be left alone. On the other hand, an important point of meetings is that people get to come together and listen to each other’s ideas about what the association should do. If a person is not able to hear that discussion, they might not have all of the important information they need to make a good choice.



Board of Directors

- **Board of directors**
- **Main purpose**
- **Officers**
- **How the board operates**

BOARD OF DIRECTORS

Every nonprofit must have a board of directors. Typically, the board of directors is made up of members of the association. The Nonprofit Act allows you to start with only one director, but we strongly recommend that your board start with at least three directors. You may have as many directors as your board thinks it needs. Remember, you want to have a board that is big enough to have multiple perspectives, but not so big that it becomes hard to meet and get work done.

MAIN PURPOSE

The main purpose of a board of directors is to keep the nonprofit running smoothly.

OFFICERS

Typically, a board of directors also has officers. Those officers usually include:

■ **President:**

The president of the board leads the board meetings. They also can have other powers and responsibilities based on the Bylaws of your organization. Just because a person has never been a board president before doesn't mean that they couldn't handle the job. Your group will want to think about the qualities it most needs in its top leader.

- **We'd recommend** that the president be someone who people trust and who can be careful and respectful about information.

■ **Vice President:**

The vice president covers the duties of the president when the president is not available. Typically, a person will serve as vice-president to get experience before becoming the president of the board.

■ **Treasurer:**

The treasurer monitors the finances of the organization. The treasurer will report about the organization's finances at each board meeting. Often the treasurer will take the lead in creating a yearly budget for the organization. The treasurer must create a yearly financial report and make it available to all members. Just like the other officer positions, a person can be a fantastic treasurer even if they have never held that position before.

- **For example**, someone who takes charge of a family's household budget and finances can use those experiences to help them as treasurer of the organization.

■ **Secretary:**

The secretary maintains all of the records of the organization. That includes keeping a record of what is said at every board meeting (called "the minutes" of the meeting). You can find a list of all the documents a nonprofit is supposed to keep at C.R.S. 7-136-101. These documents include things like the Articles of Incorporation, Bylaws, and financial statements.



HOW THE BOARD OPERATES

Your Bylaws will need to describe for how long a board member serves and how the organization will select new directors.

- Directors typically serve for 2-3 years so that the organization can benefit from their experience over time.
- You can choose whether your directors will be voted in by the members of the association, or by the board itself.
- In general, we think that it is good for a director to be committed to the community, to have a goal of leading in an honest and responsible way, and to be able to put the community's interest ahead of personal interests.

How will you fill vacant positions on the board?

- When there is a vacancy in a board position, you will want to describe in the Bylaws how that position will be filled.
- Will you have the current board nominate people for the empty position? Will you have an election open to member to run for the empty position?
- Will the person with the most votes win, even if that number is not a majority of the members who can vote? Or, will the majority of votes have to be in favor of one person?

How will voting on the board work?

- All directors should have equal voting rights when the board is voting on any issue.
- We think it is important that a board of directors work hard to find agreement on issues. It is hard to convince other members of the association that something is a good idea if the board doesn't agree amongst itself. If your organization feels strongly that the board of directors should agree before making a decision, your Bylaws can provide that you want the directors to follow consensus-based decision-making. That process takes time and energy. If your board is going to use that process basis it might be helpful for the board to get training from someone experienced in consensus-based decision-making.
- If there are an even number of directors on the board, you should determine what will happen in the event of a tie. This could be done by stepping away from the issue for 24 hours as a "cooling off" period before re-addressing the issue. However, for more emergency decisions, the directors could draw straws to determine whose vote will break the tie.

Can the board act without meeting?

- It is important to note in the Bylaws whether the directors need to meet in person in order to make decisions. If the board can act without meeting, the Bylaws should talk about how that process will work.
- Will all directors, or just a majority of them, need to agree to take action without meeting?



Will directors be compensated for their work for the organization?

- Your group will want to decide whether or not directors will be compensated for the work they are doing on behalf of the organization.
- It is very rare that a board of directors for a small nonprofit to get paid for being a director. We would strongly advise that directors do not get paid. It can create a lot of tension with the members of the organization.
- A director can get reimbursed for expenses related to the organization. For example, if a director pays for copying flyers for a meeting, the organization can pay the director back for that expense.

Committees and Working Groups

You can create committees and working groups to help share the work of the organization. For example, your organization could have committees that focus on specific issues, like maintenance, rent, water billing issues, etc. Or, there could be a working group created to organize a particular event, like a community picnic. Typically, committees and working groups report to the Board or to the full membership about their work and their recommendations. The Board or the full membership would then vote on important decisions before any action was taken.

Deposits, Checks, Loans, and Contracts

- Under the law, your organization is treated like it has its own identity. Therefore, like other kinds of businesses, it will need a bank account in the name of the nonprofit.
- Your organization can do the same kinds of financial transactions as other

businesses do. It will be able to buy things in its own name. It could take out a loan in its own name, if a bank were willing to lend to it. It could enter into other kinds of agreements, like a grant or contract for improvement work within the park, in its own name.

- It is really important that the people who are responsible for making decisions for the organization, like the directors, understand that they have a legal duty to put the organization's interests ahead of their own. For example, a director who also runs her own landscaping business should not try and get the organization to hire her to build a community garden that the organization is paying for out of members' dues.

Other Conflicts of Interest

- Anyone who is acting on behalf of the organization has a duty of loyalty to the organization. That is called having a "fiduciary duty." Like the example above about the community garden, that means that a person cannot put their own interests ahead of the organization's interests.
- If a person has a conflict of interest when it comes to a particular decision, that person should not participate in making the decision for the organization.



Amendments

- Your Bylaws need to talk about what process has to be used in order to change them.
- Typically, amending an organization's Bylaws is considered a very important decision. Your organization should think about how easy or hard you want to make it to change anything in the Bylaws.

Miscellaneous

- Your Bylaws should provide what kind of calendar you are going to follow regarding the organization's finances. Will it follow a calendar year (i.e., January 1st-December 31st)? Or will it follow a fiscal year (i.e., something like July 1st to June 30th). If you have anyone in your park who has some experience with bookkeeping or accounting, they likely could give your organization some helpful advice.
- We strongly encourage every nonprofit to include a provision in the Bylaws that talks about diversity, equity, inclusion, and nondiscrimination. The sample Bylaws at the end of this Guidebook include such a provision. We believe it is extremely important that your organization looks like the community it is representing. Your organization should be inclusive of every resident of the park and ensure that everyone has the same opportunity to participate in leadership roles.



Things to Consider After Forming Your Nonprofit



Under the Colorado Charitable Solicitations Act (which will be referred to as CCSA) any organization that holds itself out for a charitable purpose and asks people to give money to it must register with the Colorado Secretary of State.

Charitable Solicitation

-
- **How to file**
- **FEIN or EIN**
- **Information needed for registration**
- **Exemption**
- **Membership dues**
-

The CCSA covers “solicitations,” and a solicitation includes any kind of request for money or funding from an individual or group, or a fundraising event such as a silent auction that is designed to raise funds for your organization. This section will explain how to file for charitable solicitation.

HOW TO FILE

Filing for charitable solicitation must be done online. You do this through the Colorado Secretary of State’s [website](#).

FEIN OR EIN

Before you can start, you will need to get a federal employer identification number (FEIN or EIN). It is easy to get a FEIN on [this IRS webpage](#). The person who gets the FEIN should be someone who has some leadership role, like your board president or treasurer. That person will have to give their personal Social Security Number.

INFORMATION NEEDED FOR REGISTRATION

In order to register to solicit for charitable contributions, you will need to have the following information:

- The name of your organization.
- The address and telephone of your principal place of business. This should be the same address as on the organization’s Articles of Incorporation.
- The names of your directors on the board.
- The last day of the fiscal year of the charitable organization. (Remember that if the organization is keeping its records using a calendar year, then your “fiscal” year also ends in December).
- The place and date of when your organization was established, the type of organization, and its tax-exempt status.
- A financial report for the most recent fiscal year. The online system has a form for this report. If your organization is just starting up, you will be asked to predict your financial information for the upcoming 3 years. Your organization will then have to update its filing when it has actual information to use.
- The name and address of any professional or paid fundraisers who have agreed to work for the organization. In our experience, it is highly unlikely that a small nonprofit will



pay for a professional fundraiser. But, you might have a community member who is a professional fundraiser and who volunteers to fundraise for your organization. You would disclose that volunteer on your filing.

There will be a place in the online registration for all of this information. Also, please note that while the registration form will request your tax-exempt status, you do *not* need to be tax-exempt to file for charitable solicitation.

Every year you must renew the registration. You must renew by the date you registered the previous year. This renewal form must include a list of the donations your organization received, as well as the information provided when you originally applied.

EXEMPTION

You only need to file for charitable solicitation if you receive or intend to receive donations from more than ten people OR more than \$25,000 in donations. C.R.S. 6-16-104 (6)(c). This means that if you satisfy either requirement, you must register.

