



POLICY & PROCEDURE MANUAL

Adopted by: White Mountain Lake Community Association, Inc.

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Supersedes: All prior policy manuals and conflicting directives

Official Copy

White Mountain Lake Community Association, Inc.
Navajo County, Arizona

This document contains the official policies and operational procedures governing the activities, administration, and conduct of the White Mountain Lake Community Association (WMLCA). All Board members, officers, volunteers, and contracted personnel are expected to comply with the standards and practices set forth

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Vision, Mission, and Values of the WMLCA Association

Vision

The White Mountain Lake Community Association envisions a thriving, resilient, and inclusive community where neighbors are deeply connected, resources are readily accessible, and every resident plays an active role in creating a safe, enjoyable, and sustainable environment for generations to come.

Mission

The White Mountain Lake Community Association is dedicated to enhancing the quality of life for all residents by fostering a spirit of community, promoting civic engagement, and supporting initiatives that improve safety, connectivity, and well-being. Through inclusive programs, collaborative partnerships, and responsible stewardship, the Association strives to create a vibrant and welcoming environment where all members feel valued and empowered.

Values

Community Engagement – We believe in the power of participation and encourage all residents to take an active role in shaping our shared future.

Inclusivity – We welcome and respect all individuals, fostering a culture of belonging and mutual support.

Stewardship – We are committed to responsibly managing our resources and preserving the natural beauty of White Mountain Lake.

Collaboration – We work together with local organizations, volunteers, and stakeholders to achieve common goals.

Transparency – We operate with openness and integrity, ensuring clear communication and accountability.

1. Purpose of the Manual

(Ref: A.R.S. § 10-3202)

These guiding principles shape all Association policies, programs, and operational decisions. They establish the framework the Board uses to evaluate initiatives, allocate resources, and ensure adherence to the Association's nonprofit mission.

(Ref: A.R.S. § 10-3202)

1.1 This Board Policy & Procedures Manual establishes the operating practices of the White Mountain Lake Community Association (WMLCA).

1.2 The manual supplements the Association's Bylaws by providing detailed procedures to ensure consistency, transparency, and accountability in daily operations.

2. Authority and Governance

(Ref: A.R.S. §§ 10-3801 through 10-3840; 10-3202)

- 2.1** This manual is adopted by the Board of Directors and may only be amended by recorded Board action.
- 2.2** This manual does not supersede the bylaws of the Association but provides binding guidance for internal management.
- 2.3** Policies in this manual are intended to implement and complement the Bylaws while complying with Arizona nonprofit law.

3. Board of Directors

(Ref: A.R.S. §§ 10-3830, 10-3825, 10-3842)

- 3.1** The Board is responsible for oversight of the Association's activities, assets, and compliance with law.
- 3.2** Each Director shall perform their duties in good faith, with ordinary prudence, and in the best interests of the Association. Any Director not performing in this manner shall be subject to removal as allowed in the Bylaws.
- 3.3** Mandatory Reporting: Any Director aware of fraud, malfeasance, or breach of duty must report it to the Board. Failure to report may be grounds for removal.
- 3.4** Oath of Office: Each Director shall sign and read aloud an Oath of Office pledging that they have read and understand the Bylaws and this Manual, and to serve the community faithfully. The Oath is not valid without a signed acknowledgment of receipt of both documents which are filed in the WMLCA Master File.

3.5 Composition of Officers

A.R.S. § 10-3840

The Board shall consist of the Officers of the Association as established in the Bylaws, including but not limited to a President, Vice President, Secretary, and Treasurer. Additional officers may be created by resolution of the Board as necessary for the efficient administration of Association affairs. No officer may hold more than one position simultaneously, except on a temporary basis due to vacancy until the position is filled.

3.6 President – Role and Responsibilities

A.R.S. § 10-3841

The President serves as the chief executive officer of the Association and the principal representative of the membership. The President is responsible for leadership, coordination, and lawful execution of all Board decisions. The President shall preside at all meetings of the Board and of the membership.

The President:

- (a) Presides over all meetings of the Board and Membership and ensures orderly procedure in accordance with parliamentary authority.
- (b) Executes contracts, instruments, and official correspondence on behalf of the Association as authorized by the Board, except when the Secretary and/or Treasurer are required to sign.
- (c) Supervises the overall function of officers, committees, and staff, ensuring compliance with adopted policies.
- (d) Coordinates with local agencies and community partners to promote the Association's goals.

- (e) Acts as spokesperson for the Association unless another officer or agent is designated.
- (f) Signs all approved minutes and legal documents requiring executive attestation.
- (g) Ensures that all Board actions comply with A.R.S. Title 10 and the Association's governing documents.

3.7 Vice President – Role and Responsibilities

A.R.S. § 10-3841

The Vice President acts in the place of the President during absence or incapacity and performs such other duties as assigned by the Board.

The Vice President:

- (a) Assists the President with administrative planning, meeting preparation, and supervision of projects.
- (b) Monitors the performance of committees or special assignments delegated by the Board.
- (c) Oversees continuity of operations and ensures follow-through on Board directives.
- (d) Represents the Association in official capacity when designated by the President or Board.
- (e) Automatically assumes the office of President upon vacancy, subject to confirmation by the Board.

