



IDFPR

Illinois Department of
Financial and Professional Regulation

Division of Real Estate

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What is the procedure my association is supposed to follow to adopt a budget?

For a condominium association, pursuant to the Condominium Property Act:

Each year the board must prepare and distribute a proposed annual budget indicating with particularity: all anticipated common expenses by category (line item); capital expenditures or repairs; payment of real estate taxes, if any; the amount designated for reserves; each unit owner's anticipated assessments; and other anticipated income. Unit owners are to receive a copy of the proposed annual budget at least 25 days before the date of the board meeting at which the board will adopt the proposed annual budget. Notice of the board meeting at which the board will adopt the proposed annual budget must be mailed or delivered to all unit owners not less than 10 and not more than 30 days before the date of that board meeting. Notice of the board meeting must also be posted at least 48 hours before the date of that board meeting. The budget must be approved by at least a majority of the board members present at a properly noticed open board meeting, at which a quorum of the board is present during the entire meeting. Relevant sections of the Condominium Property Act: 9(c)(1); 9(c)(2); 18(a)(6); 18(a)(8); 18(a)(9).

For a common interest community association, pursuant to the Common Interest Community Association Act:

Each year the board must prepare and distribute a proposed annual budget indicating the portions intended for reserves, capital expenditures or repairs or payment of real estate taxes. Members are to receive a copy of the proposed annual budget at least 30 days, but not more than 60 days, before the date of the meeting at which the board will adopt the proposed annual budget. Notice of the board meeting at which the board will adopt the proposed annual budget must be given to all members not less than 10 and not more than 60 days before the date of that board meeting. The budget must be approved by at least a majority of the board members present at a properly noticed open board meeting, at which a quorum of the board is present during the entire meeting. Relevant sections of the Common Interest Community Association Act: 1-40(b)(4); 1-40(b)(5); 1-45(a).

Note: if your common interest community association is exempt from the Common Interest Community Association Act, then the procedure for adopting a budget will be set forth in the declaration and bylaws of your association.

For a master association, pursuant to Section 18.5 of the Condominium Property Act:

Each year the board must prepare and distribute a proposed annual budget. Unit owners are to receive a copy of the proposed annual budget at least 30 days before the date of the board meeting at which the board will adopt the proposed annual budget. Notice of the board meeting at which the board will adopt the proposed annual budget must be mailed or delivered to all unit

owners not less than 10 and not more than 30 days before the date of that board meeting. Notice of the board meeting must also be posted at least 48 hours before the date of that board meeting. The budget must be approved by at least a majority of the board members present at a properly noticed open board meeting, at which a quorum of the board is present during the entire meeting. Relevant sections of Section 18.5 of the Condominium Property Act: 18.5(c)(1); 18.5(c)(3); 18.5(c)(4).