MEMBERSHIP DUES

Membership dues to the organization **do not** count as charitable solicitation so long as the primary focus of the organization is not the solicitation of funds. C.R.S. 6-16-103

Tax-exempt status

- **501(c)(3) tax-exempt status**
- **501(c)(4) tax-exempt status**
- **IRC 528 tax alternative**

As a voluntary organization, your association may be eligible to be exempt from paying federal income tax on any money that it brings in. When you hear that an organization is “tax-exempt,” that means it does not have to pay tax on the income it generates, unlike other businesses that do pay tax. There are several different kinds of organizations that the IRS considers as tax-exempt. Often, you will hear people say that a nonprofit is tax exempt. That is not quite accurate. Typically, a nonprofit is only tax exempt if it also is geared towards a “social welfare” or “charitable” purpose.

- **What is critical is that your organization benefits the community at large, instead of just the members of your park. It is possible that the work your organization plans on doing is broad enough that it would qualify for tax-exempt status.**

That generally means an organization has the purpose of helping the community, whether it be locally or on a larger scale. What is critical is that your organization benefits the community at large, instead of just the members of your park. It is possible that the work your organization plans on doing is broad enough that it would qualify for tax-exempt status. If that is the case it may be beneficial to apply for tax-exempt status, which is why we have included this section in



the Guidebook. We do not, however, recommend that you change the goals of your organization in order to fit within one of these categories.

We strongly recommend that you consult with a lawyer to get good and accurate advice about whether the work of your organization will make it eligible as a tax-exempt organization.

As we said above, the IRS recognizes multiple types of tax-exempt organizations. A voluntary organization of mobile homeowners may be exempt under 501(c)(3). However, it is possible that you may fall under 501(c)(4), which is a “social welfare” organization. We strongly recommend that you consult with a lawyer to get good and accurate advice about whether the work of your organization will make it eligible as a tax-exempt organization. If you think that you want your organization to be a 501(c)(4) social welfare organization, you should be aware that most homeowners’ associations do not fit under that category.

If you decide that you do not want to be a 501(c)(3) or 501(c)(4), your organization may still be able to exempt membership dues and fees from federal income tax. There is a provision in federal tax law called “IRC 528” that may apply. This section will briefly explain each of the options we mention above, and give some ideas about when it may make sense for your organization to apply for tax-exempt status.



501(c)(3) tax-exempt status

There are both benefits and drawbacks to establishing tax-exempt status under 501(c)(3). This section explores why you may or may not want to establish yourself as a 501(c)(3) organization.

BENEFITS

The main benefit to having 501(c)(3) status is that groups like charitable foundations who give out grant money typically require that the group receiving the money has tax-exempt status. If your organization is tax-exempt, that also means that a donor who gives you money may be able to take a tax deduction on their own tax return. Sometimes, that can make it more likely that people will donate.

GOVERNMENT GRANTS

Most government bodies will require that an organization receiving government money be tax-exempt. If your association is a 501(c)(3), that would allow you to receive government grants. However, it is important remember that grants will have very specific guidelines on how they may be spent, and are not a blank check. If your organization is not tax-exempt, it might still be able to receive the grant by using a fiscal sponsor. A fiscal sponsor is an organization that is tax-exempt (typically under 501(c)(3)) and it holds the money from the government grant in a bank account for your organization for a small percentage of the grant. With a fiscal sponsor you may use the grant money for anything that you may have used it for had it been disbursed to you directly. Your organization will have to carefully look at the requirements of a government grant to determine whether you could apply and use a fiscal sponsor.

TAX DEDUCTIBLE

With 501(c)(3) status, donors to your organization may deduct their donations

from their taxes. This makes it so donors might be more likely to donate to your organization. However, consider that soliciting donations is often very time consuming and may not be reliable year after year. Also, remember that if your organization is going to solicit any kind of funds, you will have to file the right paperwork under the Colorado Charitable Solicitations Act. (Another reminder: the CCSA does not consider dues to be “solicitations” under the Act.)

DRAWBACKS

One drawback to 501(c)(3) status is that it creates responsibilities for your organization that will be in effect for as long as the organization exists. It also restricts your conduct as an organization. Lastly there are fees to file for tax-exempt status as well as duties that your organization must continue to meet.

RESTRICTIONS

A 501(c)(3) organization may not lobby for any political interest, or participate in support of or opposition to any political campaigns (Treas. Reg. § 1.5501(c)(3)-1(b)(3)). Lobbying means that your organization speaks for or against a political interest or candidate in the name of the organization. It can also mean a donation of the organization’s funds to a political interest or candidate.

REQUIREMENTS

In order to qualify as a 501(c)(3) organization, you must be organized for one of the purposes defined in I.R.C. § 501(c)(3). The list is specific, and exclusive. The exempt purposes are: religious, charitable, educational, scientific, or literary purposes. The IRS has provided guidance on what counts as “charitable.” These organization must fit within the definition of I.R.C. § 501(c). Some examples include: organizations that provide relief for the underprivileged, like an organization that

provides interest free loans for housing repair, or advance education, such as a group that provides free art classes to the community. This charitable purpose must also be the primary focus of your organization. I.R.C. § 501(c)(3). Your organization must be set up in a way that no part of its earnings are for the benefit of any private individual or group of individuals. Your organization has to list its tax-exempt purpose in its articles of incorporation. You also have to file a separate form, Form 1023, with the IRS to ask it to recognize your organization as tax exempt. You must also file annual tax returns to avoid penalties. We recommend that if you choose to go down the path of becoming a 501(c)(3) you should consult an attorney to ensure that your interests are best met by filing for this status.

501(c)(4) tax-exempt status

If an organization has 501(c)(4) status, one benefit is that members of the organization can lobby for political interests or candidates on behalf of the organization. But, this

• **A mobile homeowners’ organization typically benefits its specific group of homeowners, or the park, not the general public.**

section only applies to organizations that are designed to promote social welfare. That means that the primary focus of your organization must be for the *public* benefit, not just the benefit of a particular community. A mobile homeowners’ organization typically benefits its specific group of homeowners, or the park, not the general public. In order for your group to be considered for “public benefit” the majority of the organization’s activities and funds must be directed towards the

general community rather than inwardly toward your park. If you think that your organization will be primarily engaged in activities for the public welfare, such as the maintenance of public lands, we recommend that you consult with a lawyer to make sure that your organization meets the requirements of federal tax law.

IRC 528 tax alternative

The IRC 528 tax alternative allows for a homeowners' association that does not have tax-exempt status to exempt dues and assessments from its taxable income. I.R.C. § 528 (d)(3).

In order to qualify for this exemption, you must have 60% or more of your income come from membership dues, fees, and assessments. You must also have spent 90% or more of your expenditures on the

management, maintenance, or care of the association property or on behalf of members of the association.

For the purposes of this tax exemption, government grants that your organization may receive do not count as taxable income.

This exemption only means that an organization does not pay federal income tax on its dues.

This exemption only means that an organization does not pay federal income tax on its dues. If your organization was to get money from other activities, like selling t-shirts, it might have to pay tax on that income. For more information on this exemption, we recommend that you meet with an accountant who has experience working with nonprofits.

Conclusion

This Guidebook was created with you in mind. We hope you now feel equipped and ready to get started on forming a voluntary organization within your park, no matter how informal it may begin.

Dream big for ways you and your neighbors can come together and improve your park and the community within it. Now it's your chance to go out and do it!





Section Three Resources

We have included a variety of sample documents in this Guidebook for your use in forming and operating your own voluntary organization as a nonprofit in Colorado. You will find in this section:

Best Practices Document Pg. 25

Meeting Samples Pg. 30

Meeting Minutes Pg. 31

Meeting Notice Pg. 34

Meeting Agenda Pg. 35

Legal Documents Pg. 37

Articles of Incorporation Pg. 41

Bylaws Pg. 46

Financial Information Pg. 59

Instructions for Opening a Bank Account Pg. 59

Association Financial Report Pg. 61



Introduction to Best Practices Document

The following document contains a checklist for you to use while running your voluntary organization. It covers topics like outreach, record keeping, meetings, finances, and an annual re-evaluation. The document poses questions under each section to ensure your organization is running smoothly and in full cooperation with the law. These questions should be reviewed and considered by the board of directors at least once per year. By doing so, you will ensure that your organization is keeping up with all its necessary requirements, and operating in a successful manner.



BEST PRACTICES FOR MANAGING A SUCCESSFUL COLORADO NONPROFIT HOMEOWNERS' ASSOCIATION¹

For more information on this section, see page 4 of the Guidebook.

OUTREACH IN THE PARK

- ☐ Are you making sure each member of the community is welcome and feels included within the organization, with a mind toward inclusivity and diversity?²
- ☐ Are you actively engaging all neighbors who desire to be a part of the voluntary organization? For example, this could be door-to-door outreach, phone calls to neighbors, planned events in the park to gather and connect, etc.
- ☐ Remember, your organization is at its strongest when it includes as many members as possible, and those members actively participate.