3.8 Secretary – Role and Responsibilities

A.R.S. § 10-3842

The Secretary is the official custodian of all Association records and services as the administrative officer responsible for documentation and reporting accuracy.

The Secretary:

- (a) Records, prepares, and maintain the minutes of all meetings of the Board and Membership.
- (b) Ensures that notices of meetings, agendas, and official correspondence are issued in compliance with statutory and policy requirements.
- (c) Maintains a permanent file of all governing documents, contracts, resolutions, and records of Board actions.
- (d) Oversees retention, organization, and security of digital and physical archives in accordance with record retention policy.
- (e) Certifies and attests all official instruments, documents, or filings as required by law, except when the President or Treasurer are required to sign by law or authorized corporate action."
- (f) Maintains a current roster of members, Directors, and Officers and verifies quorum during meetings.
- (g) Coordinates with the President to ensure approved minutes and summaries are made available to the membership.

3.9 Treasurer – Role and Responsibilities

A.R.S. § 10-3843

The Treasurer is the financial officer of the Association, responsible for safeguarding and reporting all fiscal matters under the direction of the Board.

The Treasurer:

- (a) Maintains accurate accounting records reflecting all receipts, disbursements, assets, and liabilities.
- (b) Prepares monthly financial statements for Board review and an annual financial report for membership presentation.

- (c) Oversees the deposit and disbursement of funds in accordance with adopted financial control policies.
- (d) Ensures all financial activities comply with Arizona law, nonprofit accounting standards, and IRS requirements.
- (e) Coordinates with independent auditors or accountants for periodic reviews or audits.
- (f) Advises the Board regarding fiscal impacts of proposed actions and maintains budgetary discipline.
- (g) Ensures timely completion and filing of required financial reports and tax documents.

3.10 Officer Elections and Appointments

A.R.S. § 10-3840

Officers shall be elected annually by the Board of Directors during the first regular meeting following the Annual Meeting of the Membership. Nominations may be made from the floor or submitted in writing prior to the meeting. Election shall be determined by a majority vote of the Board of Directors. In the event of a vacancy, the Board shall appoint a replacement to serve until the next election cycle. All appointments must be recorded in the minutes.

3.11 Removal or Resignation of Officers

A.R.S. § 10-3841

Any officer may be removed by a majority vote of the Board for cause, including but not limited to neglect of duty, violation of law, or conduct detrimental to the Association. Resignations must be submitted in writing to the Secretary and acknowledged in the official minutes.

3.12 Confidentiality and Ethics

A.R.S. § 10-3830

All Directors and Officers shall maintain confidentiality regarding sensitive Association matters, including financial records, personnel discussions, and member information. Board discussions conducted in executive session are privileged and not to be disclosed outside the Board.

Directors and Officers shall:

- (a) Refrain from using Association resources or information for personal gain.
- (b) Avoid conflicts of interest and disclose any potential conflicts to the Board immediately.
- (c) Conduct themselves in an ethical, professional, and impartial manner when representing the Association.
- (d) Sign an annual Ethics and Confidentiality Acknowledgment form to remain in good standing.

3.13 Delegation of Authority

A.R.S. § 10-3841

The Board may delegate specific operational responsibilities to Officers, Committees, or designated agents, provided such delegation does not relieve the Board of ultimate oversight. All delegations shall be recorded in the minutes and reviewed annually.

3.14 Communication and Transparency

A.R.S. § 10-11601

The Association shall operate in an open and transparent manner, ensuring that members are reasonably informed of its activities, finances, and governance decisions. Effective communication between the Board, Committees, and Membership is essential to maintaining public confidence and community participation.

- (a) **Public Access to Information:** The Board shall make available for inspection, during normal business hours or upon reasonable request, all non-confidential records including approved minutes, adopted budgets, financial statements, and governing documents. Requests shall be made in writing and responded to within 72 hours.
- (b) **Meeting Notices and Agendas:** All regular and special Board or Membership meetings shall be publicly noticed in accordance with the Bylaws. Notices shall include the date, time, location, and proposed agenda topics. No Board vote shall occur on an item not reasonably described in the published agenda except in case of emergency.
- (c) **Minutes and Records:** The Secretary shall prepare accurate minutes of each meeting, including all motions, votes, and actions taken. Approved minutes shall be posted or otherwise made accessible to members no later than thirty (30) days following the meeting, unless extended for cause.
- (d) **Communication Channel:** The Association shall maintain one or more official channels for distributing information, which may include public postings, newsletters, e-mail notices, or a website. Only these channels shall be recognized as official communications of the Association.
- (e) **Board Reports to Membership:** The President or designee shall provide periodic summaries of Board activities, financial status, and community updates to the membership. Such reports may be presented during regular meetings or distributed in writing.
- (f) **Member Inquiries and Responses:** Members may submit written questions or requests for clarification on Board actions or policies. The Board shall acknowledge receipt and provide a written or verbal response within 72 hours, unless the matter involves confidential or privileged information.
- (g) **Transparency Limitation:** Certain matters such as legal advice, personnel discussions, or pending disciplinary cases may be handled in executive session as authorized by law. Summaries of executive actions, excluding confidential details, shall be recorded in the minutes.
- (h) **Ethical Obligation to Disclose:** Directors and Officers must disclose any information that materially affects Association operations or finances and may not intentionally conceal facts relevant to Board or Membership decisions.

