



PRACTICAL AI GOVERNANCE FOR COMMUNITY ASSOCIATIONS

# Board AI Adoption Checklist

A four-phase framework for authorizing, implementing, operating, and reviewing AI use in your community association — designed to protect the board, the association, and its owners.

PHASE 1

## Authorize

*Before any AI use begins*

- Board discusses AI use at an open board meeting and documents the discussion in minutes.
- Board adopts a resolution authorizing specific AI use cases and identifying prohibited uses.
- Board identifies acceptable AI tool tier (enterprise-only for association data vs. consumer-only).
- Board directs management to develop a written AI use policy consistent with the resolution.
- Board consults association counsel regarding privilege, privacy, and liability implications.

PHASE 2

## Implement

*Setting up guardrails*

- Written AI use policy adopted — covering approved uses, prohibited uses, data classifications, and human sign-off requirements.
- Record retention protocol established for AI prompts and outputs used in official documents.
- Management company confirms which AI tools they use and at what tier level.
- Management company discloses any AI features embedded in their property management software.
- If applicable, enterprise-tier AI subscriptions are procured with appropriate access controls.

PHASE 3

## Operate

*Ongoing use with oversight*

- All AI-generated enforcement notices verified against governing documents before distribution.
- All AI-generated meeting minutes reviewed and attested by the board secretary.
- No privileged attorney-client communications input into any AI tool without attorney guidance.
- No owner-identifiable information input into consumer-tier AI tools.
- AI-generated communications reviewed for unauthorized commitments; enforcement actions reviewed for consistency.

PHASE 4

## Review

*Annual reassessment*

- Board reviews AI use policy annually, or whenever major technology or legal changes occur.
- Board reviews any incidents involving AI errors or owner complaints.
- Board evaluates whether AI tools and tier levels remain appropriate.
- Board confirms management company's ongoing AI practices align with the adopted policy.
- Board consults counsel on new legal developments (e.g., Michigan privacy legislation, privilege rulings).

**Key Reminder:** AI platforms should be treated as **non-confidential environments** unless secured by an Enterprise-tier agreement. Inputting sensitive owner information or legal strategy into consumer tools may waive attorney-client privilege and could trigger breach notification obligations under Michigan's ITPA (MCL 445.72). When in doubt — consult counsel before you click.