RECORD KEEPING

REQUIREMENTS:

- ☐ Have you submitted the organization's annual Periodic Report to the Secretary of State?³
- ☐ Do you have a list of all current members' names, addresses, and contact information?
 - a. Are you making sure to update the list at least once a year?
 - b. Do members know to update the organization when their contact information changes, and how to do that?
- ☐ Have you created a plan for how you will destroy the information above (names, addresses, etc.) in the event the organization dissolves (i.e., stops operating)?⁴

- ☐ State law requires a nonprofit to keep the following documents. Do you have at least a **copy** of the following in the organization's main physical space where it does its work:
 - a. Articles of incorporation?
 - b. Bylaws?
 - c. Board of directors' resolutions relating to members? ⁵
 - d. Meeting minutes for the past three years?
 - e. Records of any formal actions taken by members during meetings and outside of a meeting during the past three years?
 - f. Names and addresses of current directors on the board?
 - g. Organization's most recent Periodic Report filed with the Colorado Secretary of State's Office?
 - h. Annual financial statements (past three years)?⁶

OTHER ACTION ITEMS:

- ☐ Have you kept some kind of record about your organization's activities? For example, you might create a log that shows who completed door-to-door outreach to park residents, the dates of outreach, and the purpose. The log could also include activities that the organization puts on in the park, like an annual pot luck.
- ☐ Have you made sure that the organization is doing everything it agreed to do under any grant agreements?
- ☐ Have you created an annual report listing the organization's activities and accomplishments from the past year and outlook for the upcoming year?
 - a. The annual report does not have to be fancy.
 - b. It can be in any form that you think helps the members know what the organization did over the past year.
- ☐ After reviewing your organization's work over the year, think about the following questions:
 - a. How did the organization's activities align with the mission statement in the bylaws?
 - b. How can the organization adjust to better serve the residents' and members' needs?
 - c. How can the board of directors make sure that they have taken steps to regularly reach out to members for feedback?
 - i. Remember that your organization works best if you make sure that many voices are heard.
 - ii. What has the board done to make sure that it has heard from a wide range of members?

MEETINGS

NOTICE:

- ☐ Have you prepared a notice before each member meeting and provided it to members beforehand?
 - a. Have you notified all members in writing about the time and place of the meeting, and any agenda items on which members will vote?
 - b. Have you provided opportunity for feedback on agenda items?
- ☐ Have you prepared an agenda before each meeting of the board of directors?
 - a. Have you notified each director in writing about the time and place of the meeting, and any agenda items on which directors will vote?
 - b. Have you provided opportunity for feedback on agenda items?

There is a sample notice for member meetings in this section of the Guidebook.

RECORDKEEPING:

- ☐ Have you properly recorded minutes from each member meeting and each board meeting?
- ☐ Have you ensured that the minutes are kept in a safe location? For long-term storage, you can keep your records in electronic format as long as the storage site is secure (i.e., using a reputable cloud-based program with strong passwords).
- ☐ The minutes must include the following information:
 - a. Attendance - who attended the meeting.
 - b. What was discussed and by whom.
 - c. Actions taken by the board or members.
 - d. Acknowledge if any notice requirements were waived.

There is a sample meeting minutes in this section of the Guidebook.

FINANCES

REQUIREMENTS:

- ☐ Do you have a member of your organization with financial/money experience who might be willing to serve as your treasurer? If that person is willing to act as treasurer, they will have to be elected to the board of directors through the procedures set out in your bylaws.
- ☐ Have you adequately kept up with bookkeeping as required under state law?
 - a. Do you have a reliable, accurate, and secure system to use to keep track of financial information? For example, does the organization want to use a software program like QuickBooks?

b. Weekly/Monthly

- i. Have you followed budget goals?
- ii. Have you tracked purchases?
- iii. Have you tracked any income coming in?
- iv. Have you reconciled bank statements with your internal financial records?
- v. Has the board of directors revised the organization's budget where necessary?

c. Quarterly

- i. Have you prepared a quarterly financial statement?
- ii. Have you completed reports that are required by any grants the organization has received?

d. Yearly

- i. Have you assessed how well you kept to your budget?
- ii. Have you filed any required tax and financial reports?
- iii. Have you prepared an end-of-year annual financial report and let members know how they can come review that report?
- iv. Have you prepared a budget for the next year? When you prepare the budget for the next year, make sure to be realistic about how much money will come in. For example, in past years, has every member actually paid their dues?

There is a sample profit and loss statement in this section of the Guidebook.

- ☐ Has the board of directors decided whether members should pay dues, and how much those dues should be? Did you give members notice about their annual dues?
- ☐ Have you kept track of who has paid dues?

OTHER ACTION ITEMS:

- ☐ Have you planned for future expenses as much as possible to ensure money is set aside for particular wants or needs?
 - a. Examples: paying for park events, childcare for organization meetings, paying for the help of an expert like an accountant or lawyer.
- ☐ If you are soliciting any kind of money other than dues, have you filed the proper paperwork with the Colorado Secretary of State's Office for charitable solicitations? Have you updated that filing each year?

There is information about charitable solicitation on pages 19-20 of the Guidebook.

ANNUAL RE-EVALUATION

- ☐ Have directors of the board reflected upon the successes and challenges of your organization's work, and the board member's personal efforts in support of the organization?
 - a. It is good for each director to assess their own efforts.
 - b. Then, the board can come together and exchange their assessments with each other.
 - c. Use those assessments to create a plan of action for upcoming work.
 - ☐ Have you created a feedback system that encourages community voices, such as an anonymous drop box?⁷
-

¹ For overall good practices, see: https://www.coloradononprofits.org/sites/default/files/attachments/PrinciplesPractices_3rdEdition_1.pdf.

² More information on diversity, equity, and inclusion: <https://www.councilofnonprofits.org/tools-resources/why-diversity-equity-and-inclusion-matter-nonprofits>.

³ Instructions for the Periodic Report filing can be found here: https://www.sos.state.co.us/pubs/business/helpFiles/REPORT_HELP.html.

⁴ A state law, the Protections for Consumer Data Privacy Act, requires a “policy governing the disposal of personal identifying information.” More information can be found here: <https://coag.gov/resources/data-protection-laws/#:~:text=What%20are%20Colorado's%20data%20security%20laws%3F&text=Colorado%20requires%20certain%20persons%20and,reasonable%20steps%20to%20protect%20PII>

⁵ Resolutions of the board of directors are the way that the board creates a record of any important decision the board has made that affects members of the organization. Examples of resolutions could include things like voting a new director onto the board, approving a motion to spend money on a specific project, or approving the organization's annual budget.

⁶ These do not have to be created by an accountant. An annual financial statement should at least show what money came into the organization, how the organization spent any funds, and list its current assets and liabilities.

⁷ This source provides a variety of options on how people who are not accountants can keep proper books: <https://bench.co/blog/accounting/nonprofit-accounting/>.

⁸ More information on feedback here: <https://www.councilofnonprofits.org/thought-leadership/the-power-of-feedback>.

Sample Form for Minutes of Association Member Meeting or Board of Directors Meeting

Whenever your organization holds a meeting of its members or a meeting of its board of directors, someone must take notes. Those notes are called “minutes” of the meeting. Typically, the person who has been appointed as the secretary of the board of directors takes the minutes. But, anyone can agree to take minutes for your organization. The person who takes the minutes should be someone who is good at carefully listening and writing or typing at the same time. The person also needs to know your organization’s rules for who can attend meetings, and who gets to vote at meetings. Those ground rules will be found in your organization’s bylaws.

The minutes *do not* have to represent every word that members or directors say at a meeting. The minutes do need to accurately record the basic ideas that anyone spoke about. If the meeting includes any topic where there was a vote, the minutes should accurately reflect the vote tally.

Important Point: At each meeting of your organization’s members or of the board of directors, the first thing that should happen is that the people who are present review the minutes from the last meeting. If there are any errors in the minutes for the last meeting, a person can offer a correction. Then, whoever is leading the meeting should ask for someone to offer a motion to approve the minutes. That just means that someone needs to say: “I move that we approve the minutes from the member [or board of directors] meeting held on [month/day/year.]” The meeting leader then asks for another person to “second” the motion. The other person says: “I second the motion to approve the minutes.” The final step the meeting leader takes is to ask everyone present to verbally say “yes” to approve the minutes or “no” if someone thinks the minutes still are inaccurate. Typically, you do not use paper ballots to approve the minutes, but just use a “voice vote.”

Below we provide a sample form that you can use for meetings either of your organization’s members or for meetings of the board of directors. You can change the form to include other information that you want to keep track of.

MEETING MINUTES

[for Association Members] or [for Board of Directors]

Date:

Start Time:

End Time:

Place:

Who attended the Meeting?

Approve the minutes from the last meeting.

1. Ask for any corrections to the minutes from the last meeting.
2. Ask for a motion to approve the minutes, or corrected minutes, from the last meeting. Name of person who made the motion:
3. Ask for someone to second the motion to approve. Name of person who seconded the motion:
4. Call for a voice vote on the minutes.
Were the minutes approved? ☐yes ☐no

List the topics raised at the meeting and summarize the discussion on each topic: (Add as much space as you need to record everything.)

Record any votes.

List any topics that were voted on and record the vote tally for each topic.

Any other discussions?

Record any other important topics that were raised at the meeting and summarize the discussion on each topic.

Name of Person Taking Minutes: _____

Sample Notice for Homeowners' Association Meeting

When your organization wants to hold a meeting of its members, it must give every member a notice about the meeting. Under state law, a notice for a member meeting must include:

1. **The date, time, and location of the meeting.**
2. **The list of topics that will be discussed at the meeting.**
3. **Whether any of the topics require that members cast a vote.**

If there is other information that you think would be helpful for a member to know, you may include that on the notice. For example, if there will be a supervised space for children to play during the meeting, you could put that on the notice. The notice does not need to look formal. It should be friendly and welcoming while still including the required information listed above.

