CHECKLIST · HAMILTON MIKES, P.A.

Director Conflict of Interest Checklist

Running a Conflicted Transaction So It Holds

Scan for the current version

Published September 26, 2026 Reviewed by Jason Hamilton Mikes, JD, MBA, September 26, 2026 Florida Statutes as of July 1, 2026

Applies to: Condominiums · HOAs · Cooperatives

Association _____ Completed by _____ Date _____

A director's company can do work for the association. The statutes do not forbid it. What they forbid is doing it quietly. Almost every conflict problem a board has is a disclosure problem, a counting problem or a records problem, and each of the three is avoidable in about ten minutes at the meeting. Work down this list before the vote, not after the complaint.

The three chapters do not run conflicts the same way. Condominiums have a dedicated section at § 718.3027. HOAs have one at § 720.3033(2). Chapter 719 has no counterpart, so a cooperative board runs the transaction under the nonprofit corporation provision at § 617.0832. Where the mechanics differ, the difference is stated under the item.

1 Identify the conflict

- [ ] Ask, before any vendor discussion, whether any director, officer or relative has an interest in the entity being considered.
  § 718.3027(1); § 720.3033(2); § 617.0832
- [ ] Treat two things as raising a rebuttable presumption of a conflict: a contract for goods or services between the association and a director, officer or relative, and a director's, officer's or relative's interest in a business entity that conducts business with the association or proposes to.
  § 718.3027(1)(a), (1)(b)
- [ ] Look for the indirect version: a director employed by the vendor, a director's spouse who owns part of it, a director who receives a referral fee, a director whose other company is a subcontractor.
- [ ] Ask whether the interest is material to the director. A direct or indirect material financial interest is what makes it a director's conflict of interest transaction under Chapter 617.
  § 617.0832(1)(a)
- [ ] Do not stop at contracts. An enforcement decision about a director's own unit, a variance for a director's relative and a settlement that benefits a director are all conflicts even though no invoice is involved.
  The statutory presumptions are written around contracts. The fiduciary duty is not.

2 Work out who counts as a relative

- [ ] For a condominium, and for a manager under § 468.4335, use the statutory definition: a relative within the third degree of consanguinity by blood or marriage.
  Third degree reaches parents, children, siblings, grandparents, grandchildren, aunts, uncles, nieces, nephews and great-grandparents, and the same relations by marriage. It is broader than most directors assume.
  § 718.3027(6); § 468.4335
- [ ] For a cooperative running the transaction under Chapter 617, use that chapter's family member definition, which is narrower: spouse, children, parents, grandparents and siblings.
  § 617.0832(1)(c)
- [ ] Where the association's governing documents define a relative more broadly than the statute, use the documents.
  The documents can be stricter. They cannot be looser.
- [ ] When in doubt, disclose. There is no penalty for disclosing a relationship that turns out not to be a conflict.

3 Take the written disclosure

- [ ] Get the disclosure in writing from the director or officer, describing the interest and the proposed transaction.
  § 718.3027(1); § 720.3033(2); § 617.0832(3)
- [ ] Get it before the board discusses the item, not at the moment of the vote.
  Chapter 720 contains a 14-day advance disclosure requirement. Confirm the subsection with counsel; verification passes have placed it in more than one place.
- [ ] Have the disclosure state the entity, the director's role in it, the proposed scope and the proposed price.
- [ ] Have the manager or secretary date-stamp it into the association's records on receipt.
- [ ] For a condominium, list the proposed activity on the meeting agenda and attach all contracts and transactional documents related to it to that agenda.
  This is a hard statutory requirement, not good practice. An agenda that says 'vendor proposal' with nothing attached does not satisfy it.
  § 718.3027(2)
- [ ] Enter the disclosure into the written minutes of the meeting.
  § 718.3027(2); § 720.3033(2)

4 Run the vote

- [ ] Let the interested director attend and make a presentation, then have that director leave the room for the discussion and the vote.
  § 718.3027(4)
- [ ] Know that in a condominium the interested director's attendance is sufficient to constitute a quorum for the meeting and for the vote taken in his or her absence.
  This matters on a small board. The quorum does not fail because the conflicted director stepped out.
  § 718.3027(4)