3.15 Legal and Compliance

A.R.S. § 10-3206

The Association shall maintain compliance with all applicable federal, state, and county laws governing nonprofit corporations, community associations, and the management of member funds and records. The Board is collectively responsible for ensuring that Association actions remain lawful and properly documented.

- (a) **Statutory Compliance:** The Board shall operate in accordance with Arizona Revised Statutes, Title 10 (Nonprofit Corporations), and any other state or county requirements affecting community associations. The Secretary shall maintain current copies of all applicable statutes and ensure they are accessible for Board reference.
- (b) **Document Retention and Record Integrity:** Official records—including minutes, correspondence, contracts, and financial documents—shall be retained in accordance with established record retention policies and may not be destroyed without Board authorization.

- (c) Annual Filings and Reports: The Treasurer and Secretary shall jointly ensure timely filing of all state and federal reports, including the Arizona Corporation Commission Annual Report and IRS Form 990 or equivalent. Copies of these filings shall be made available to members upon request.
- (d) Contract and Procurement Compliance: All contracts or financial obligations entered into on behalf of the Association must comply with established purchasing and approval procedures. No individual Director or Officer may obligate the Association without prior Board approval recorded in the minutes.
- (e) Legal Counsel and Audit: The Board may retain legal counsel or an independent auditor as necessary to review compliance, advise on regulatory obligations, or investigate complaints or disputes. Reports and findings shall be reviewed in executive session when confidentiality is required.
- (f) Reporting of Violations: Any Director or Officer aware of a suspected legal or ethical violation shall promptly report the matter to the Board for review. The Board shall investigate the claim and, if warranted, seek outside counsel or law enforcement assistance.

3.16 Community and Member Services

A.R.S. § 10-3801

The Association shall serve the community through the fair and consistent delivery of programs, events, and services that promote safety, unity, and quality of life for all community members of White Mountain Lake. The Board shall ensure that all community-related activities align with the Association's nonprofit purpose and benefit the membership and community collectively.

- (a) Purpose of Services: Community and member services shall be directed toward improving neighborhood communication, civic engagement, recreation, and community welfare. Activities shall not be used for political, commercial, or personal promotion.
- (b) Programs and Events: The Board may authorize community events such as clean-up days, volunteer appreciation gatherings, membership drives, and educational workshops. Each event shall have a designated coordinator who reports directly to the Board or assigned committee.
- (c) Volunteer Participation: The Association encourages member involvement in service projects. Volunteers shall operate under approved guidelines, may not represent themselves as agents of the Association without authorization, and must comply with all applicable safety and conduct rules.
- (d) Community Assistance: The Association may coordinate or refer community members of White Mountain Lake to outside agencies for assistance programs, including neighborhood watch, emergency preparedness, or county improvement initiatives. Such participation must not conflict with the Association's nonprofit status or legal obligations.
- (e) Member Relations and Responsiveness: The Board will maintain a structured process for receiving, reviewing, and responding to member concerns and suggestions. All inquiries will be acknowledged and followed up within three business days. Additionally, WMLCA will provide a resource and referral directory to assist community members in navigating available services.
- (f) Public Image and Representation: All Directors, Officers, and committee members shall represent the Association in a professional and courteous manner. Public statements on behalf of the Association shall be made only by authorized individuals as designated by the Board.

- (g) Evaluation of Services: The Board will conduct quarterly evaluations of community and member service programs in January, April, July, and October, to assess effectiveness, cost efficiency, and alignment with White Mountain Lake Community Association's adopted Vision, Mission, and Values. Recommendations regarding program continuation, modification, or termination will be documented in the meeting minutes.

4. Membership

(Ref: A.R.S. §§ 10-3621 through 10-3623)

- 4.1** Membership is open to all eligible individuals as defined in the bylaws.
- 4.2** Members are expected to pay annual dues in a timely manner.
- 4.3** Members have rights and obligations established in the bylaws and in Board-adopted policies.
- 4.4** Members are expected to act respectfully toward other members, guests, and staff; comply with Association rules; and uphold the reputation and integrity of the community.

5. Meetings

(Ref: A.R.S. §§ 10-3701 through 10-3709; 10-3820)

5.1 Purpose

This section establishes uniform procedures for preparing, conducting, and documenting meetings of the White Mountain Lake Community Association (WMLCA). The goal is to promote efficiency, transparency, and consistency in the administration of Association business.

Part A – Preparation and Notice

5.1.1 Agenda Preparation: The President, with input from other Directors, prepares the draft agenda. Board members or officers wishing to add items must submit requests no later than five (5) business days before the scheduled meeting. Routine reports and Financial statements are automatically included.