Your organization's bylaws will tell you how often the members are supposed to meet. The organization's board of directors is responsible for making sure that member meetings happen at the required times throughout the year. Your organization's bylaws also will tell you what method to use for delivering notice to each member. For example, your bylaws might say that members can have a meeting notice delivered either in-person or delivered by email. Make sure that you follow the method set out in your bylaws. Members have to get a notice of meetings in advance so that they have time to think about the topics and plan to attend the meeting. Your bylaws will set out how far in advance you need to deliver notices. State law says that notices have to be delivered at least 10 days in advance of the meeting. Your bylaws might say that members get longer notice than that, but your bylaws cannot say that members get shorter notice than 10 days.

One of the goals of your notice is to let the members know what is on the agenda for the meeting. When you are deciding on an agenda for a meeting, we suggest you think about a few things:

1. *How much time do you have for the meeting?*

Remember that your organization's members likely have busy lives and other responsibilities. You should pick an amount of time for your meeting that gives you enough time to take care of the organization's business while also respecting your members' time. Don't put too many items on the agenda for any one meeting. Think about what topics are most time-sensitive or have a high priority and focus on those. We have found that it often works better to set up another member meeting than to try and cram too much into one meeting.

2. *Have you checked in with members before setting an agenda?*

One important purpose of a member meeting is to make sure that members have time to talk to one another about their hopes and goals for your organization. It helps to informally check in with a range of members before setting the agenda for a meeting. In that way, you can make sure that the meeting will deal with members' actual concerns and interests.

3. *Have you planned how to make members feel comfortable coming to a meeting?*

If you want as many members as possible to come to meetings, it helps to think about the things that can make it hard for a member to find time to join. You might consider whether it would help if there was a space for child care during the meetings. Maybe your members would enjoy having some informal time together before the meeting to share food? Have you talked to members to find out whether there are better days of the week or times of the day to hold meetings?

4. *Have you thought about how to make it comfortable for members to speak at meetings?*

In our experience, some people will be very comfortable speaking up at a group meeting, while others will be more reluctant. It helps if everyone knows about ground rules in advance of a meeting. For example, if you want to make sure that you have enough time to get through the agenda for your meeting, you might want to set a limit on how long any one person can speak. You might let people speak for 2 minutes on each topic. If you had a ground rule like that, you would need to designate someone as the timekeeper so that the ground rule got applied equally. If your members speak more than one primary language, you might make sure that there is translation. That way, everyone can participate and follow the conversation. There are many different kinds of ground rules that you might use. We encourage you to make sure that the rules you choose help people participate and feel included instead of make them feel unwelcome or intimidated.

Below is a sample notice for an organization's meeting. So long as you include the required information, you should feel free to add information or change the design. We hope our sample just helps you get going.



HOMEOWNERS' ASSOCIATION MEETING NOTICE

To:

All the Members

There will be a Homeowners' Association meeting.



Details below:

Date:

Time:

☐ AM ☐ PM

Place:

At the meeting we will talk about the following topics:

- 1.
- 2.
- 3.

*If a topic is marked with an asterisk, that means the Members will vote on it.

After we have talked about all of the topics listed, there will be time for open comments from any Member. If you have any concerns or would like to talk about something, you may bring it up at open comment.

Look forward to seeing you at the meeting!

Sample Agenda For Meeting Of Association Board Of Directors

Like a notice for your organization's member meetings, there should be a notice for any meeting of the organization's board of directors. A notice for a board meeting typically is set up in the form of an "agenda." Your organization's bylaws will set out what information needs to be included in the agenda. The bylaws also will describe how far in advance of the meeting the agenda needs to be delivered to each director, and by what method. Typically, the director who is appointed as the secretary will consult with the president of the board to create the agenda. The secretary will then make sure the agenda gets delivered to each board member in the correct amount of time before the meeting.

Similar to organization meetings, at each board meeting, the directors typically start by approving the minutes from the prior meeting. We talk more about minutes and the approval process in the "Sample Minutes" section. After the directors approve the minutes, we strongly suggest that the next topic is a report about your organization's finances. Most organization bylaws will require the treasurer to make such a financial report at each board meeting. In our experience, it is good practice for the financial report to happen near the beginning of the meeting. That way, you can be sure that you will get to this important information, and not run out of time at the end of a meeting.

Also, similarly to your organization's member meetings, an agenda for the board meeting should disclose which items will require the directors to vote. For example, if your organization needed some new computer equipment that was going to cost more than a small amount of money, that kind of purchase typically would have to be approved by the board. So, that agenda item would indicate that the board would be voting on the expense.

As noted above, the president and the secretary usually are responsible for creating the agenda for board meetings. In creating an agenda, we encourage the president and secretary to think about points that we talked about related to notices for member meetings. We have copied the points below, and you can read more details about each point in the "Sample Homeowner Association Meeting Notice" section.

- 1. How much time do you have for the meeting?*
- 2. Have you checked in with directors before setting an agenda?*
- 3. Have you planned how to make sure directors are able to come to a meeting?*
- 4. Have you thought about how to make it comfortable for all directors to speak at meetings?*

Below is a sample agenda for a board of directors meeting. You should feel free to add information or change the design. We hope our sample just helps you get going.



MEETING AGENDA

ASSOCIATION BOARD OF DIRECTORS

To:

**Board of Directors,
ABC Homeowner Association**



The Board of Directors will meet as follows:

Date:

Time:

☐ AM ☐ PM

Place:

The agenda for the meeting is:

1. Approve the minutes from [date of last board meeting.]*
2. Receive financial report from treasurer.
- 3.
- 4.
- 5.

*Topics marked with an asterisk require a vote of the directors.

Legally Creating Your Mobile Homeowners' Association:

How to File Articles of Incorporation

In order to legally create a Colorado business entity, you have to file paperwork with the Colorado Secretary of State (SOS). Colorado law recognizes several types of business entities, including cooperatives, partnerships, LLCs, and nonprofit corporations. We recommend that your voluntary organization incorporate as a nonprofit.

“Incorporating” your nonprofit is accomplished by filing Articles of Incorporation with the SOS. The SOS has a fillable online form for nonprofit articles of incorporation that you must use for your organization. You could incorporate just by completing and submitting the online form. However, we *strongly* recommend that you write a more thorough Articles of Incorporation to include some important information that the SOS form does not ask for. We include an example of customized Articles of Incorporation below. When you fill out the online form, you also will attach the customized Articles of Incorporation.

In the sample document, each section is called an “article,” and we have included both required and optional articles. We say that an article is “required” if state law says that it must be included in your filing. The state law that applies to creating nonprofits is the Colorado Nonprofit Corporation Act. We say that an article is “optional” if either of the following is true: (1) the article contains useful information for governing your voluntary organization, but state law does not require the information to be included, or (2) the article contains information that you have to include if you also want your nonprofit to qualify under federal tax law as a charitable organization, commonly called a “501(c)(3)” organization. Remember to review the discussion in the Guidebook about 501(c)(3) organizations before you start to draft your organization’s Articles of Incorporation. Don’t assume that your organization will qualify to be tax exempt.



To begin, you will need to fill out the online nonprofit incorporation form at the Colorado Secretary of State website.

Instructions taken directly from:

https://www.sos.state.co.us/pubs/business/helpFiles/ARTINC_NPC_HELP.html

1. Enter an entity name

- The first step is to enter the name you’ve chosen for your entity.
- We recommend that you pick a name that makes it easy for people to know that you are a community-based organization.
- After you’ve entered the entity name, click “Next.” If the name is available, you’ll be moved to the next step in the Articles of Incorporation. If the name you want is already used by another group, you will have to select a new name.

2. 501(c)(3) notice

- After you enter your organization's name, the next screen will have a notice about federal tax-exempt status, or 501(c)(3) status. If you are planning on this route, the customized Articles of Incorporation will include the correct "purpose" statement.
- For information on 501(c)(3) status, check the Guidebook at pp. 20-23.

3. Entity name

- The entity name field will be pre-filled with the entity name you entered on the previous page. If this information is incorrect, click "Back" to return to the Entity Name page.

4. Principal office street address

- You must pick a physical location that your organization will use. It does not have to be an office building. For example, you could pick someone's home address. But, the street address must be a physical address and cannot be a post office box.
- Provide the street name and number, including the suite, unit, or lot number, if applicable. You must also include the city, state, and ZIP/postal code.
- Example:

123 N. Main Street, Lot 101
Denver, Colorado 80202

5. Principal office mailing address

- You also can list a mailing address, if you want the organization's mail to be delivered to some place other than the physical location you listed. For example, if you would rather have the organization's mail delivered to a P.O. box, you could add that address in this section of the form.
- Example:

P.O. Box 854
Lakewood, Colorado 80228

6. Registered agent name

- Provide the name of the registered agent.
- The registered agent is the individual or business responsible for accepting service of process for an entity and must be in Colorado. The registered agent doesn't have to be a part of the organization. The registered agent is responsible for forwarding service of process to the entity.
- In Colorado, an organization can act as its own registered agent. That is what we recommend. In other words, you would list the name of your organization as its own registered agent.
- If you want to get some more information about registered agents, you can look at the SOS website here:
<https://www.sos.state.co.us/pubs/business/FAQs/regAgent.html>.