- [ ] For a condominium, approve only by an affirmative vote of two-thirds of all other directors present.
  The denominator excludes the interested director. On a five-member board with all present, that is two-thirds of four, so three votes.
  § 718.3027(2)
- [ ] For an HOA, approve by an affirmative vote of two-thirds of the directors present.
  Chapter 720 phrases the denominator differently from Chapter 718. Count it the way your chapter phrases it and record the arithmetic in the minutes.
  § 720.3033(2)
- [ ] For a cooperative, approve by a majority vote of the disinterested directors after disclosure to the board, or by the members after disclosure to them.
  Under § 617.0832 an interested director's presence and vote do not by themselves invalidate the action, and the interested director may be counted toward quorum. The safe route is still a disinterested-director vote.
  § 617.0832(4)
- [ ] Record the vote of each disinterested director by name, and record that the interested director left the room.
  § 718.111(1)(b)
- [ ] Where the board cannot get a disinterested majority, take the transaction to the members rather than approving it thin.
  § 617.0832(3)
- [ ] Know the fallback: a transaction fair to the corporation when authorized, approved, effectuated or ratified is not void or voidable on conflict grounds alone. Fairness is the argument you are left with when the process failed.
  § 617.0832(1)(b), (2)

5 Tell the members, and respect their right to cancel

- [ ] Disclose the approved transaction to the members at their next regular or special meeting.
  § 718.3027(2); § 720.3033(2)
- [ ] Put it on the members' meeting agenda so the disclosure is not buried in a manager's report.
- [ ] Understand that the members may cancel the contract or transaction by a majority vote, on motion of any member.
  § 718.3027(2); § 720.3033(2)
- [ ] If the members cancel, pay the vendor only the reasonable value of the goods and services provided up to the time of cancellation, and pay no termination fee, liquidated damages or other penalty.
  § 718.3027(2); § 720.3033(2)
- [ ] Know the separate consequence of never disclosing: a contract entered into without the required disclosure is voidable and terminates on the filing with the board of a written notice terminating it that carries the consent of at least 20 percent of the voting interests.
  Twenty percent of the owners can end an undisclosed insider contract without a lawsuit and without the board's agreement.
  § 718.3027(5)
- [ ] Know what happens if the board votes the proposal down: the director or officer must notify the board in writing of the intention not to pursue the activity or to withdraw from office, and failure to do so results in removal.
  § 718.3027(3)

6 The manager's conflicts are a separate problem

- [ ] Ask the community association manager or management firm to disclose any activity that may reasonably be construed to be a conflict of interest, on the same footing as a director.
  § 468.4335
- [ ] Ask specifically about referral fees, ownership interests and profit-sharing arrangements with product or service providers the manager recommends to or uses for the association.
  § 468.4335
- [ ] Where the manager solicits bids for goods or services over $2,500 and a conflict is present, require multiple bids from other third-party providers before the board sees a recommendation.
  The threshold is low and it catches routine work. Build it into the management agreement so the manager is not deciding case by case.
  § 468.4335
- [ ] Know the remedy: on a violation the management contract is voidable, and the association may terminate it by written notice, pay only the reasonable value of management services to the time of cancellation, and owe no termination fee, liquidated damages or other penalty.
  This is the strongest termination right most boards have and most boards do not know they have it.
  § 468.4335
- [ ] Put the disclosure obligation and the multiple-bid duty into the management agreement at renewal.
  Our management agreement review page covers the other clauses to fix at the same time.

7 Kickbacks are not a conflict problem

- [ ] Understand that an officer, director or manager may not solicit, offer to accept, or accept a kickback, meaning any thing or service of value for which consideration has not been provided, for that person's benefit or for a member of his or her immediate family.
  § 720.3033(3)
- [ ] Understand that a violation is a felony of the third degree and the board must immediately remove the officer or director from office.
  There is no disclosure that cures a kickback. This is not a transaction the board can approve by two-thirds.
  § 720.3033(3)
- [ ] Know the narrow exception: food consumed at a business meeting worth less than $25 per person, and goods or services received in connection with trade fairs or education programs.
  § 720.3033(3)
- [ ] Tell directors to decline vendor gifts, holiday hampers and trips, and to say so in front of the vendor. The awkward sentence is cheaper than the investigation.
- [ ] Adopt a written gift and vendor-relations policy so the answer does not depend on which director is asked.

