

Pinewood Greens Homeowners Association Fiscal Policies and Procedures

Resolution #2F Fiscal and Expenditure Controls

Effective February 1, 2013

Whereas Article XI, Section 8 of the By-Laws of Pinewood Greens Homeowners Association (the Association) requires the President to sign all contracts and instruments of the Corporation, and

Whereas, the By-Laws amendment adopted May 25, 1982 requires that all checks, drafts, notes, and orders for the payment of money in the name of the Association shall be co-signed by any two of the officers of the Association (President, Vice President, Treasurer, Secretary), and

Whereas, the By-Laws amendment adopted May 15, 1979 requires that all funds and securities of the Association must be deposited in such federally or state insured financial institutions, 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, Section 55-510 of the VPOAA provides that, subject to certain exceptions, all books and records maintained by the Association, shall be available for examination and copying by a member in good standing or by his authorized agent, so long as the request is for a proper purpose related to his membership in the Association.

IT IS THEREFORE RESOLVED AS FOLLOWS:

Section I. Contract Signature. The President will sign all contracts pursuant to Article XI, Section 8 of the By-Laws. The President, in the event of absence, may authorize (in writing) the Vice President to sign contracts. In the event of an emergency or the need for immediate hazard abatement the President, the Vice President, the Treasurer, or the appropriate committee chair may authorize in writing or via electronic transmission the Association Manager to sign emergency work contracts. The Association Manager must first contact one of the above Board members with the contract amount, scope, and terms.

Section II. Signatory Authority/Operating and Reserve Accounts. All checks, Certificates of Deposit purchase and redemption, and T-bills must be co-signed by any two of the officers of the Association (President, Vice-President, Treasurer, Secretary) as required by the By-Laws, Amendment adopted May 25, 1982. As required by the By-Laws (amendment adopted May 15, 1979), all funds (operating and reserve) must be

deposited in a federally insured institution. To open new bank accounts, signatures of all four officers are required; to close the bank account signatures of two officers are required.

Section III. Signatory Authority/Petty Cash Account. A petty cash account of no more than \$3000 (\$500 petty cash on hand and petty cash banking account combined) is authorized for use by management staff to defray day-to-day operating expenditures.

The Financial Manager must provide appropriate invoices and/or receipts in support of each petty cash transaction when requesting reimbursement of petty cash accounts. Written receipts for payment due must be signed by contractors for daily (non-annualized contract) maintenance and administrative contractor help. Two officers must sign checks to reimburse the petty cash accounts; their signature signifies that they have reviewed and approved petty cash transactions. If emergency petty cash expenditures above the \$3000 limit are required due to hazardous conditions, any of the four officers may authorize in writing or via electronic transmission Association management staff to exceed the \$3000 limit.

Section IV. Monthly Financial Reports. The Financial Manager must provide the following monthly financial reports to the Board of Directors at each of the regularly scheduled Board of Directors meetings, unless otherwise authorized by the Treasurer or an officer of the Board. The Treasurer (or in the absence of the Treasurer, any officer of the Association) will review each of the following reports for the Board of Directors at the meeting:

- Year to Date Expenditure Report indicating current fiscal year budget, revenue and expenditures for each budget line item, budget/current expenditure differentials, and comparative actual line item year to date expenditures for a minimum of the past two previous fiscal years.
- Financial Report indicating all cash reports, current bank balances, sinking fund status, Certificate of Deposit balances (including maturity dates for each Certificate of Deposit), as well as interest rates for each of the above.
- Collections Report listing all delinquent accounts and status of collection efforts. The Treasurer (or in the absence of the Treasurer, any officer of the Association), in consultation with the Financial Manager, will review delinquency and collection efforts prior to the Board of Directors meeting, and will recommend action/vote at each Board of Directors meeting.

Section V. Financial Records. All financial records and books must be available for review subject to the provisions of Section 55-510 of the VPOAA.

The right of examination shall exist without reference to the duration of membership and may be exercised 1) only during reasonable business hours or at a mutually convenient time and location, and 2) upon five days' written notice reasonably identifying the purpose of the request and the specific books and records of the Association requested. Costs for copying are listed in Pinewood Greens Homeowners Association Resolution #3F, Schedule of Charges, Costs, and Reimbursements.

Section VI. Budget Workbook. A Budget Workbook providing year-to-date (as of August 31) revenue and expenditures, status of all Reserve Fund accounts as of the end of the Fiscal Year, status of the Operating Reserve account and retrospective year-to-date year end data for at least the past five years must be available by September 5 of each fiscal year by the Financial Manager of the Association under the direction of the

Treasurer. Data in the Budget Workbook must be updated as of September 30 of each fiscal year for use in preparation of the subsequent Fiscal Year budget.

Adopted by

Board of Directors of
Pinewood Greens Homeowners Association

By

President

Date

Attest:

Member of the Board

Date