7. Registered agent street address

- You need to provide a street address for your registered agent.
- The street address must be a physical address and **cannot** be a post office box.
- If you have your organization as its own registered agent, this address should be the same as the one you used for your organization's physical address.

8. Registered agent mailing address

- You can list a mailing address if you want mail to be delivered to some place other than the physical location you listed.

9. Statement regarding registered agent consent

- The registered agent must consent to being appointed as the registered agent for the organization. Check the box to confirm that your registered agent has agreed to do that job for the organization.

10. Name and mailing address of the person forming the nonprofit corporation

- Provide the name and mailing address of the person who is forming the entity. A person who is forming the nonprofit corporation must be an individual who is age 18 years or older.
- Typically, one of the people who is actively working to help you form your organization should be the person who fills out the SOS online incorporation form. If you already are far enough along in your organizing process that you have your initial board of directors, you can list all of the directors as incorporators. You would include an attachment stating the name and mailing address of each additional incorporator.

11. Voting members

- Select "Yes" or "No" to indicate whether or not the nonprofit corporation will have voting members.
- We strongly recommend that your community have discussed this issue before incorporating the organization. Almost all community organizations will have voting members.

12. Distribution upon dissolution

- Enter information about how your organization will distribute any assets if the organization gets dissolved. We recommend that you provide this information in an attachment, type "See attachment" in the box and select "Yes" under "Attach additional information." Then, you would attach the sample Articles of Incorporation.
- The sample customized Articles of Incorporation include a section that talks about distributing assets if your organization were to dissolve. We strongly recommend that you use that language.

- If you have determined that your organization is going to become a 501(c)(3) tax-exempt organization, you must distribute your organization's assets in a very specific way. The sample Articles of Incorporation give you language that you need to include. For the online form, type "See attachment" in the box and select "Yes" under "Attach additional information." Then, you would attach the sample Articles of Incorporation.

13. Additional information

- Because we strongly recommend that your organization use customized Articles of Incorporation, you should select "Yes." After clicking on "Submit" at the bottom of the online form, the system will proceed to the Manage Attachments page. At this stage, you will be able to upload your customized Articles of Incorporation as a plain text (.txt) or PDF (.pdf) document. Click [here](#) for information regarding attachments.

14. Delayed effective date (optional)

- If you want the document to take effect immediately, leave "Yes" selected and the date field blank. This is the option we recommend.
- If you don't want the document to become effective immediately, select "No" and enter the date and time (time is optional) that you want the document to become effective in the box. If only a date is entered into the box, then the document will become effective at 11:59 PM on that date. The effective date of filing can be delayed up to 90 days maximum. All filing dates and times are in Mountain Standard Time. We do not recommend that you delay the incorporation date.

15. Email notification

- You can sign up to receive email notifications from the SOS. We strongly recommend that you do that so that you can get reminder emails about upcoming filings, like the annual periodic report.

16. Notice

- Whoever is filling out the online form for Articles of Incorporation has to be authorized to do so. In this section, the person confirms that they have such authority.
- Provide the last name and first name of person who is completing the online form. Enter the individual's mailing address, including the city, state, and ZIP/postal code.
- Typically, only one person is filing the documents. We expect that you would not have other people to list. That is true even if someone else is standing by you as you complete the form.

17. Submit

- Selecting the Submit button will navigate to either the "Manage Attachments" page or the "You're not done yet" page to review the information. If you select Submit and the next page does not display, first check for error messages at the top of the form. Your document won't be filed until after payment.

18. Note

- Review the form carefully and correct any mistakes before you submit it. The Secretary of State requires that this form and any attachments be in English.

When you see text in brackets that is highlighted, that means you need to add some information that is specific for your organization.

ARTICLES OF INCORPORATION FOR NONPROFIT CORPORATION, [NAME OF ORGANIZATION]

These articles of incorporation are filed pursuant to the Colorado Nonprofit Corporation Act, Colorado Revised Statutes (C.R.S.) § 7-122-101 and § 7-122-102.

Article I. **NAME.**

The name of the nonprofit corporation is [Name].

Article II. **DURATION.**

The corporation shall exist perpetually.

Article III. **PURPOSES AND POWERS.**

OPTION 1: *Section 3.1 Purpose.*

The corporation is organized and shall be operated exclusively for providing a sense of community, inclusivity, and diversity in [Name of your mobile home park]. [Name of your organization] commits to providing a collective voice for its members and park residents in all matters affecting the community at large. All activities of [Name of your organization] aim to promote and protect a safe and healthy living environment for residents and to provide security and longevity for those who intend to continue residing within [Name of your mobile home park].

You should pick one of the options for “Section 3.1 Purpose” then delete the other. Option 1 is for nonprofits only, and Option 2 is for 501(c)(3) entities.

Before you select the language that applies to a 501(c)(3) tax-exempt organization, make sure you have reviewed the information in the Guidebook at pp. 20-23.

OPTION 2: *Section 3.1 Purpose.*

The corporation is organized and shall be operated exclusively for the charitable purposes of lessening neighborhood tensions and relief of the poor, the distressed or the underprivileged as those purposes are consonant within the meaning of Section 501(c)(3) of the Internal Revenue Code.

The charitable purposes listed here all are approved by the IRS. However, you should get advice from a lawyer about the specific purposes that would apply to your particular organization. Do not assume that the reasons listed here will apply.

Section 3.2 Powers.

In furtherance of the foregoing purposes and objectives, and subject to the restrictions set forth in Section 3.3 of this Article, the corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of Colorado. The corporation may do everything necessary or convenient to accomplish any of its corporate purposes, either alone or in connection with other organizations, entities, or individuals, and either as principal or agent, subject to such limitations as are or may be prescribed by law.

Section 3.3 Restrictions on Powers.

- a. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable by, any director or officer of the corporation or any other individual. The corporation may pay reasonable compensation for services rendered to or for the benefit of the corporation. No director or officer of the corporation or any other individual shall be entitled to share in any distribution of any of the corporate assets on dissolution of the corporation.
- b. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. The corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- c. Notwithstanding any other provision of these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code, or by a corporation, contributions to which are deductible under Sections 170(c)(2) of the Internal Revenue Code.
- d. Notwithstanding any other provisions of these articles of incorporation, if the corporation is at any time classified as a private foundation within the meaning of Section 509(a) of the Internal Revenue Code, then from that time forward:
 - i. The corporation shall make distributions for each taxable year at such time and in such manner so as not to subject the corporation to tax under Section 4942 of the Internal Revenue Code;
 - ii. The corporation shall not engage in any act of “self-dealing,” as defined in Section 4941(d) of the Internal Revenue Code;
 - iii. The corporation shall not retain any “excess business holdings,” as defined in Section 4943(c) of the Internal Revenue Code;
 - iv. The corporation shall not make any investments that would jeopardize the carrying out of any of the exempt purposes of the corporation, within the meaning of Section 4944 of the Internal Revenue Code; and
 - v. The corporation shall not make any “taxable expenditures,” as defined in Section 4945(d) of the Internal Revenue Code.

Subsections c and d should only be included if your organization is going to apply for 501(c) (3) tax-exempt status.

Article IV. OFFICES, AGENTS, AND INCORPORATORS.

Section 4.1 Principal Office.

The street address of the principal office is:

[Address
Address]

The mailing address of the principal office is:

[Address
Address]

Section 4.2 Registered Office and Agent.

The registered agent shall be [Name of organization], a nonprofit corporation. The street address of the initial registered office of the corporation is:

[Address
Address]

We recommend that the organization act as its own registered agent.

If you choose to have an individual act as the organization's registered agent, you would put that person's name and contact information here instead.

Section 4.3 Incorporators.

The names and addresses of the incorporators are as follows:

[Name
Address
Address]

[Name
Address
Address]

[Name
Address
Address]

The "incorporators" are the persons filing the articles of incorporation on behalf of the nonprofit.

Article V. MEMBERS.

OPTION 1:

The corporation shall have voting members.

OPTION 2:

The corporation shall have members. The members will not have voting rights.

OPTION 3:

The corporation shall have no members.

You need to pick one option of the three to include. Delete the other options.

We expect that almost every organization will select Option 1 because your organization will have members and those members will get to vote at least on some important issues. Please see the discussion in the Guidebook at pp. 6-8.

We have listed the other two options in the rare case one of those apply instead.

Article VI. BOARD OF DIRECTORS.

Section 6.1 General.

The control and management of the affairs of the corporation and of the disposition of its funds and property shall be vested in a board of directors, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act, these articles of incorporation, or the bylaws of the corporation. The number of directors, their classifications if any, their terms of office, and the manner of their election or appointment shall be as provided from time to time in the bylaws of the corporation.

Section 6.2 Initial Board.

OPTION 1:

The names and complete addresses of the initial board of directors are:

[Name

Address

Address]

[Name

Address

Address]

[Name

Address

Address]

If you know the names of your initial board members, list them in this section.

If you do not yet know the board, choose Option 2.

OPTION 2:

After incorporation, the incorporators shall elect an initial board of directors. Until the initial board of directors has been elected and shall qualify, the incorporators shall serve as the sole directors of the corporation and shall have all of the powers and authority and shall perform all of the duties of the board of directors.