5.1.2 Agenda Packet Distribution: A complete agenda packet— Meeting notice, including the agenda, draft meeting minutes, and any supporting reports—shall be distributed electronically or in print to all Directors at least forty-eight (48) hours before the meeting, except when circumstances beyond the Board's control make such notice impossible, in which case notice shall be provided as soon as practicable.

5.1.3 Posting of Meeting Notices: Meeting notices shall be posted in a visible public. Locations including Community Center bulletin board, the Association's website, or other digital platforms. The Secretary or designee is responsible for posting and verifying the notice.

5.1.4 Member Participation Requests: Members may request to speak or present. information by notifying the Secretary before the meeting. The President will schedule. such participation under "Call to Public".

Part B – Conduct During Meetings

5.2.1 Seating and Setup: Whenever feasible, the Board shall be seated facing the membership with a table for officers and a separate area for attendees. Recording devices, if used, must be placed in plain view.

5.2.2 Order of Business: The President presides and follows the approved agenda. Items should generally proceed as follows: Call to Order, Roll Call, Confirmation of quorum Pledge of Allegiance, Approval of Minutes, Reports, Old Business, New Business, Call to Public, Adjournment. The President may adjust the order for efficiency.

5.2.3 Speaking and Recognition: Directors and members shall be recognized by the President before speaking. All remarks shall be addressed through the President to maintain order. Side discussions are not allowed.

5.2.4 Public Comment Procedure: A designated “Public Comment” segment allows members to address the Board. Each speaker is normally limited to three (3) minutes, unless extended by the President. No response, discussion or debate by Directors shall occur during call to public. Comments must relate to Association matters and remain respectful.

5.2.5 Recording and Decorum: Meetings may be audio-recorded by the Secretary for accuracy of minutes. Members may make personal recordings provided they do not disrupt proceedings. Disruptive behavior may result in removal from the meeting room.

5.2.6 Motions and Voting Procedure: All motions shall be stated clearly by the President before discussion. After discussion, the President restates the motion and calls for a vote. Results are announced immediately and entered into the minutes. Voting methods: show of hands, roll call, or written ballot are determined by the President as appropriate.

Part C – Minutes and Recordkeeping

5.3.1 Recording of Minutes: The Secretary shall record the date, time, location, type of meeting, names of attendees, motions made, votes cast, and key discussion points. Draft minutes shall be prepared within three (3) business days.

5.3.2 Approval of Minutes: Minutes are presented at the next regular meeting for review and approval. Corrections are entered directly into the permanent record without erasing or obscuring the original entry.

5.3.3 Retention of Minutes: Approved minutes shall be printed, signed by the Secretary, and the President and stored in the Association’s official records. A digital copy should also be retained in the Association’s secure archive.

Part D – Special and Informational Sessions

5.4.1 Study Sessions or Workshops: Study sessions are informational gatherings for discussion only. No formal motions or votes shall occur. Notes or summaries may be kept for reference in accordance with the WMLCA Retention Policy.

5.4.2 Executive Sessions: When a closed session is lawfully held, it must be limited to confidential or sensitive matters such as personnel, contracts, or legal issues. Attendance is restricted to authorized participants. A brief summary (without confidential detail) shall be entered in the regular meeting minutes noting that an executive session occurred.

5.4.2(a) Procedure for Entering and Exiting Executive Session

(1) The Board may enter Executive Session only upon a motion made, seconded, and approved by majority vote of the Directors present.

(2) The motion shall briefly state the lawful purpose (e.g., “to discuss personnel,” “to review a

legal matter,” or “to consider a contract”).

(3) Upon completion, the presiding officer shall announce that the Board is reconvening in regular session, and the time of reconvening shall be recorded in the minutes.

(4) No formal vote, decision or polling is allowed to be taken in Executive Session unless the Board later reconvenes in open session and votes on the matter in accordance with these policies.

5.4.3 Electronic or hybrid meetings may include electronic or hybrid presence including via telephone, video, or hybrid format if all participants can hear and be heard. The Secretary shall verify attendance and ensure recordings or logs are maintained when applicable.

Part E – Post-Meeting Procedures

5.5.1 Follow-Up Actions Within three (3) business days after each meeting, the Secretary shall distribute action items or task assignments to the responsible officers or committees.

5.5.2 Retention and Member Access Approved minutes shall be retained and made available in accordance with the Records, Retention, and Documentation Policy (Section 8 of this manual). This section does not create any additional rights of inspection beyond those already established by policy or law.

6. Committees

(Ref: A.R.S. § 10-3826)

6.1 All committees shall be created by the Board, and all committees shall operate only under the authority delegated to it in writing by Board resolution.

6.2 Any resolution to create a committee will be specific in intent and shall name a Chairperson for the committee.

6.3 Committees may not act independently of the Board.

6.4 No committee member may bind the Association in ANY commitment, contract, or expenditure.

6.5 Committees must keep written minutes of their meetings and written notes regarding activities.

6.6 Committees shall provide oral and written reports to the Board at least monthly (or more often if requested by the President of the Board).

