Non-Assumption of Liabilities Procedure

Document No.: PRO-01-002 Effective Date: 05/2026

Purpose

1. **Review:** Prior to accepting any assets, the Treasurer and relevant officers must review the documentation to confirm no liabilities are being assumed.
2. **Board Approval:** The Board must adopt a **resolution** authorizing the asset transfer and stating that **no liabilities are assumed**.
3. **Documentation:** All correspondence, invoices, or communications related to the transfer shall be retained according to the Association's **Record Retention Policy**.
4. **Communication:** Notify any stakeholders, vendors, or previous entity representatives in writing that the Association is not responsible for prior debts unless expressly agreed in a Board-approved resolution.

Exceptions

The Association may assume specific liabilities **only if**:

- Explicitly approved by a majority of the Board via a formal resolution
- Clearly documented in writing and attached to the asset transfer record

Recordkeeping

All records associated with this policy, including:

- Board resolutions
- Asset transfer agreements
- Supporting documentation and correspondence

…must be maintained according to the **Record Retention Policy**.

Noncompliance

Failure to comply with this policy may result in:

- Board review and corrective action
- Legal consultation to mitigate potential liability
- Removal of authority for officers not following the procedure