Article VII. **DISSOLUTION.**

OPTION 1:

Upon dissolution of the corporation, the assets of the corporation shall be disposed of according to the procedure outlined in C.R.S. §§ 7-133-102(2) and 7-134-101. After the liabilities of the corporation have been discharged or provided for, the corporation's remaining assets shall be disposed of exclusively for the purposes of the corporation or distributed to a nonprofit, as determined by the then-acting board of directors.

You should pick only 1 of the options listed here, then delete the other.

Pick option 1 if your organization will only be a state nonprofit. Pick option 2 if your organization is going to apply for 501(c)(3) tax-exempt status.

OPTION 2:

Upon the dissolution of the corporation the board of directors shall, after paying or making provision for the payment of all of the corporation's liabilities, dispose of all of the corporation's assets exclusively for purposes then permitted by the Internal Revenue Code for entities qualifying under Section 501(c)(3).

Article VIII. **BYLAWS.**

The initial bylaws of the corporation shall be adopted by the board of directors. Except to the extent limited by the Colorado Revised Nonprofit Corporation Act, the board of directors shall have the power to alter, amend or repeal the bylaws in force and adopt new bylaws. The bylaws of the corporation may contain provisions for the managing and regulating of the affairs of the corporation that are consistent with law or these articles of incorporation. However, no bylaw shall have the effect of giving any director or officer of the corporation or any other individual any proprietary interest in the corporation's property, whether during the term of the corporation's existence or as an incident to its dissolution.

Article IX. **AMENDMENTS.**

The board of directors shall have the exclusive power and authority at any time and from time to time amend these articles of incorporation by the vote of a two-thirds majority of the directors then in office. If there is not a whole number, the number of individuals required to amend the articles of incorporation shall be rounded up.

Bylaws Introduction

The bylaws are used to state how your organization will function and govern itself. If you decide to organize your voluntary organization as a nonprofit corporation under state law, your organization must adopt some form of bylaws. The Guidebook goes through questions we recommend you ask your organization and discuss before your organization writes and adopts its bylaws.

In these sample bylaws you will see sections where we present more than one option. For example, your organization could make a range of choices about who can be a member. We have tried to present the most common options that organizations make. We have not presented every option, and we want to remind you that your organization might decide it wants to make a choice not listed in our sample bylaws. Drafting bylaws is one task where your organization could benefit from hiring a lawyer to give tailored advice. We encourage you to seek information from a lawyer who can answer the questions you have that are specific to your organization.

BYLAWS FOR [INSERT NAME OF HOMEOWNERS' ASSOCIATION], A COLORADO NONPROFIT

I. Name.

The name of the Association is [insert name of HOA] (“the Association”). It is organized as a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act (C.R.S. § 7-121-101 et seq.).

II. Purpose.

OPTION 1:

The Association is a Colorado charitable organization established for the charitable purposes of social welfare and civic engagement.

If you plan on registering as a state nonprofit, you should choose the first purpose statement. It lists state law charitable purposes that typically fit for a voluntary homeowners' association.

OPTION 2:

The Association is organized and shall be exclusively for relief of the poor, the distressed, or the underprivileged within the meaning of section 501(c)(3) of the Internal Revenue Code.

You should only choose the second statement if your organization also is going to apply to the IRS to be tax exempt under Section 501(c)(3). We have used the IRS-approved charitable purposes that typically fit for a voluntary homeowners' association. There are other IRS-approved charitable purposes.

See pages 20-23 of the Guidebook for more information.

III. Mission.

Pick one of these two options. Either one helps show how your organization is going to benefit your community and not just a few individual homeowners.

OPTION 1:

The purpose of the Association is to foster a welcoming and safe living space for all Park residents. The Association aims to bring Park residents together to form a community within the Park, to provide a collective voice in matters affecting residents, and to promote diversity, equity, and inclusivity within the Park.

OPTION 2:

The Association exists to provide a sense of community, inclusivity, and belonging within the Park. The Association commits to providing a collective voice for residents in all matters affecting the Park community. All activities of the Association aim to promote and protect a safe and healthy living environment for all Park residents.

Include this final paragraph regardless of which option you have chosen.

The Association aspires to be a model of community engagement for other mobile homeowners' associations across the state of Colorado. Through its work, the Association aims to promote diversity in leadership and to empower its members in ways that can be replicated by other associations.

IV. Nondiscrimination, Inclusion, and Anti-Racism.

Because we feel it is so important that your community respect the fullest range of voices, we think every community should include this kind of statement.

In all of its activities and operations, [Name] shall actively promote anti-racism and inclusion, and shall not discriminate or allow unlawful harassment on the basis of race, color, national origin, gender, sex, sexual orientation, religion, political affiliation, age, size, marital status, disability, or military status.

[Name] is a diverse, inclusive, and equitable group where all Members should feel valued and respected, irrespective of their race, color, national origin, gender, sex, sexual orientation, religion, political affiliation, age, size, marital status, disability, or military status. [Name] is committed to combating racism, promoting inclusion, and providing equal opportunities to serve in leadership capacities. [Name] respects and values diverse life experiences and heritages and works to ensure that all voices are valued and heard.

V. Members.

A. Who can be a Member?

Your organization has several different options about who might be a Member. You can pick one of these choices, but you should review pages 7 & 12 of the Guidebook before you make your choice.

Also, remember that there can be a difference in who can be a Member and who can vote.

OPTION 1: ●

Any homeowner who **owns a mobile home in the Park** may be a Member.

OPTION 2: ●

Any homeowner who **resides in the mobile home they own in the Park** may be a Member.

OPTION 3: ●

Any individual **living in a mobile home in the Park** may be a Member. Membership is not limited to one person per homesite.

OPTION 4: ●

Any homeowner who **owns a mobile home in the Park** may be a Member. Any individual who **resides in a mobile home in the Park** may also be a Member.

B. Members' Voting Rights.

You also have to choose which Members will be permitted to vote. There are three options. But, each option applies to different kinds of membership choices.

If you chose Option 1 or 2 above as how you will define a Member, you must choose Option 1 in this section about voting. If you chose Option 3 about how to define a Member, you should choose Option 2 in this section about voting. If you chose Option 4 about how to define a Member, you should choose Option 3 in this section about voting.

See pages 12-13 of the Guidebook for more information.

OPTION 1: ◀

Voting shall be limited to Members. Members shall be entitled to one vote per lot lease on each matter submitted to a vote of the membership. If a Member owns more than one mobile home in the Park, that Member shall still only have one vote.

OPTION 2: ◀

Voting shall be limited to Members. Members shall be entitled to one vote per lot lease on each matter submitted to a vote of the membership. If more than one Member lives at a homesite, those Members shall annually designate one Member living at that homesite to vote.

OPTION 3: ◀

Voting shall be limited to Members. Members shall be entitled to one vote per lot lease on each matter submitted to a vote of the membership. If more than one Member lives at a homesite, those Members shall annually designate one Member living at that homesite to vote. If a Member owns more than one mobile home in the Park, that Member shall still only have one vote.

Each voting Member shall be entitled to vote to elect Directors and to vote on any other matter submitted to a vote of Members by resolution of the Board of Directors (“Board”).

You must pick only 1 of these 2 options.

OPTION 1:

A Member is **required** to be in good standing to vote.

OPTION 2:

A Member is **not required** to be in good standing to vote.

C. Dues.

You must pick only 1 of these 2 options.

OPTION 1:

Members shall pay dues annually. The Board shall set annual dues at its first meeting of the fiscal year, and shall notify all Members of the annual dues in writing. To remain in good standing with the Association, Members shall pay their annual dues no later than 30 days after receiving notice. The Board may enter into a payment plan with any Member who is unable to pay dues in full at the due date. A Member who fails to timely pay dues or who enters into a payment plan and fails to meet the terms of the plan shall not be in good standing. A Member can return to good standing by bringing their dues payment current.

OPTION 2:

There shall be **no membership dues**. All Members are in good standing.

D. Quorum.

You must pick only 1 of these 2 options.

OPTION 1:

To vote on any action requiring the vote of all Members, **30% of Members must be present** at a meeting to constitute a quorum.

OPTION 2:

To vote on any action requiring the vote of all Members, **40% of Members must be present** at a meeting to constitute a quorum.

E. Voting by Proxy.

OPTION 1:

Members of the Association shall **vote in person at all meetings** of Members, except that Members may vote by proxy to elect Directors, amend the Bylaws, and dissolve the Association. Every proxy vote must be in writing, signed by the Member casting the vote, and given to the Secretary before the start of the scheduled meeting.

OPTION 2:

Members may **vote in person or by proxy in all meetings** of Members. Every proxy vote must be in writing, signed by the Member casting the vote, and given to the Secretary before the start of the scheduled meeting.

OPTION 3:

Members shall **vote only in person**. Members are not permitted to vote by proxy.

You must pick only 1 of these 3 options. We would recommend that you at least allow Members to vote by proxy for important decisions, like electing Directors, amending the Bylaws, and dissolving the Association. That way, if a Member cannot make a meeting, their voice can still be heard.

F. Transfer of Membership.

Membership in the Association is not transferable. Members shall have no ownership rights or beneficial interests of any kind in the property of the Association.

G. Meetings.

a. Meeting of Members.

