

HOA Dues

HOA Dues are needed from all owners to pay for road maintenance and administrative costs. The fiscal year starts on January 1. The longer members take to pay, the more problems will arise with cash flow issues. Shifting the winter road contract to an October start date and paying up-front means there is some resilience built in for late payment. This document shows the standard procedure that will be used for all members and states the late payment fees that will be assessed.

Before invoices go out each year, check Alaska State of Department of Natural Resources records for new sales and new owners who did not notify HOA. This is so that all invoices will be sent to the correct owners.

Invoices for HOA Dues will be mailed no later than February 1 of each year.

Invoice will state "Due upon receipt" on the bill. *Also included on the invoice will be a statement explaining the late payment fee and interest charged for extended late payment.*

A Quickbooks email reminder will be sent March 1

Late notice will be mailed March 30. This will be a notification that the late penalty of 10% of the total unpaid balance will be assessed if not paid.

New invoice will be mailed April 15 with the late payment penalty added.

Monthly emails will be sent from Quickbooks with a new amount due May 15, June 15, July 15, September 15, October 15, December 15. The amount from the previous month will be increased by 1% in each subsequent month.

Quarterly invoices will be mailed on August 15 and November 15.

If there has been no communication with a lot owner by June 1, State of Alaska Department of Natural Resources records will be checked again and work will be done to contact the owner.

Monthly Payments:

Some members would prefer to pay monthly instead of paying all at once in February. If these monthly payments are invoiced and paid by check, this puts extra work on the administrative person to receive the extra mail, deposit checks, and send monthly invoices. In addition the money from those dues is not available to the HOA to spend on winter and summer road maintenance. If a majority of members chose to pay monthly, the HOA would have a serious cash flow problem in May or June, about the time summer road projects need to happen. If members wish to pay monthly instead of annually, they may choose this option and be assessed a convenience fee of 15% which will be added to the total invoice and then divided by 12 monthly payments. Any members paying monthly, must agree to an automatic draft from

their checking account. No more than 8% of the total HOA dues may be paid monthly so that cash flow is not impacted.

Collections:

Action taken after December 31 (11 months after initial invoice), unpaid bills will be sent to collections.