

**Budget/Financial
Policy & Procedures 1011-001 (Effective 4/1/10)**

1. The POA will allocate at least 15% of all current fiscal revenue (excluding land sales income, direct reserve contributions) and 100% prior years' dues toward the Reserve Replacement Fund.
 - Reserve items are defined as current physical assets with an initial value of \$2,500 or greater/each. Most items shall be identified through the Replacement Reserve Study conducted in 2007.
 - Capital items are defined as new physical assets with an initial value of \$2,500 or greater/each. These items will not be located in the current Replacement Reserve Study; however will be added to the study in the next revision for future upkeep.
2. Department Managers may submit requests to move funds within department lines not to exceed \$2,500 to the General Manager (or Finance Director if unavailable) and to the Treasurer for approval. Once approved the accounts can be adjusted as requested and reported to the Finance Committee and Board of Directors.
3. The General Manger may execute other legal documents and expenditures not to exceed \$2,500 within budget approved operating funds (*not including recurring items such as utilities which may be higher*) and \$10,000 within budgeted Reserve & Capital funds.
4. The Treasurer may execute legal documents and expenditures not to exceed \$20,000 within budgeted Reserve & Capital funds. In an emergency event that the Treasure is unavailable two BOD members may execute the budgeted expenditure not to exceed \$20,000
5. The General Manager has the authority to set up credit lines not to exceed \$5,000 with the proper signers (Executive Committee & General Manager).
6. To maintain and balance property inventory of LRPOA sellable properties, the following procedures will be followed by the General Manager and staff
 - The General Manager will determine sellable lots with the assistance (as needed) of realtor(s), subject committees and boards based on a BOD approved policy. If lot is determined to be sellable it will be labeled as such, otherwise it will be labeled as Strategic Planning and/or Greenway. Subject lots are acquired through foreclosure or voluntary donation.
 - ⊖ POA will sell properties based on a BOD approved policy
 - All foreclosure property sales (acquired by foreclosure deed) shall be concluded with a Special Warranty Deed.
 - Foreclosures will be conducted on a quarterly basis (September, December, March & June), up to 20 each quarter. Foreclosures will be based on the highest tax values, reasonable balance of residential and camping (if applicable) accounts and reasonable certainty that the account will be settled or sold at the courthouse steps.
 - Properties that are being fined for non-compliance issue(s) will be placed into the attorney's hands (foreclosure) once fines have reached \$2,000. Once fines exceed \$5,000, the association Executive Committee or General Manager shall have the discretion to negotiate the amount down to a minimum of \$5,000, so long as all out of pocket fees and costs associated with addressing the original noncompliance issue that led to the fine remain in the negotiated amount..
 - The General Manager will have the authority to negotiate and accept offers based on the direction of the Executive Committee or the BOD based on closed session and approved policy.
7. The fiscal budget is a blue print (projection) for a period of 12 months with most accounts identified with general descriptions and identified cost. Staff's objective is to remain within each budget account and approved policy. Planning on the next fiscal budget shall begin by August 1st.
8. All these policies and procedures shall take precedent over prior approvals. Minimally, this document is to be reviewed by the Finance Committee at least once a year during the budget process.