

# Lakeside Meadows Homeowner's Association, Inc.

## Financial Policy

### PHILOSOPHY

The purpose of financial management in the operation of all LMHOA activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including homeowners, partners, funders, employees, and the community. In order to accomplish this, the Treasurer commits to providing accurate and complete financial data for internal and external use by the Board of Directors.

### AUTHORITY

The Board of Directors is ultimately responsible for the financial management of all activities.

- The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.
- The Board is responsible for the day-to-day financial management of the organization.
- The Board authorizes the Treasurer to pay bills, receive funds, and maintain bank accounts.
- The Treasurer is authorized to sign checks up to \$250. Checks for amounts greater than \$250 shall require the signature of two officers.
- The Chairman of the Board is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$1,000.
- The Treasurer is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Board variances and the reason for these variances.
- The Board of Directors must approve any use of the board designated cash reserve fund.

### RESPONSIBILITIES

The Treasurer shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
- Report the financial results of LMHOA operations according to the schedule established by the Board, but at least quarterly.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

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### FINANCIAL TRANSACTIONS WITH INSIDERS

No advances of funds to employees, officers, or directors are authorized without approval. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

In no case shall LMHOA borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

### BUDGET

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board approved priorities, long-range organization goals, and specific objectives, the Board shall:

- Develop proposed operating and capital budgets in time for reasonable approval at a membership meeting prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Approved by vote of the Board of Directors, June 7, 2017.