

## **HOA Quail Homeowners, Inc.**

### **Policy – Budget Creation/Management & Expenditure Authorization (Adopted by unanimous vote in September, 2020)**

#### **Current Situation:**

The current set of documents (DPR) governing the actions and activities of the HOA Quail Homeowners, Inc. organization doesn't adequately outline or delineate how a budget should be created and used to guide expenditures during the fiscal year. Additionally, there are no written procedures as to how individual expenditures should be proposed, voted upon by either the existing board or by the membership at large. Specific levels of expenditure along with who can sign for any specific expenditure are not documented. This policy serves to correct this deficiency and should be added to the organizations DPR upon ratification by the HOA board.

#### **Proposed Policy**

Budget Creation – A new annual budget will be created by the current HOA Board prior to the end of the calendar year. The newly elected board will ratify this budget within 30 days of the election. This budget will be distributed to the entire membership and will be updated by our Treasurer each month with actuals spent both month to month and accumulative year to date.

#### **Reserve Maintained**

At all times, the HOA board will hold monies in reserve equal to 1 (one) year's annual dues membership based on the prior year membership totals (approximately \$14,500). Reserved funds can be used for unusual emergencies (disaster recovery, crisis management, etc.) and must be approved by the entire board (voted: simple majority).

#### **Budgeted Expenditures:**

Expenses under \$20,000 and already approved in the annual budget, require no additional pre-authorization. Invoices will be paid by the HOA Treasurer. Expenses exceeding \$20,000 require full board approval (majority vote) at all times.

**Unbudgeted expenditures:**

\$5000 and under:

Requires prior authorization by obtaining two signatures, the current President and Treasurer of the HOA. If the President is requesting the expenditure, the pre-authorization will be done by the VP and the Treasurer.

\$5000 and over:

Requires Board approval (simple majority)

\$20,000 and over (doesn't impact the reserve)

Requires vote from the HOA membership (simple majority of respondents)

All authorized expenditures will be documented and placed into record on the website as well as the budget/balance sheet. This authorization set of rules is meant to include the entire expenditure as a whole and not for individual expenses that may occur month to month or periodically. All approved expenditures are valid for only that specific fiscal year.