Effective Records Management for CICs



Nevada Real Estate Division

Revised 11/04/2025

Before we begin, please note: This training is intended to provide general information and education on NRS/NAC 116, 116A & 116B, and NAC 38. It is not legal advice, nor does it interpret the law or address individual circumstances. For authoritative guidance, refer directly to the statutes, regulations, and your community's governing documents.

The Ombudsman's Office and training officers are not responsible for how this information is applied or acted upon. Our goal is to help you understand the rights and responsibilities of the applicable laws and the CC&Rs in furtherance of effective common-interest community living.

Division staff will stick around for our Q&A session at the end of class to answer questions specific to the material presented. However, we cannot provide opinions on specific disputes or enforcement actions. Thank you.

For online live classes:

Please ensure your TEAMS display name is the name you want your certificate of attendance to be issued in.

OBJECTIVES

By the end of the course, attendees will:

1. *Best Practices*
2. *Common Record Types*
3. *Community Manager's Role*
4. *Providing Copies of Records*
5. *Records Available for Review*
6. *Complaint Process*


ICEBREAKER

The Role of the Declarant and the Association Board



Declarant's Role

- Creates the community by drafting and recording the declaration.
- Constructs the community.

Transfer of Property

- Within 30 days after unit owners elect a majority of the executive board, the declarant must deliver all property, including records, to the association.

Association's Responsibility

- Board of directors is responsible for maintaining the records of the community.

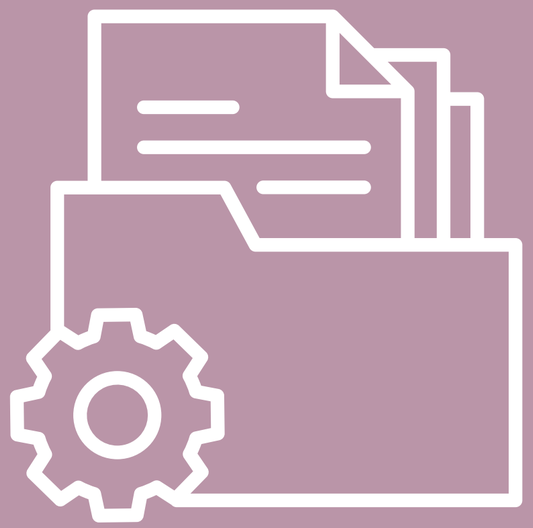
Importance of Good Record-Keeping Practices



A good record-keeping system should be:

Well Organized	*Thorough*	*Accurate*	*Reliable*	*Easy to follow and simple to use*	*Secure*

Why Good Record Keeping Matters



- A strong records system helps your board:
  - Find information fast when requested
  - Justify spending and track finances
  - Monitor progress and trends over time
  - Make informed, consistent decisions
  - Stay compliant with NRS 116 requirements
  - Save time and effort—long term

Electronic Records Are Acceptable



- *Electronic Record Keeping (NRS 82.188):*
  - *Records may be stored electronically, unless restricted by federal or state law.*
  - *If printed, the copy should be clear, legible, and accurately reflect the digital version.*
  - *A properly produced paper copy may be used for official purposes, including as evidence.*

What Records Should an Association Keep?



Governing Documents

- *CC&Rs, bylaws, rules & regulations, resolutions*
- *Collection policies, fine schedule, reserve studies*



Meetings & Financials

- *Minutes and audio recordings*
- *Financial statements (cash flows, ledgers, balance sheets)*
- *Receipts, invoices, and proof of expenditures*



Owner & Community Records

- *Assessment/fine ledgers*
- *ARC forms, impact statements*
- *Election materials: ballots, disclosures, tally sheets*



Contracts & Legal Docs

- *Employee/vendor contracts, insurance policies, claim*
- *Manufacturer documentation and warranties*

Additional Records Required

NRS 116.31038

Legal & Registration Documents

- Certificate of registration, limited partnership, or trust (filed with the Secretary of State)
- Financial audits
- Construction plans and specifications

Owner Communication & Notices

- Roster of unit addresses with mailing proof
- Lease agreements (for rental cap tracking)
- Notices, waivers, newsletters, meeting agendas

Digital & Informal Communication

- Any business conducted by email or electronic methods

Recording the Declaration: The First Step

NRS 116.2101



What is it?