8 Records and posting

- [ ] Keep the written disclosure, the agenda with attachments, the minutes and the contract together as official records.
  § 718.111(12); § 719.104(2); § 720.303(4)

- [ ] For a condominium with 25 or more units, post on the website or app all contracts or transactions between the association and a director or officer, and any contract or document regarding a conflict or possible conflict.
  § 718.111(12)(g)2.
- [ ] For a condominium, post the list of bids received in the past year once bidding has closed, and keep summaries of bids exceeding $500 posted for 1 year.
  § 718.111(12)(g)2.
- [ ] For an HOA with 100 or more parcels, post all contracts or transactions between the association and a director or officer, and the list of bids received in the past year. Post within 30 days after the association receives or creates the record.
  § 720.303(4)(b); § 718.111(12)(g)
- [ ] For a cooperative, there is no website or application posting obligation. Keep the record and produce it on request within 10 working days.
  § 719.104(2)
- [ ] Produce the disclosure and the contract on a records request. They are not on any exemption list.
  § 718.111(12)(c); § 719.104(2)(c); § 720.303(5)(g)

	Condominium	HOA	Cooperative
Governing provision	§ 718.3027	§ 720.3033(2)	§ 617.0832 (Ch. 719 has no counterpart)
Relative reached	Third degree of consanguinity by blood or marriage	See § 720.3033 and § 617.0832	Chapter 617 family member: spouse, children, parents, grandparents, siblings
Agenda listing and attachments	Required by statute	Confirm with counsel	Not specified
Board vote to approve	Two-thirds of all other directors present	Two-thirds of the directors present	Majority of disinterested directors, or member approval, or fairness
Interested director and quorum	Attendance constitutes a quorum for the vote taken in his or her absence	Not specified	May be counted toward quorum
Members may cancel	Majority vote at the next meeting	Majority vote on motion of any member	Not specified
Undisclosed contract	Voidable; terminates on written notice with consent of 20 percent of voting interests	Not specified	Fairness analysis under § 617.0832

> The arithmetic is where condominium boards go wrong. Two-thirds of all other directors present is not two-thirds of the board. On a five-member board with everyone present and one director conflicted, the denominator is four, and three yes votes are needed. Write the count into the minutes so nobody has to reconstruct it.

Statutes and authorities referenced

- § 718.3027 , Fla. Stat. (condominium conflicts of interest)
- § 720.3033(2) , Fla. Stat. (HOA officers and directors; conflicts of interest)
- § 720.3033(3) , Fla. Stat. (kickbacks)
- § 617.0832 , Fla. Stat. (director conflict of interest transactions; applied to cooperatives)
- § 468.4335 , Fla. Stat. (community association manager and management firm conflicts of interest)
- § 718.111(1)(b) , Fla. Stat. (recording each director's vote or abstention)
- § 718.111(12) , § 719.104(2) , § 720.303(4) , Fla. Stat. (official records)
- § 718.111(12)(g)2. , § 720.303(4)(b) , Fla. Stat. (website and application posting of conflict contracts and bids)
- § 718.111(12)(c) , § 719.104(2)(c) , § 720.303(5)(g) , Fla. Stat. (records not accessible to owners)

Talk to association counsel

When the checklist turns up a question about what a statute or your documents require, ask association counsel before the board acts. **Hamilton Mikes, P.A.** represents condominium, HOA and cooperative associations, clubs and marinas throughout Southwest Florida. **239-594-7227 · HamiltonMikes.com**

This document is published by Hamilton Mikes, P.A. for general educational purposes. It is not legal advice, it is not a legal opinion, and it is not a substitute for advice from a lawyer who has reviewed your association's governing documents and the facts of your situation. Reading it, downloading it, or corresponding with the firm about it does not create an attorney-client relationship. It addresses Florida law as of the edition of the Florida Statutes stated above; the law may have changed since. Scan the code on page 1 or visit the web page for the current version.