6.7 All committee actions are subject to Board review and approval.

6.8 Any committee may be cancelled at any time by the Board.

7. Financial Procedures

(Ref: A.R.S. §§ 10-3830 and 10-11601 through 10-11605)

7.1 Cash Handling Policy

7.1.1 Purpose: To safeguard cash or monies received, ensure accurate documentation, and provide timely deposits.

7.1.2 Collection of Cash: All cash transactions received must occur in the presence of no fewer than two (2) Board-authorized individuals. Every person making a cash payment, donor, member, or other payor shall, whenever reasonably possible, be issued an official consecutively numbered WMLCA-imprinted receipt immediately, or by the Treasurer within two (2) business days. Each receipt shall include the name “White Mountain Lake Community Association (WMLCA)” and indicate the Association’s 501(c)(3) status. A copy of each receipt shall be

placed in Association records within thirty (30) business days. Cash or checks collected at events must be immediately secured by two (2) Board authorized persons in a lock box or other lockable container. At the close of any fundraising event, a tally sheet shall be completed and signed by both authorized people. That tally sheet, along with all funds, shall be delivered to a Board officer (preferably the Treasurer) for deposit. Funds shall never be taken home without the express permission of the Treasurer.

7.1.3 Deposit of Cash: All cash collected must be deposited within five (5) business days. The original deposit slip shall be placed into Association records within five (5) business days after the deposit is made.

7.1.4 Recordkeeping: A printed record of all monies or donations shall be maintained including donor name (if known), description, amount, receipt number, and date. The Treasurer shall record all monies received monthly and give a verbal report to the Board at each regular meeting. A printed copy of said report shall be provided to the Secretary for secondary records. Any missing or un-accounted receipt or check numbers shall be reported by the Treasurer to the Board within thirty (30) days and entered into the minutes.

7.1.5 Accountability: Failure to follow this policy may result in legal referral or corrective action.

7.2 Petty Cash

(Ref: A.R.S. § 10-3830)

7.2.1 Petty cash funds must be approved by the Board.

7.2.2 Petty cash shall be maintained in a locked container under the custody of the Treasurer or other officer designated by the Board.

7.2.3 All withdrawals require documentation with original receipts or signed vouchers.

7.2.4 Petty cash shall be reconciled monthly and reported to the Board.

7.2.5 Petty cash shall not be commingled with personal funds and shall be verified monthly by a person other than the custodian.

7.3 Bank Accounts and Reconciliation

(Ref: A.R.S. § 10-3830)

7.3.1 Two (2) authorized signatures are required for any cash withdrawal, expenditure check, or electronic transfer.

7.3.2 Authorized signers shall be the President, Treasurer, and one (1) additional Board-authorized Director.

7.3.3 The Treasurer shall reconcile bank statements monthly and include the reconciliation report in the Treasurer's monthly meeting report.

7.3.4 The Treasurer shall perform monthly bank reconciliations to verify that all deposits, withdrawals, and expenditures are accurately recorded. To maintain transparency and oversight, another officer—preferably the President or Secretary, shall review and initial each monthly reconciliation report. This secondary review confirms that supporting documentation is present and that transactions appear reasonable and consistent with approved Association activity.

7.4 Financial Reports and Record Retention

(Ref: A.R.S. § 10-3830)

7.4.1 The Treasurer shall provide financial reports at each Board meeting and at the annual membership meeting.

7.4.2 Reports shall include income, expenses, account balances, and reconciliation status.

7.4.3 All financial records, receipts, reports, and bank statements shall be retained for not less than seven (7) years.

7.4.4 Records shall be stored in a secure and accessible format, either digitally or in hard copy, under the control of the Treasurer and Secretary as defined by the WMLCA Records Retention Policy.

7.5 Debit, Credit, Electronic Transfer – Bill Pay Policy

(Ref: A.R.S. § 10-3830)

7.5.1 Purpose: To regulate the use of debit / credit cards and electronic bill pay for financial security.

7.5.2 Debit cards should be avoided whenever possible.

7.5.3 Credit cards and bank electronic bill pay are the preferred methods for purchases.

7.5.4 All transactions must be pre-approved by the Board and fully documented.

7.5.5 Online banking credentials shall be limited to the Treasurer and one secondary officer, changed annually, and not stored on personal devices.

7.5.6 Unauthorized use may result in removal of authorization and or legal referral.

7.6 Reimbursements

(Ref: A.R.S. § 10-3830)

7.6.1 Guaranteed reimbursement by the association will only be made for pre-approved or budgeted expenses.

7.6.2 Requests to the Board for reimbursement MUST be submitted within 30 days of any expenditure and MUST include a receipt stating what the reimbursement is for.

7.6.3 Reimbursement by the Board will be considered at the next regular Board meeting.

7.6.4 Purchases not Board-approved will not be reimbursed.

7.6.5 The Treasurer and the Board shall review all requests.

7.6.6 Reimbursements shall be paid by dual-signature check.

7.7 Mail Handling and Receipt of Monies

(Ref: A.R.S. § 10-3830)

7.7.1 Purpose: To help ensure record accuracy and safeguard monies received by mail.

7.7.2 ALL MAIL (because it may contain funds or sensitive information) must be opened in the presence of (2) persons, whether Board members or Board authorized persons.