- *The Declaration of CC&Rs (Covenants, Conditions & Restrictions)*

Who records it?

- *The declarant (usually the developer)*
- *Must record in every county where the CIC is located*

Why it matters?

- *Recording the CC&Rs officially creates the common-interest community (CIC)*

Amending the Declaration (CC&Rs)

NRS 116.2117

Approval Requirements

- Most amendments need a majority vote of unit owners
- Some declarations may require a higher percentage or approval by a third party

Recording & Delivery

- Amendment is not valid until a certified copy is recorded
- Must be recorded in the county where the community is located
- Association must deliver a copy to all unit owners within 30 days of recording

Challenge Deadline

- Legal challenges to the amendment must be filed within 1 year of recording

Lien Protection Requires Action

Super Priority Collection

Notice of Sale Requirements

Recording Liens & Notices for Foreclosure (NRS 116.3116 & NRS 116.311635)

- A Notice of Default (NOD) must be recorded to preserve the lien
- Without it, the lien for unpaid assessments may be extinguished

- To collect up to 9 months of past due assessments after foreclosure by a bank, the NOD must be properly recorded

- Before an HOA can sell a unit at foreclosure:
  - Must record a Notice of Sale
  - Notice must state the time and place of the sale
  - Filed with the county recorder

What's in a Resale Package?
(NRS 116.4109)

Required Contents:

- *Declaration, bylaws, rules & "Before You Purchase" info*
- *Statement of demand: monthly assessments & unpaid amounts*
- *Operating budget & year-to-date financials*
- *Reserve summary*
- *Legal disclosures: pending lawsuits or judgments*
- *All resale-related fees: transfer, transaction, etc.*
- *Fine policies & delinquency charges*

Timing:

- *Must be delivered within 10 days of request*



General Violation Records: What Must Be Logged

(NRS 116.31175(5))

- What Must Be Included:
  - Brief description of the violation type
  - Description of the sanction imposed
  - Fine amount, if applicable (including construction penalties)

- What Must Be Excluded:
  - No names, addresses, or identifying info

- How It Must Be Stored:
  - Organized, easy-to-search format
  - Kept in a filing or data system accessible for board review or requested by unit owner.



How Long Must Records Be Kept?

General Records

- Must be kept for at least 10 years

Meeting Minutes

- Must be retained indefinitely
- Until the community is terminated



(NRS 116.31175(7))


KNOWLEDGE

Who is responsible for transferring association records after the majority of the board is elected?

