



CAI-NC's SEAL OF DISTINCTION program recognizes Community Associations who quietly *just do the right things*.

Following is a preview of the application requirements for the 2025-2027 recognition cycle.

This document is also offered as a public demonstration of best practices for North Carolina community associations, as identified by the NC chapter of Community Associations Institute.

MANDATORY DOCUMENTS

Applications cannot be accepted without each of the following 3 documents:

Current Bylaws including amendments

Current Declaration for the entity including amendments

Articles of Incorporation including amendments

BEST PRACTICES: REQUIRED CONFIRMATIONS AND DOCUMENTS:

- Minutes are kept for Owners' meetings.
- Minutes are kept for Board / Trustee meetings.
- Annual membership meetings are held in accordance with governing documents.
- There is an opportunity for owner input before or during open meetings.
- The association holds a regular election of board members, in compliance with governing documents.
- After each election, an annual board officer re-organization is held in compliance with governing documents.
- Prior to each board meeting, board members receive an agenda, minutes of the previous meeting, financials, and other appropriate reports.

- Board meetings may be attended by owners, per your governing documents requirements, except when the Board meets in executive session.
- The association maintains an up-to-date record of Resolutions.
- Orientation materials are provided to new board members.
- Contracts are competitively bid as a general procedure.
- Board members have agreed to abide by and actively promote CAI's Civility Pledge or the association's own code of conduct policy.
- Board members have agreed to abide by a written Confidentiality policy.
- Board members are asked to disclose potential Conflicts of Interest annually.
- Contractors are required to present a current copy of their insurance certificate prior to commencement of work.

Required Upload: Most recent Board meeting notice.

FINANCIAL: REQUIRED CONFIRMATIONS and DOCUMENTS

- The Association holds an annual budget ratification meeting.
- The association has adopted / ratified an annual budget and, at least 30 days prior to implementation, and provided a written copy to all owners.
- A financial audit or review was conducted for fiscal 2022 or 2023 by a third party CPA or qualified preparer.
- If audit/review management letter identifies any issues: steps taken to mediate.
- If Association had a non-weather related special assessment or taken out a loan in the past three years: amount and reason.

Required Uploads:

2025 adopted or ratified Operating Budget

Notice of 2025 annual assessment

Year-end 2024 Income Statement (as a stand-alone document, not as shown on a budget)

Year-end 2024 Balance Sheet (as a stand-alone document)

Year-end 2024 Aging Report (as a stand-alone document)

The association's 2022 or 2023 audit or review document, on the third-party preparer's letterhead.

RESERVES: REQUIRED CONFIRMATIONS and DOCUMENTS

- A Reserve Study has been conducted within the last 5 years by an independent reserve professional / engineer.
- Funding calculation methodology option approved by the Board of Directors.
- Amount recommended in your Reserve Study for 2024.
- Amount actually funded in 2024.
- Percentage of the recommended amount that was funded in 2024.
- Reserves amount recommended in your Reserve Study for 2025.
- Reserves amount in your approved/ratified 2025 budget.
- Percentage of the recommended amount funded in the budget.

Required Upload: Most recent reserve study.

RULES: Required Confirmations

- The association has written architectural control guidelines.
- Alleged violators are given the opportunity for a hearing prior to fines being assessed.
- The association informs owners of new rules and rule revisions by at least two of the following methods:
 - Email or first-class mail
 - Newsletter
 - Website
 - Auto phone/text message system

INSURANCE: REQUIRED CONFIRMATIONS and DOCUMENTS

NOTE- policies to cover employee dishonesty, crime or wrongful acts are not the same as Directors & Officers.

- Association's Director & Officers insurance coverage meets or exceeds the minimum amount stated in association documents.

- Association's General Liability insurance coverage meets or exceeds the minimum amount stated in association documents.
- Contractors are required to present a current copy of their insurance certificate prior to commencement of work.

Required Uploads:

Current Certificate of Insurance for the Association's D&O (not the policy document).

Current Certificate of Insurance for the General Liability policy (not the policy itself).

If other specific insurance policies required by your governing documents (Ex- Crime, Fidelity bond):

COI for the first policy cited above if applicable.

COI for the second policy cited above if applicable.

Verification:

Board President Name

I attest that this Board president is aware of this application and the information it includes.

END OF CHECKLIST



TO APPLY: <https://bit.ly/Seal2025>

We strongly suggest you review the above requirements and have all the required information and documents at hand before beginning the application.

You'll need to complete the full application in one "sitting."

THE APPLICATION CANNOT BE EDITED AFTER SUBMISSION.

DEADLINE: Friday, March 28, 2025.