7.7.3 Each envelope containing cash or check funds must be logged with: donor/payor name (or “Anonymous”), include the exact amount, receipt number, and purpose onto an official dual signed WMLCA tally sheet.

7.7.4 Both mail openers must sign the tally sheet.

7.7.5 The tally sheet shall be submitted to the Treasurer along with any monies and the tally sheet retained for records.

7.8 Audit & Financial Review

(Ref: A.R.S. § 10-11806)

7.8.1 An annual audit or review shall be performed by two members not related to any Director, or by an external auditor, unless the Board determines otherwise by majority vote.

7.8.2 The audit or review shall be completed within ninety (90) days of the close of the fiscal year.

7.8.3 The Treasurer shall present the audit or financial review results to the Board and the Membership at the next regular meeting following completion of the audit or review.

7.8.4 Findings must be recorded in the minutes and retained permanently.

7.9 Financial Oversight and Reporting

7.9.1 The Treasurer shall provide monthly financial reports to the Board, including income, expenses, and account balances.

7.9.2 The Board shall review and approve these reports at each regular meeting.

7.9.3 Any discrepancies or irregularities shall be addressed immediately and documented in the minutes.

7.9.4 The Treasurer shall ensure that all financial records are retained and available for inspection according to the Records, Retention, and Documentation Policy.

8. Records, Retention, and Documentation

(Ref: A.R.S. §§ 10-11601 through 10-11605)

8.1 The Association shall maintain correct and complete books, accounts, and meeting minutes.

8.2 Record keeping must comply with A.R.S. §§ 10-11601 through 10-11605.

WMLCA Records Retention Policy

A) Permanent (Life of the Association)

- Articles of Incorporation, CC&Rs/Declaration, Bylaws, Rules & Regulations
- Recorded amendments and property documents
- Board and Membership Meeting Minutes (approved, final)
- Historical resolutions and policy statements
- Property surveys; easements; major engineering reports; warranty deeds

B) 10 Years or Permanent where required

- Financial books and records: general ledger, journals, itemized receipts and disbursements, bank statements, reconciliations
- Executed contracts & leases (keep term + 4 years, but some states require 10; retain longer for construction/structural work)
- Insurance policies and certificates (policy term + 4 years)
- Audit reports and management letters
- Major maintenance/repair records (retain life of asset/system)

C) 7 Years

- Tax returns and supporting schedules
- Accounts payable/receivable details, invoices, receipts, expense reports

- Payroll and employment tax filings (if any)
- Budget files

D) 3–5 Years

- Routine correspondence not part of permanent records
- Committee records (nongoverning, routine)
- Vendor performance files (post-contract)

E) 1–2 Years

- Ballots, proxies, sign-in sheets, and election materials
- Access logs to records repository

F) Current / Until Superseded

- Owner roster (names, mailing addresses, and other contact info authorized by law)
- Operating procedures and internal forms
- Board directories and committee lists

8.3 Access and control of the Association’s corporate records is limited to the Secretary and President (oversight). The President shall not alter any records. The President shall have review access to all records but shall not have “custodial control. “If the President wants to audit or verify any records, it must be done through formal Board review or a designated finance committee.

Any director is entitled to inspect corporate books, records and documents of any account, minutes, agendas, membership lists, etc., at any reasonable time

8.4 Custody: Original records shall always remain at the designated records-keeping premises (currently the Community Center). They may not be taken home by any officer. Copies may only be made for official working purposes, but original records shall remain secured day to day. No copies of any records will be given without Board approval unless required by law.

8.5 Any known breach of this policy must be reported to the Board immediately and may result in legal referral.

8.6 Inspection: Association Members in good standing or Board members may request to inspect Association records. Any such request shall be made in writing on an official WMLCA Records Review Request form. Accommodation to review records will be at the Secretary’s or Treasurer’s discretion (depending on the type of record). Accommodation will be at a reasonable time and place, and within five (5) regular business days of receipt of the written request by the appropriate records keeper. Records available for review to Association members or Board Members may not include executive Board meetings records, or any information deemed to contain confidential or personal information by the Board. All records legally required to be available for review and shall be made available.

8.7 No records can be destroyed without Board approval.

8.9 A digital or photocopy back up of all records shall be maintained annually.

9. Conflict of Interest

(Ref: A.R.S. §§ 10-3860 through 10-3864)

9.1 A conflict shall exist when ANY Director, Officer, or Committee member’s personal or financial interests could interfere - or appear to interfere – or do interfere with their duty to the Association. To protect the Board, Board Members and the Association, any remote possibility of a conflict should be reported immediately to the Board for review and possible action.

- 9.2 All conflicts must be disclosed and recorded in the minutes.
- 9.3 The conflicted person must abstain from ANY discussion or related vote.
- 9.4 Failure to disclose a known conflict is illegal and may constitute a breach of fiduciary duty and shall be grounds for removal.
- 9.5 Cases of potential financial impropriety, fraud, or other unlawful acts may be referred to law enforcement.