A. The association president

B. The declarant

C. The community manager

D. The treasurer



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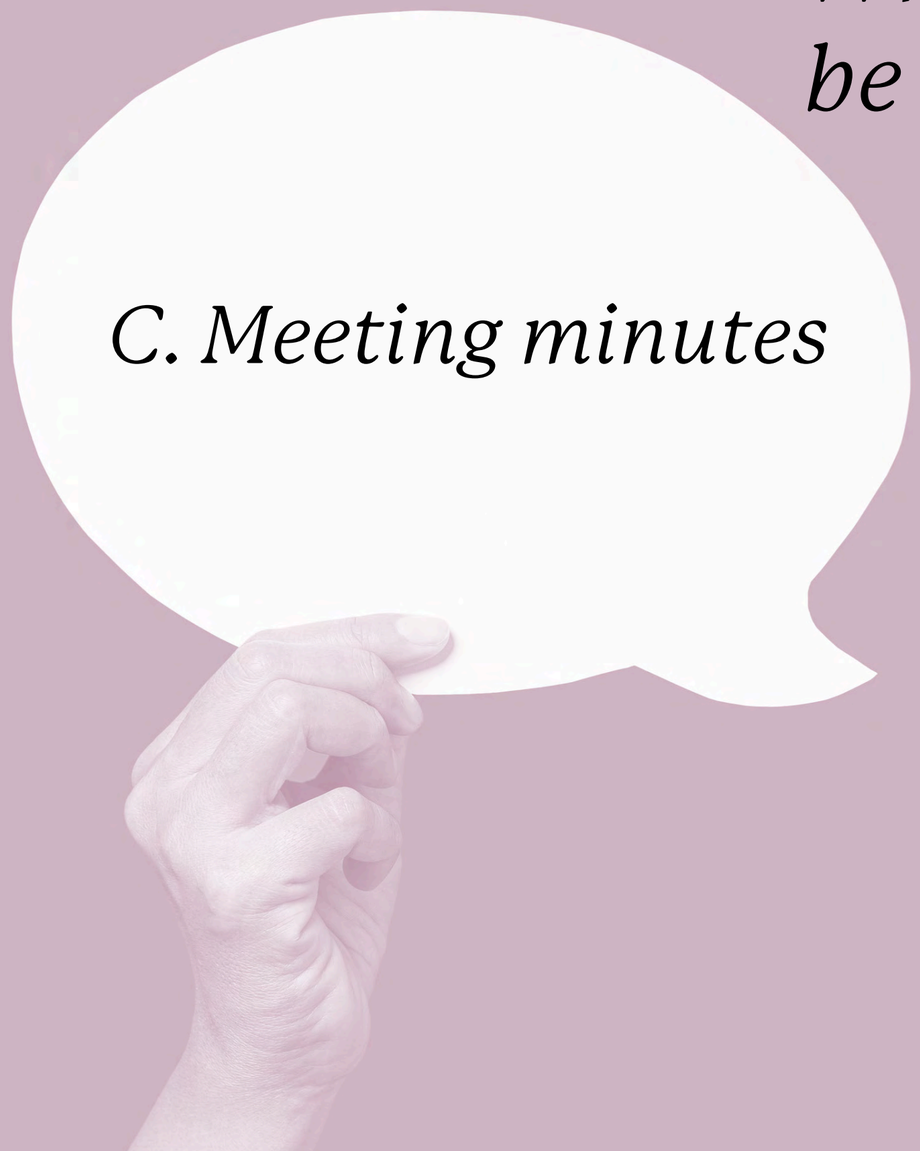


Which of the following must be kept indefinitely?

A. Financial statements
B. ARC forms
C. Meeting minutes
D. Lease agreements



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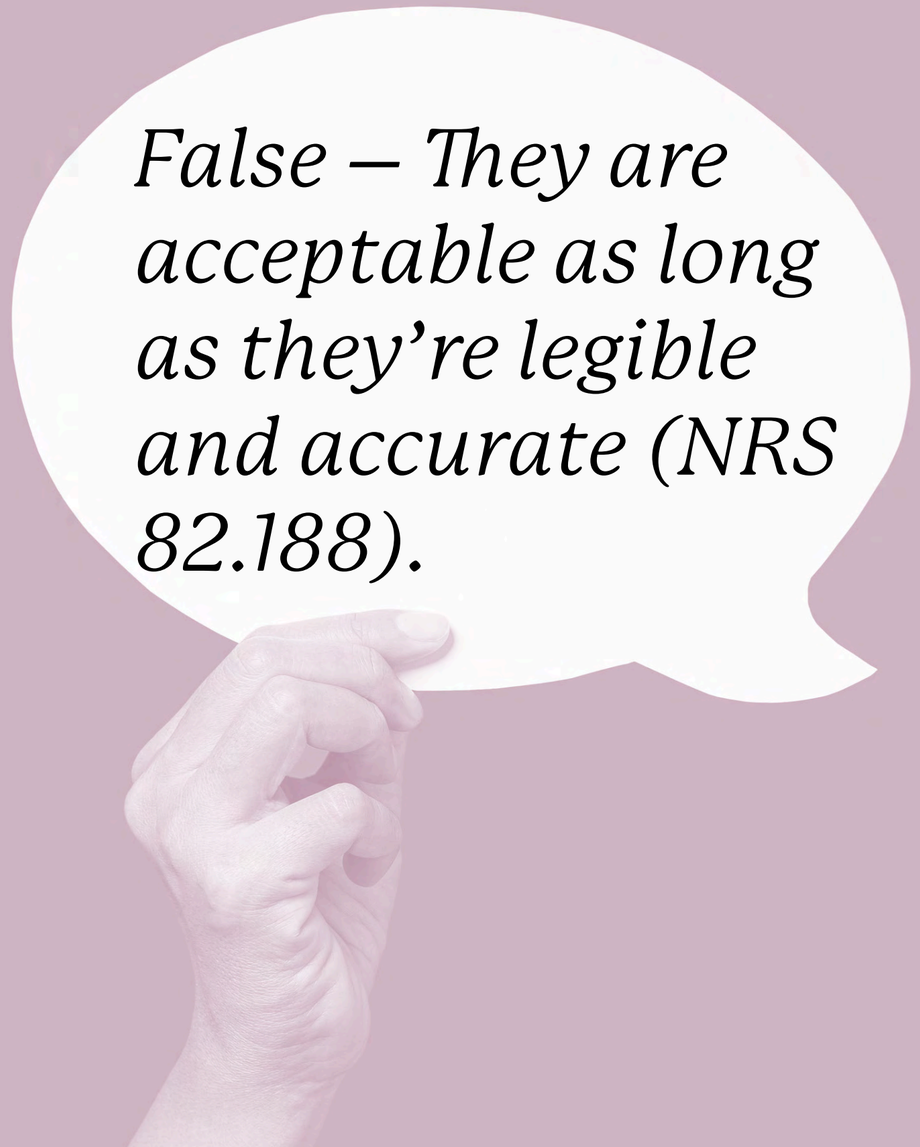


