



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

***The following is a preview of the application requirements for the 2026-2028 recognition cycle.***

***It 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.***

It's free to apply, and responses will not be seen by any other currently practicing NC managers.

***ALL INFORMATION NEEDS TO BE PROVIDED IN A SINGLE SUBMISSION by March 27, 2026.***

### **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**

- For HOA: If established after 1999 the Association holds an annual budget ratification meeting.
- For Condominium Association: If established after 10/1/1986 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 2023 or 2024 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:**

2026 adopted or ratified Operating Budget

Notice of 2026 annual assessment

Year-end 2025 Income Statement (as a stand-alone document, not as shown on a budget)

Year-end 2025 Balance Sheet (as a stand-alone document)

Year-end 2025 Aging Report (as a stand-alone document)

The association's 2023 or 2024 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 2025.
- Amount actually funded in 2025.
- Percentage of the recommended amount that was funded in 2025.
- Reserves amount recommended in your Reserve Study for 2026.
- Reserves amount in your approved/ratified 2026 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.