10. Amendments and Review

(Ref: A.R.S. § 10-3202)

- 10.1 This manual shall be reviewed annually.
- 10.2 Amendments require recorded Board action and distribution to all Directors.

11. Whistleblower Protection Policy

(Ref: A.R.S. § 23-1501)

- 11.1 Any member who reports suspected misconduct in good faith is protected from retaliation.
- 11.2 Reports may be made to the President or any officer.
- 11.3 Retaliation shall result in corrective action.

12. Donations & Gift Acceptance Policy

(Ref: A.R.S. § 10-3202)

- 12.1 The Association may accept cash, checks, and in-kind donations that further its mission.
- 12.2 The Association may decline any gift inconsistent with its mission.

13. Membership Dues & Delinquency Policy

(Ref: A.R.S. § 10-3623)

- 13.1 Annual dues are set by the Board and approved by the membership at a duly noticed meeting.
- 13.2 Members who fail to pay within 60 days may lose good standing.
- 13.3 Membership is reinstated upon full payment.

14. Expenditure Threshold & Check Signing Policy

(Ref: A.R.S. § 10-3830)

- 14.1 Two authorized signatures are required on all checks.
- 14.2 Routine budgeted expenses may be paid with dual signatures without additional approval.
- 14.3 Emergency repairs and maintenance for the WMLCA Community Center may be obligated by the President and approved by the Treasurer or Vice President under the threshold of \$500. The expenditure will be presented to the membership at the next regular WMLCA meeting following the emergency event.

15. General Accountability

(Ref: A.R.S. § 10-3830)

15.1 Failure to follow these procedures may result in corrective action by the Board.

15.2 Corrective action may include warnings, reassignment of duties, suspension, removal from office, or referral for investigation.

16. Volunteer and Ad Hoc Participation Policy

(Ref: A.R.S. §§ 10-3202, 10-3830)

16.1 Purpose: This policy establishes a framework for the use of volunteers and ad hoc participants in support of the White Mountain Lake Community Association's programs, facilities, and community services.

16.2 Authority and Oversight: All volunteers and ad hoc participants must be approved by Board action and recorded in the minutes. They serve at the discretion of the Board. Volunteers may not represent themselves as agents of WMLCA, enter contracts, enter liability, or expend funds without prior Board authorization. Volunteers and ad hoc participants must report to the Board at each regular meeting concerning their activities.

16.3 Definitions: A "volunteer" is an individual who performs services without compensation (except reimbursement of pre-approved expenses). An "ad hoc participant" is a temporary helper assigned for a specific project, event, or task.

16.4 Documentation: The Secretary shall maintain a record of all approved volunteers, dates of service, project assignments, and acknowledgment of this policy.

16.5 Duties and Expectations: Volunteers must perform assigned tasks only. Professionalism, safety, and respect are required. Misconduct may result in immediate removal.

16.6 Use of Assets: Volunteers may only use WMLCA property, keys, or codes with authorization. Items must be returned immediately after use.

16.7 Insurance and Liability: WMLCA maintains general liability insurance that covers volunteer activities, subject to policy terms. Volunteers acknowledge they are not employees and are not entitled to wages, benefits, or workers' compensation.

16.8 Termination: The Board may terminate a volunteer's services at any time. Terminations due to misconduct must be entered into the minutes.

17. Key and Access Control Policy

(Ref: A.R.S. § 10-3830)

17.1 Scope: Applies to all keys, lock combinations, keypad codes, and access devices for: Community Postal Facility, Association File Cabinets, Community Center, Supply Closet, and Maintenance Shed.

17.2 Oversight: The President and one other Director designated by the Board oversee compliance. Names of designees must be recorded in the minutes.

17.3 Issuance: Keys/access issued only to specific positions or Board-approved designees. All keys must have unique numbers affixed.

- 17.4 Records:** Secretary/Treasurer maintains an official Key Log. The log shall include identifier, date issued, holder name and signature, position/reason, date returned, officer signature, and notes. Combinations must be tracked in the same ledger as keys.
- 17.5 Master Key Control:** A complete master set of keys and access codes shall be maintained in a sealed envelope or lockbox at the Community Center. The envelope or lockbox must be signed and dated across the seal by the President and one other Director designated by the Board. Access to the master set is permitted only with prior Board authorization or in an emergency. Any use or opening of the master key envelope or lockbox must be logged in the official Key Log and reported at the next Board meeting.
- 17.6 Accountability:** Unauthorized duplication prohibited. Any Board member that duplicates a key without Board approval may be removed in the method(s) as explained in the bylaws. All keys/combinations must be returned when no longer needed. Breach of this policy may result in corrective or legal action.