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True or False:

Electronic records are acceptable only if they're backed up weekly.





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Custodian of Records



Custodian of Records: Roles & Responsibilities

NRS 116A.620

- Who is the Custodian?
  - Person responsible for maintaining association records
  - The records must be located within 60 miles of the community
  - Typically the community manager
  - Listed on the Division's Annual Registration (Form 562)

- Ownership & Transfer of Records
  - Records are the property of the association
  - Management agreement must state this clearly
  - Upon contract termination, manager must return all records within 30 days—even if fees are still owed

Community Manager: Standards of Practice

NRS 116A.630

Fiduciary Responsibility

- Act in good faith with reasonable care and loyalty

Financial Oversight

- Ensure all transactions are current, accurate, and documented
- Maintain proper accounting records
- Require clear authorization for spending
- Enable fraud prevention through strong procedures
- Stay compliant with all applicable financial laws & regulations

Transparency & Cooperation

- Make records available for Division inspection
- Cooperate fully with Division investigations
- Provide timely updates and reports as needed

Website Requirements for Large Communities

Who Must Comply?

- Associations with 150 or more units

What's Required?

- A secure website or electronic portal
- Accessible by all unit owners

What Must Be Posted?

- Governing documents: CC&Rs, articles, bylaws, rules & regs
- Annual and proposed budgets
- Notices and agendas for upcoming meetings
- Other required, non-confidential records, such as:
  - Reserve study
  - Financial statements
  - Fine & collection policies
  - General violation record (anonymous)
  - Approved meeting minutes

NRS 116.31069

Owner Access to Records

- *Upon Written Request, Records Must Be Available For Review:*
  - *At the association's business office, or*
  - *At a designated business location within 60 miles of the community*
  - *During the association's regular working hours*



Records That Must Be Provided vs. Made Available

Must Be Provided (within 21 days)At no charge, if possible, in electronic format:	Must Be Made Available for Review (upon request):
Financial statements	All contracts the association is a party to
Budgets of the association	Court-related documents involving the association
Reserve study	Other non-confidential records, including all financial records
Audio recording, minutes, or summary of meetings (Must be available within 30 days after the meeting)	Note: Requests must be in writing, and access must be granted during regular working hours.

NRS 116.31175

What Are "Regular Working Hours"?

NAC 116.440 – Definition for NRS 116.31175

- *Regular working hours = At least 4 consecutive hours per week (for the purpose of record access)*



Providing Records: Format, Fees, & Deadlines

Format & Timing:

- *Records must be provided in electronic format*
- *At no charge to the unit owner, whenever possible*
- *Must be delivered within 21 days of a written request*

If Paper Copies Are Needed:

- *Board may charge for actual copy costs*
- *Copy Fee Limits:*
  - *$0.25/page for the first 10 pages*
  - *$0.10/page for additional pages*



Accessing Financial Records

Financial Records Must Be Sufficiently Detailed

- *Must meet disclosure requirements under NRS 116.4109*
- *Include enough detail to support budget transparency, resale disclosures, and audits*

Owner Access Rights

- *Records must be reasonably available for:*
  - *Inspection*
  - *Examination*
  - *Photocopying*
  - *Auditing*
- *Applies to both owners and their authorized agents*

Review Fees

- *Board may not charge more than $25 per hour for on-site review per NRS 116.31175(8).*

What Are Financial Records?