Members shall meet no less than [monthly, quarterly, twice per year, annually] at a time and place within [City or County] Colorado, as determined by the Board, for election of Directors to the Board and other matters that may come before the Members. If the Association fails to hold a regular meeting due to unforeseen emergency circumstances, the failure shall not dissolve the Association.

You have options as to how often members meet, but members must meet at least annually.

See page 13 of the Guidebook for more information.

b. Special Meetings of Members.

The Board may call a special meeting of the Members for any purpose. Members may call a special meeting of the Association by written request of 25% of Members made to the Board. The request shall state the purpose of the meeting. The special meeting shall be set no earlier than 10 days after the written request is delivered to the Board.

c. Notice of Meeting.

The Board shall provide notice of any regular or special meeting to all Members no less than 10 days prior to any meeting. The Board shall notify Members of the meeting by email or by hand delivery of notice and shall post the notice in a common area of the Park. The notice shall not be delivered via text message as an alternative to email or hand delivery. The notice shall state the location, date, time, and general purpose of the meeting. Any matter requiring a vote shall be included in the meeting notice. If a voting matter is not stated in the notice, then the vote shall not take place.

VI. Board of Directors.

A. Powers.

The affairs and activities of the Association shall be managed by the Board. The Board shall exercise all powers permitted by these Bylaws and otherwise permitted by law.

B. Number of Directors.

The Board shall have at least 3 Directors and a maximum of [x] Directors.

State law allows a nonprofit to have no more than 13 Directors. See Guidebook page 15 for more details.

C. Qualifications of Directors.

A Director must be a Member and over the age of 18. Directors must have lived in the Park for a minimum of 2 years. Directors must be willing and able to spend the necessary time to work towards the good of the community and keep the community informed.

D. Term of Service.

Directors will serve for a period of 2 years, at which point they shall stand for reelection. Directors shall serve for a maximum of 4 consecutive terms. The Board may make efforts as may be necessary to ensure that the terms of no more than 1/3 of the Directors expire in the same year.

You can make a range of choices about term lengths for Directors. This is the language we suggest. See Guidebook page 16 for more information.

E. Vacancies.

OPTION 1:

For any vacancy on the Board, any Member who meets the qualifications for Director may submit their name or the name of another Member to fill the open Director position. If a Member is nominated by another Member, the nominated Member must consent to the nomination. The Board shall determine the process and timing of elections for open Director positions. At a minimum, the Board will ensure that it holds any needed elections for open positions no fewer than 2 times per year.

A candidate shall fill a vacancy if the candidate wins a number of votes that equals or exceeds the majority of the total number of Members eligible to vote, regardless if a Member actually casts a vote.

OPTION 2:

For any vacancy on the Board, the current Directors shall nominate at least 2, and not more than 3, candidates to fill each vacancy. Members shall vote on who will fill the vacant position.

You must pick only 1 of these 2 options. We recommend that Members nominate candidates to fill vacancies. Also, keep in mind that to win an election, a candidate must win a majority of the total number of Members who are eligible to vote, even if a Member doesn't actually cast a vote.

For example, if there are 50 Members of the Association, a candidate must win 26 votes to win an election, even if not all 50 Members vote.

See page 16 of the Guidebook for more information.

A candidate shall fill a vacancy if the candidate wins a number of votes that equals or exceeds the majority of the total number of Members eligible to vote, regardless of whether a Member actually casts a vote.

F. Attendance.

A Director who is absent from three consecutive Board meetings without approval from the remaining Directors may be considered to have resigned.

G. Authorities and Duties of Officers.

There shall be at least three officers: a President, a Secretary, and a Treasurer. Officer positions shall be held as 1-year terms. Directors shall nominate and elect the officers at each calendar year's first Board meeting by majority vote. Each officer's term shall begin at the end of the meeting at which that officer is elected. If an officer position becomes vacant before the end of the officer's term, the Board may appoint a Director to complete that officer's term.

There are other ways that a Board of Directors can operate. See pages 6-7 of the Guidebook for examples of how a Board might work in a non-hierarchical way.

See page 15 of the Guidebook for more information.

Directors shall not serve in the same officer position for more than 2 consecutive terms.

a. President.

The President shall preside over all of the Association's meetings. The President, in cooperation with the Board, shall ensure the Association's activities align with and further the Association's mission. The President shall ensure that the Board's work complies with local, state, and federal law. The President shall ensure that the Board engages with Members and other Park residents so that the Board is reasonably informed of the range of perspectives in the Park. The President may reasonably delegate duties for specific projects among the other Directors. The President shall prepare and distribute notices and agendas for both Board and Member meetings.

b. Treasurer.

The Treasurer shall: (i) manage the finances of the Association; (ii) prepare a financial report for the Board and present that report at each regularly scheduled Board meeting; (iii) file any taxes required for the Association; (iv) prepare a yearly financial report and make it available to each Member; and (v) approve any Association spending of \$50 or less. For any spending greater than \$50, the Treasurer must have approval of at least one other Director.

c. Secretary.

The Secretary shall keep records of all Board meetings, including (i) taking minutes at all Board meetings; (ii) sending out meeting announcements; (iii) distributing copies of the agenda to each Director; (iv) making the minutes available to each Director; (v) collecting and counting all votes of the Association; and (vi) ensuring proper maintenance of other records and information required to be kept by the Association under C.R.S. § 7-136-101.

H. Committees.

By resolution of a majority of Directors, the Board may designate one or more committees to serve at the pleasure of the Board. Committees are considered to have the authority of the Board, except that no committee may: (i) take any action that also requires approval of a majority of Directors; or (ii) take any action that requires a vote by Members.

I. Attendance.

A Director who is absent from all regular meetings in a calendar year without approval from the remaining Directors may be considered to have resigned.

J. Quorum.

If the Board consists of 3 Directors, a quorum of the Board will be all Directors. If the Board consists of more than 3 directors, a quorum requires 2/3rds of seated Directors. No business shall be considered by the Board at a meeting where a quorum is not present.

Under state law, a quorum for Board meetings is not allowed to be less than 25%.

K. Voting.

All Directors shall have equal voting rights when voting is required. Any act of the Board requires the vote of a majority of Directors present at a meeting that satisfies the quorum requirements.

The option provided here is a simple majority vote. You might also want to consider adopting consensus-based decision-making. We offer some sample language below:

All Directors shall have equal voting rights when voting is required. The Board commits to using consensus-based decision-making. At all times when working on Board matters, Directors will seek to actively listen to each other, consider options for mutual gain, and facilitate all Directors' participation in the decision-making. Any act of the Board requires the affirmative vote of all the Directors. The Board may move away from consensus decision-making on an item or topic only after it has made sustained efforts to reach consensus.

At a Board meeting where the Directors cannot reach a consensus, the Directors shall decide the issue by majority vote if 2/3rds of the Directors agree to move to majority vote. If the mathematical calculation of 2/3rds of the Directors yields something other than a whole number, then the number of votes required to carry a resolution shall be rounded up to the next whole number.

See page 16 of the Guidebook for more information.

L. Removal.

A Director may be removed by 2/3rds vote of the remaining Directors when, in their judgment, it would be in the best interest of the Association. If the mathematical calculation of 2/3rds of the Directors results in something other than a whole number, then the number of votes required to pass this resolution shall be rounded up to the next whole number. A Director may also be removed by

You have a number of options in deciding how to remove a Director. We suggest that you allow both the Board or the Members to remove a Director.

a vote of the Members. If 2/3rds of the Members vote in favor of removing a Director, that Director shall be removed. If the mathematical calculation of 2/3rds of the Members results in something other than a whole number, then the number of votes required to pass this resolution shall be rounded up to the next whole number.

Before a vote of removal may be held, the Director in question shall be given the opportunity to speak before the Members.

M. Resignation.

A Director may resign at any time by giving written notice of resignation to the Board. The resignation is effective no earlier than 30 days after the Board receives the Director's notice.

N. Meetings.

a. Regular Meetings of the Board.

The Board shall meet no less than [quarterly, monthly] each calendar year. The Board shall set an annual schedule at its first meeting of the year. If the Board fails to hold a regular meeting due to unforeseen emergency circumstances, that failure will not dissolve the Association.

You have the option here to decide how often you would like the Board to meet. We recommend that the Board should meet at least quarterly. See page 16 of the Guidebook for more information.

b. Special Meetings of the Board.

The Board may call a special meeting for any purpose. Any Director may request a special meeting by written request made to all of the other Directors. The request shall state the purpose of the meeting. The Board shall set the special meeting no later than 10 days after the written request is delivered to the other Directors.

c. Notice of Agenda.

Except as otherwise prescribed by statute, the President will provide a written agenda to every Director for any regular or special meeting no less than 10 days before each meeting. The President shall deliver a written agenda to each Director via email or hand delivery. The agenda must state the location, date, time, and general purpose of the meeting. Any matter requiring a vote must be so identified in the agenda. If a voting matter is not stated in the agenda, then the vote shall not take place.

d. Remote Participation in Meetings.

A meeting may be held in person or remotely as is deemed reasonable by a majority of Directors. If a Director participates in a meeting remotely, all Directors must be able to hear and communicate clearly with the remote Director.

O. Actions Without Meetings.

You must pick only 1 of these 3 options.

