

# **Pinewood Greens Homeowners Association**

## **Fiscal Policies and Procedures**

### **Resolution #1F**

#### **Fiscal Year, Audit and Budget Cycle**

**Effective February 1, 2013**

**Whereas** Article VI, Section 7 of the Declaration of Covenants, Conditions, and Restrictions (the Covenants) of Pinewood Greens Homeowners Association (the Association) requires that the Board of Directors shall fix the amount of the annual assessment against each Lot and provide written notice to every Owner at least thirty (30) days in advance of each annual assessment period, and

**Whereas** Section 55-510 (A) of the Virginia Property Owners Association Act (the VPOAA) requires that the Association shall keep detailed records of receipts and expenditures affecting the operation and administration of the Association and that all financial books and records shall be kept in accordance with generally accepted accounting procedures, and

**Whereas** the By-Law amendments adopted May 25, 1982 (amended May 18, 1989, May 17, 1990, and September 1, 1998) create capital improvement funds (Reserve Funds) to repair, replace, and restore capital components, set minimum deposits for each fund, as well as specify minimum withdrawal amounts for each fund, and

**Whereas** Section 55-514.1 of the VPOAA requires that, except to the extent otherwise provided in the Covenants and unless the Covenants impose more stringent requirements, the Board of Directors shall conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace, and restore the capital components,

#### **IT IS THEREFORE RESOLVED AS FOLLOWS:**

**Section I. Fiscal Year.** The fiscal year is January 1 – December 31 of each calendar year.

**Section II. Budget Cycle.** To be effective on January 1, a letter notifying each Owner of increases in the Quarterly Assessment (see Resolution 4F, Section I) must be mailed no later than December 1, as required by Article VI Section 7 of the Covenants.

It is therefore required that the budget must be voted no later than the November Board of Directors meeting. The draft budget must be published no later than November 1 for review by the general membership. The Board must review and approve a draft budget no later than the October Board of Directors meeting. Committee chairs must provide budget input to the Treasurer no later than September 1.

**Section III. Annual Audit.** An annual audit must be accomplished by a certified public accountant at the completion of each fiscal year and presented at the Annual Meeting of the general membership to ensure that all financial books and records of the

Association are kept in accordance with generally accepted accounting procedures. The Treasurer, with the consent of the Board of Directors, will select and engage the services of the auditor.

**Section IV. Reserve Study.** The Board of Directors will conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace, and restore the capital components. The reserve study shall include the current estimated costs, estimated remaining life, and estimated useful life of the capital components.

The Board of Directors shall review the results of the study during each Fiscal Year annual budget cycle to determine if reserves are sufficient, and make any adjustments that the Board of Directors deems necessary to maintain reserves. The budget shall state, as of the beginning of the fiscal year for which the budget is prepared, the current amount of accumulated cash reserves set aside to repair, replace, or restore capital components, and the amount of the expected contribution to each reserve fund for the upcoming Fiscal Year.

In the event that the amount of deposits to the capital repair Reserve Funds required by the By-Laws of the Association and the reserve fund study required by Section 55-514.1 of the Virginia Property Owners Association Act differ, the Board of Directors shall cause to be deposited the higher amount required for each capital repair Reserve Fund.

Adopted by:

Board of Directors of  
Pinewood Greens Homeowners Association

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President

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Date

Attest:

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Member of Board

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Date