



# The Elite Insider

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## Minutes Matter

Over the years, we have come to realize how important minutes are the association board, management and community membership. They are a record of what the board knew and what actions the board took to address various issues. They are the official record of association business and can be used in a court of law. Meeting minutes are the most important record the association produces and maintains.

Who is in charge of this important task? Ideally, it should be the board secretary or a neutral party that doesn't represent the interest of management of the association. Manager need to help run the meeting and interact with board member and homeowners. The meeting recorder must be a good typist and have some knowledge of parliamentary procedure.

Following this process will help minutes come together quickly.

### **Create an agenda and don't deviate from it.**

The board should follow the agenda and hold non-agenda items for the next meeting unless there is an emergency situation. Keep the agenda simple. It should include the call to order, members present, approval of minutes, committee reports, unfinished and new business and adjournment.

### **Fill in the minutes' template with agenda items.**

The agenda and minutes should mirror each other.

### **Record the minutes.**

In parliamentary terms, an "action" means a "vote". Minutes should include what the board directed management to do. The

minutes should not include a record of how board members voted on specific items or any verbatim discussion during the debate, simply the number of voted received to pass or decline the motion. The motion should state the vendor name and dollar amount also.

**Clean up the document.** Make sure to read them for clarity and correct sentence structure and spelling.

**Send a draft.** Drafts should be ready soon after the meeting while the details are still fresh in the minds of the Board members.

It saves time to ensure the minutes are correct prior to the next board meeting.

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## Thank you for your Donations!

Everyone at Elite Management Professionals wants to express our deepest gratitude for your generous contributions to the NC Food Bank. We collected food and other needed items at

our Holiday Open House as well as our friends at Olde Raleigh Townhomes did a community sweep of the neighborhood to collect food for this worthy cause. With these combined efforts we raised a new Elite rec-

ord of 1,340 pounds donated to NC Food Bank.

There are so many things we are thankful for and it means so much to give back to our community. THANK YOU!!!

## The Fiscal Cliff Legislation: What You Need to Know

By Thomas, Judy & Tucker CPA



The much anticipated tax legislation for 2013 has finally been passed. On Tuesday, January 1, 2013, Congress passed the American Taxpayer Relief Act, H.R. 8 to avoid at least the tax side of the "Fiscal Cliff." One of the more significant aspects of this legislation is how many previously temporary tax provisions were made permanent. Be aware that the debt ceiling as well as many of the spending cuts have yet to be addressed and those negotiations may affect some of these provisions. The major changes to the US Tax Code that may impact you are highlighted below.

### Individuals

- The new top marginal rate of 39.6% has been set for individuals with taxable income over \$400,000 (\$450,000 for married filing jointly). The prior tax rates of 10%, 15%, 25%, 28%, 33%, and 35% rates are still in effect with 39.6% added as an additional top rate.
- The tax rate on capital gains and dividends has been increased to 20% for individuals in the new top bracket; rates remain unchanged for all other brackets at 15% and 0%.
- The itemized deduction and personal exemption phase-out threshold has been increased to \$250,000 (\$300,000 for MFJ), and will be indexed for inflation in future years. For taxpayers above this threshold, itemized deductions and the amount of personal exemptions begin to be limited.

- Alternative Minimum Tax (AMT) has been permanently indexed for inflation. The 2012 exemption amount has been increased to \$50,600 (\$78,750 for MFJ).
- Many of the energy tax credits and allowances have been extended for 2012, including credits for energy-efficient housing, appliances, and alternative fuel.
- The American Opportunity Credit has been extended until 2018. This an education credit of up to \$2,500 for students and parents who are paying college tuition.

- Taxpayers may now roll 401(k) accounts to a Roth 401(k) without the 10% distribution penalty. Taxpayers are still required to pay taxes at their ordinary income rate on the amount that is rolled into the Roth 401(k).

- The payroll tax cut of 2% was not extended to 2013. The FICA tax is now 6.2% on the Social Security wage base of \$113,700.

The ability for taxpayers to contribute directly to charities from their IRA has been extended through 2013. Taxpayers may make a 2012 contribution to a charity if made before January 31, 2013. The limit on the deduction remains \$100,000.

### Businesses

- 50% bonus depreciation in the first-year has been extended for qualified assets placed into service before January 1, 2014.

- Section 179 depreciation, allowing businesses to fully expense assets purchased in the first year, has remained at the expense limitation of \$500,000 for 2012 and 2013.

- 15 year straight-line cost recovery has been extended for qualified leasehold improvements, restaurant buildings and improvements, and retail improvements.

- Research & Development credits have been extended through 2013 with minor modifications.

The Work Opportunity Tax Credit has been extended through 2013, which provides an incentive for businesses to hire otherwise hard-to-employ workers.

### Estates

- The top tax rate has been increased to 40% from 35%.
- The exclusion amount for estate and gift tax has remained at \$5 million as indexed for inflation.
- Portability has been made permanent allowing the surviving spouse to apply the decedent's unused exclusion.

If you have any questions regarding any of these changes, please reach out to your CPA or one of the members of our management team. There are many changes in this bill; we chose only to highlight the changes that would have the most impact on our clients.

## Tips for a Successful Board Meeting



Meetings. Meetings. And more meetings. Many homeowners are reluctant to sit on an HOA Board because of the meetings. They think that there will be too many meetings, that meetings will take too much time or that "nothing will get done". But successful meetings that don't take a lot of time are possible! That is, if a few guidelines are followed.

Before a meeting has started, it is important to have a written agenda and that everyone has a copy of that agenda. In short, the agenda will determine the Board's objectives. Outlining the objectives allows the Board

members to be prepared with either necessary information for a given topic or to consider any possible questions.

The agenda will also provide the beginning and ending time. If the agenda is carefully prepared and adhered to, wrapping the meeting up on time should be easy. If the discussion of a topic is taking too long and warrants further discussion, it can be tabled for the next meeting.

Keeping complete and concise minutes of a meeting is a great way to track the progress of is-

suess that have been discussed and what decisions were made. Minutes are a reflection of the Board's decisions and are very important for current and future Board members.

Successful meetings also depend on participation from all Board members while keeping personal goals or agendas aside and the community's best interest in mind.

So with a little planning and forethought, any Board meeting can be productive and effective without taking a lot of time.

## 2013 Calendar of Events and Office Closings



### JANUARY

January 21<sup>st</sup>- Main Office closed

January 29- Board Member Education Seminar 6:00pm -8:00 pm

### MARCH

March 29<sup>th</sup>- Good Friday All Offices Closed

### APRIL

April 9 from 5:30-8:00pm 2013 Spring Fling

### MAY

May 27<sup>th</sup>- Memorial Day All Offices Closed

### JUNE

June 25- Board Member Education Seminar 6:00-8:00pm

### JULY

Board Appreciation Month  
July 4<sup>th</sup>- Fourth of July All Offices Closed

### SEPTEMBER

September 2<sup>nd</sup>- Labor Day All offices Closed

### OCTOBER

October 1<sup>st</sup>- 2013 Fall Festival-5:30-8:00 pm  
October 29<sup>th</sup>- Board

Member Education Seminar 6:00-8:00pm

### NOVEMBER

November 28<sup>th</sup> and 29<sup>th</sup>- Thanksgiving All offices Closed

### DECEMBER

December 10<sup>th</sup>- 2013 Holiday Open House 5:30-7:30pm

December 24<sup>th</sup> and 25<sup>th</sup>- Christmas All offices Closed

### JANUARY 2014

January 1 2014- New Year's Day All Offices Closed