OPTION 1:

The Board may act without meeting if all Directors consent to the action in writing. A Director may consent in writing via email.

OPTION 2:

The Board may act without meeting if 2/3rds of Directors consent to the action in writing. If the mathematical calculation of 2/3rds of the Directors results in something other than a whole number, then the number of votes required to pass this resolution shall be rounded up to the next whole number. A Director may consent in writing via email.

OPTION 3:

The Board shall not act without meeting in person.

P. Compensation.

You must pick only 1 of these 2 options.

OPTION 1:

Directors shall not be compensated for carrying out their duties as Directors.

OPTION 2:

The Board may adopt policies for reasonable reimbursement of Directors for carrying out Board responsibilities.

Include this final paragraph regardless of which option you have chosen.

Directors are not restricted from receiving compensation for professional services provided to the Association. Such compensation shall be reasonable and fair to the Association and must be reviewed and approved in accordance with the Board's conflict of interest policy and state law.

VII. Fiduciary Matters.

A "fiduciary" is someone who has a duty of care to the Association. A Director is considered a fiduciary of the Association. As a Director, the person must act in the best interests of the Association rather than act in their own individual interest.

A. Execution of Instruments.

The Board, subject to Section D, "Conflict of Interest," may authorize any Director to sign a legal instrument in the name of and on behalf of the Association. Examples of

a legal instrument include a contract and orders for the payment of money such as a check. The Board may grant a Director general authority or may limit the Director's authority to a specific instance. No instrument required to be signed by more than one Director may be signed by the same person in more than one capacity.

B. Indemnification.

To "indemnify" is to insure against a legal liability. Indemnification protects Directors of the Association from legal liability when they are performing their duties as Directors. The Association may purchase insurance to cover its obligations under this provision.

There is a particular kind of insurance that covers officers and directors of a business. You would need to find a commercial insurance broker to give you advice about that.

C. Director's Discharge of Duties.

Directors shall discharge their duties as a Director in good faith and in a manner the Director reasonably believes to be in the best interests of the Association.

D. Conflicts of Interest.

i. Definition.

A "conflicting interest transaction" refers to a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director (or a party related to a Director) is a Director or officer or has a financial interest. A "party related to a Director" includes extended family (including spouse, ancestors, descendants and siblings, and respective spouses and descendants), an estate or trust in which the Director or any member of the Director's extended family has a beneficial interest or a fiduciary responsibility, or another entity in which the Director or any member of the Director's extended family is a director, trustee, or officer or has a financial interest.

ii. Disclosure.

If a Director is aware that the Association is considering a conflicting interest transaction, the Director shall immediately inform the Board. The Director shall disclose to the Board any material facts within the Director's knowledge that are relevant to the Board's evaluation of the proposed conflicting interest transaction. No Director having an interest in a proposed conflicting interest transaction is entitled to vote on the decision to enter into the conflicting interest transaction.

iii. Approval of Conflicting Interest Transactions.

The Board may approve a conflicting interest transaction so long as the Board is fully aware of the material facts related to the conflicting interest transaction, evaluates the transaction in good faith, and the transaction is fair to the Association. The Directors who are eligible to participate in the decision-making must specifically authorize and approve of the conflicting interest transaction.

VIII. Records.

A. Minutes.

The Secretary shall keep all copies of meeting minutes from at least the previous 3 years, unless state law requires a longer duration. The Secretary shall ensure that the Association maintains those additional records as required by state law, C.R.S. § 7-136-101.

B. Fiscal Year.

You must pick only 1 of these 2 options.

OPTION 1:

The fiscal year of the Association shall be the calendar year, beginning on January 1st and ending on December 31st each year.

OPTION 2:

The fiscal year of the Association shall begin on [1st date of selected month, i.e., July 1] and end on [last day 12 months later, i.e. August 31] each year.

IX. Dissolution.

The Board shall make a plan for the event of dissolution of the Association. The Board shall include in the plan how to distribute the Association's assets after paying all creditors. That plan shall include identifying another nonprofit or governmental entity engaged in similar work to the Association to receive any remaining assets of the Association. For a voluntary proposal of dissolution to be authorized, 2/3rds of the Members must vote in favor of dissolving the Association. If the mathematical calculation of 2/3rds of the Members results in something other than a whole number, then the number of votes required to pass this resolution shall be rounded up to the next whole number.

X. Amendments.

You must pick only 1 of these 2 options.

OPTION 1:

To amend the Bylaws, 2/3rds of the Members must vote in favor of amending the Bylaws. If the mathematical calculation of 2/3rds of the Member results in something other than a whole number, then the number of votes required to pass this resolution shall be rounded up to the next whole number.

OPTION 2:

To amend the Bylaws, a majority of the Members must vote in favor of amending the Bylaws. If the mathematical calculation of 2/3rds of the Members results in something other than a whole number, then the number of votes required to pass this resolution shall be rounded up to the next whole number.

XI. Registered Office and Registered Agent.

A. Mailing Address.

The principal office of the Association is located at [Address Matching Articles of Incorporation].

B. Registered Agent.

The registered agent of the Association is [Association Name].

XII. Designated Contributions

The Association may accept any contribution, gift, grant, bequest, or devise from a donor, provided that any conditions or restrictions required by the donor are consistent with the Association's mission.

XIII. Severability.

The invalidity of any provision of these Bylaws will not affect the other provisions. In the event of an invalid provision, the Bylaws will be read as if the invalid provision were omitted.

These Bylaws were adopted by the Board on [DATE].

Organization's Financial Documents

How to Open a Bank Account.

Once the bylaws and articles of incorporation are filed, your organization will be ready to open a bank account. It is important that your organization have its own bank account and that you do not use an individual's personal bank account. Your organization needs to keep any money it receives in its own account to make sure that the organization can show its members how money came in and was used by the organization.

To open a bank account, follow these steps:

1. Obtain an EIN.

Before opening a bank account, you must obtain an Employer Identification Number (EIN) from the IRS. The IRS has a website that you use to get an EIN. Here is the [website](#). You will see that the website says that a “responsible party” needs to apply for an EIN on behalf of the organization. A “responsible party” can be anyone that the organization gives authority to get the EIN. The responsible party will need to have a valid social security number.

2. Choose a bank.

Do some research to figure out what bank will best suit the organization's needs. Think about things like:

- a. Do you want to be able to go to the bank in person? Does that mean you should choose a bank that has a physical location near you to make it easy?
- b. Check in with the banks you are interested in to make sure you know what they require in order to open an account for a nonprofit.
- c. Most banks limit the number of people who can be authorized users on an account. Make sure the bank you choose has rules that work for your organization.
- d. Is it important to your organization that you are able to work with the bank through its online services? If so, make sure you know what rules the bank has for online accounts.

3. Gather some necessary documents.

Typically, banks will require you to bring the following documents with you in order open your account. Make sure that you have the following documents to take with you:

- a. EIN.
- b. Articles of Incorporation.
- c. Names of the organization's leaders.

- d. Photo ID and social security numbers of the organization members who will be authorized to use the bank account.

It's wise to check with the bank before you go in to make sure you have all of the documents you need and that the correct people are coming to the bank to open the account.

4. Open account.

Go to the bank and get started!

How to Create a Financial Report for the Organization.

Your organization will need to keep a running record of its financial activities. It will need to be able to show what money is coming into your organization, and how your organization is spending any money. You will hear people call this kind of report by different names, like a "financial report" or an "income statement." We'll use the phrase, financial report. A financial report is critical for many reasons:

- Your organization's members have a right to review financial information about the organization. For example, if your members pay dues, the members get to know how their money is being spent. In order for your organization to be able to give members accurate financial information, the organization needs to have created a good system to track its financial information right from the start.
- The organization's board of directors is responsible for creating an annual budget for the organization. The board will need accurate financial information in order to create a budget. The board will also need accurate financial information to monitor whether the organization is staying true to its budget.
- Depending on the kind of money that come into your organization, you may have to file state or federal income tax returns. The organization's accountant will need accurate financial information in order to prepare those tax returns.
- If your organization is going to apply for grants or other kinds of donations, people generally want to see financial records before giving money away.

Below is a sample financial report that shows how your organization might track what kinds of income it has received and the kinds of expenses that it might have. Typically, financial reports include information for several different time periods all in the same report. For example, a report will show information for the month, as well as information added up for the year to the date of the report, and then the information for each item as it was budgeted by the board.

Association Sample Financial Report

[Month, Year] Through [Month, Year]

	This Month	Year to Date	Budgeted Amount
Income			
Member dues (\$25/member)	\$100	\$500	\$2000
Fundraising event (bake sale)	\$150	\$150	\$150
Grant from City	\$1000	\$1000	\$1000
Total Income	\$1250	\$1650	\$3150
Expenses			
Office supplies	\$10	\$100	\$500
Food for member meetings	\$50	\$100	\$1000
Bookkeeping software fee	\$0	\$100	\$100
Accountant	\$0	\$0	\$100
Annual member projects (this year build park playground)	\$0	\$0	\$1450
Total Expenses	\$60	\$300	\$3150
Net Income	\$1190	\$1350	\$0





Mobile Home Park Organizing Guidebook



Colorado **Law**
UNIVERSITY OF COLORADO **BOULDER**

© 2021 Sustainable Community Development Clinic at the
University of Colorado Law School.