NAC 116.0433

Financial Records ≠ Financial Statements

- Do not have to be copied and provided
- Must be made available for in-person review upon written request



Examples of Financial Records Include:

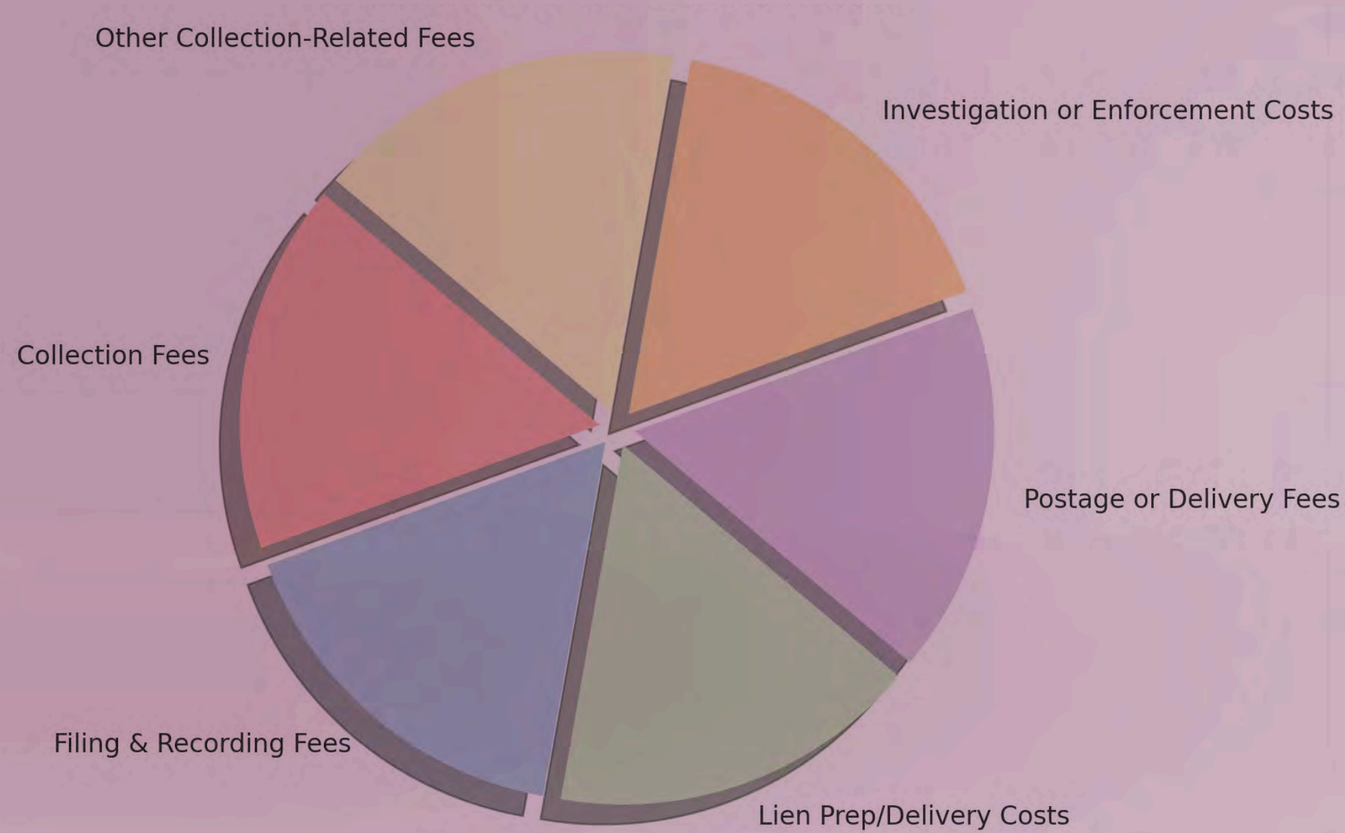
- Receipts, bank statements, income tax reports
- Reserve studies, budgets, contracts
- Executive board meeting minutes
- Inventories, investments, expenses, disbursements
- Obligations, depreciation, contingent liabilities
- Other supporting records deemed necessary by:
  - The Division
  - The association's accountants or auditors

Tracking Lien-Related Fees & Costs

NAC 116.470

What Must Be Tracked for Units with a Lien?