18. Computer and Password Control Policy

(Ref: A.R.S. §§ 10-3830, 18-551)

- 18.1 Scope:** Applies to all Association-owned computers and digital accounts.
- 18.2 Oversight:** The Board designates responsible officers (typically Secretary and Treasurer). Passwords must be documented in a sealed envelope, signed by the President and one other Officer, and stored securely at the Community Center.
- 18.3 Requirements:** Accounts and passwords may only be created or changed with Board knowledge. Shared devices must have separate user accounts when possible. Access may not be shared outside authorized officers.
- 18.4 Records:** Password log must include account name, date created/changed, and authorizing officer. Updates must be entered within 5 business days.
- 18.5 Accountability:** Unauthorized access or misuse is a breach of duty and may result in corrective or legal action.

19. Communications and Public Representation Policy

(Ref: A.R.S. § 10-3202; IRS 501(c)(3) limitations)

- 19.1** Only the President or a person approved by Board action may represent WMLCA in official matters or communications, unless such communication is part of an officer's assigned duties.
- 19.2** Directors, officers, and volunteers must not post Association business on personal accounts in a way that implies official representation without prior Board approval.
- 19.3** The Board may authorize newsletters, flyers, social media posts, or other outreach materials. These must be reviewed and approved before release unless the Board has granted standing pre-approval for routine or recurring communications. Board members or officially designated volunteers may create or issue them.
- 19.4** Unauthorized communications or misuse of the Association's name, logo, or platforms may result in corrective or legal action.

20. Postal Facility Operations Policy

(Ref: A.R.S. §§ 10-3830, 10-3202; IRS 501(c)(3) charitable operations)

- 20.1 Purpose:** This policy establishes the rules for operating, funding, and overseeing the White Mountain Lake Community Postal Facility, which is managed by the Association as a community service initiative. The purpose is to ensure accountability, proper handling of funds, payroll integrity, and secure facility operations.
- 20.2 Authority and Oversight:** The Postal Facility operates under the authority of the WMLCA Board of Directors. The Board shall designate at least two Directors to oversee Postal Facility operations. Their names must be recorded in minutes. Oversight includes payroll approval, budget review, facility access, and compliance with all policies in this manual.
- 20.3 Payroll and Employment:** The Postal Facility Clerk is employed by WMLCA as a part-time, community-supported position. Payroll shall be issued on a regular, Board-approved schedule (e.g., biweekly, or monthly). Hours worked must be documented by time sheets signed by the Clerk and verified by a supervising Director. All payroll transactions must comply with IRS, state, and nonprofit reporting requirements. Payroll checks or direct deposits must be issued only after Board review and dual approval of hours and in accordance with the White Mountain Lake Community Association's Postal Facility Human Resource Handbook.
- 20.4 Money Handling and Deposits:** All monies received at the Postal Facility that are related to postal services shall be handled in accordance with guidelines set forth in the USPS manual.
- 20.5 Facility Security and Access** the Postal Facility is Association property; keys and access codes are controlled under the Key and Access Control Policy (Section 18). Only Board-authorized individuals and the Clerk(s) may have keys. Unauthorized duplication is prohibited. A complete record of keys and access codes shall be maintained by the Secretary/Treasurer in the official Key Log. Cash, checks, and money orders must be secured in a locked container until deposit.
- 20.6 Financial Reporting:** The Treasurer shall prepare a monthly report summarizing all Postal Facility income, expenditures, and payroll. Reports must include deposit slips, receipt logs, and payroll records, and should be permanently retained with Association records. At the Annual Membership Meeting, a summary of Postal Facility operations and finances will be included in the Treasurer's Annual Report.
- 20.7 Accountability and Corrective Action:** Failure to comply with these procedures may result in corrective action, including reassignment of duties, suspension of access or removal of authority. Payroll fraud, cash mismanagement, or other misconduct may be referred to law enforcement.

21. Policy Compliance & Effectiveness

- 21.1** The Board shall review this policy annually to ensure compliance and effectiveness.

DEFINITIONS

1. **Association** – White Mountain Lake Community Association, Inc.
2. **Board** – The Board of Directors of the Association.
3. **Director** – A duly elected or appointed member of the Board of Directors.
4. **Officer** – A Director elected by the Board to serve as President, Vice President, Secretary, or Treasurer.
5. **Member in Good Standing** – A member current in dues and not suspended or removed under these Bylaws.
6. **Dues** – Money paid annually by members to cover the Association's operational expenses.
7. **Donation** – Any voluntary payment or contribution not classified as dues.
8. **Attend** – A member's appearance at a meeting, whether in person, by absentee ballot (for noticed votes), or by approved electronic means.
9. **Quorum** – The minimum number of members or Directors required to transact business as set forth in these Bylaws.
10. **Majority Vote** – More than half of the votes cast by those entitled to vote, unless otherwise specified.
11. **Two-Thirds Vote** – At least two-thirds of the votes cast by those entitled to vote, unless otherwise specified.
12. **Policies and Procedures** – The rules and guidelines adopted by the Board to govern Association operations consistent with these Bylaws.
13. **Fiscal Year** – The accounting year of the Association, beginning January 1 and ending December 31.
14. **Notice** – Written communication delivered personally, by mail, social media, electronic, or any other means approved by the Board. Notice is effective when provided in at least one form reasonably calculated to reach members.