- For any unit with unpaid fines or assessments, the association must keep a record of:



Records That Cannot Be Shared with Owners

The Following Records May Not Be Disclosed:



1. *Employee Personnel Records*
   - *Except for:*
     - *Hours worked*
     - *Salaries & benefits*
2. *Another Unit Owner's Records*
   - *Including architectural plans or specs submitted during approval processes*
3. *Draft Documents Not Yet on an Agenda*
   - *Any working documents not finalized or scheduled for board approval*

Records: Executive Sessions & Complaints



Nevada Real Estate Division

Executive Session Discussions Are Confidential	Violation Decisions Must Be Documented	Division Complaints Are Confidential (NRS 116.757)
• But a general summary must appear in the next meeting's public minutes	• Boards must keep minutes of all decisions made during a violation hearing	• Remain confidential until the Division issues a final decision
• This summary becomes part of the official association records	• Affected parties may request a copy of the decision	• The final letter becomes an official record of the association

Note: The general summary recorded in the minutes regarding executive session is not meant to detail the hearing itself, but simply to indicate that hearings were conducted in accordance with NRS 116.31031.

Board Actions Without a Meeting

Written Consent = Legal Board Action

- *Allowed only if not prohibited by the governing documents*
- *Requires written consent of a quorum of board members, which may be signed either before or after the action is taken unless otherwise restricted by the articles or bylaws.*
- *The signed consent becomes an association record (accessible to unit owners)*
- *Electronic votes may not fulfill fiduciary duty*
- *Use of email or other informal methods is strongly disfavored*
  (per NRED Advisory Opinion 11-01)



Nevada Real Estate Division

Caution: Email Voting is Discouraged

If records aren't received within 21 days of written request...

➡ *File Form 530: Intervention Affidavit*

- *Requirements Before Filing:*
  - *File within 1 year of discovering the issue*
  - *Send a certified letter to the respondent*
  - *Allow 10 business days to resolve*
  - *One allegation per page with attachments*

Filing a Complaint: Intervention Affidavit (Form 530)

Duty to Cooperate with the Division

NAC 116.405

A Board Member May Be in Violation If They:

- *Disclose confidential info without consent*
- *Fail to respond to Division requests*
- *Provide false or misleading information*
- *Withhold or conceal important documents*
- *Fail to maintain current and accurate financial records*

READY FOR A QUIZ?



True/False:

A unit owner must wait at least 30 days before filing Form 530 after a records request is unanswered.

A unit owner must wait at least 30 days before filing Form 530 after a records request is unanswered.

Answer: False
The owner may file after 21 days, as long as all required steps (like the certified letter and 10-day response window) are followed.

True/False:

The final decision letter from the Real Estate Division becomes an official record of the association.

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Answer: True

True/False:

Executive session discussions remain confidential, but a general summary must be included in the next public meeting minutes.

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Answer: True

Summary

Maintain complete & accurate records:

- *Declarant initiates records ▷ board becomes custodian*
- *Records must be complete, accurate, and accessible*

Know what to keep—and for how long:

- *Governing docs, financials, contracts, violation logs*
- *Most records: 10 years*
- *Minutes: kept indefinitely*

Provide access, protect confidentiality:

- *Records must be provided (within 21 days)*
- *Some records are confidential by law*

Before we move on to the Q&A session, I'd like to remind everyone that we are here to provide general information and guidance. We cannot give legal advice, interpret the law, or provide opinions on individual circumstances.

OFFICE OF THE OMBUDSMAN
Nevada Real Estate Division

The purpose of this Q&A session is to help clarify the material covered in today's class. Please keep your questions focused on understanding and the application of the statutes and regulations.

For specific legal concerns or individual issues, please consult with a qualified attorney.


QUESTIONS?
COMMENTS?
CONCERNS?

Thank you



EMAIL: CICOMBUDSMAN@RED.NV.GOV
PHONE: 702-486-4480