

## **Royal St Andrew Association Inc., Board of Directors Administrative Resolution**

**WHEREAS**, Section 6 of the Bylaws of assigns the Board of Directors (“Board”) all powers and duties necessary for the administration of the affairs of the Royal St Andrew (“Association”) and states that the Board may do all such acts and things, except those matters that the Board is prohibited from doing by law or the governing documents;

**WHEREAS**, the Board of Directors wishes to establish standards for the operation and governance of the Association that serve as guiding principles for both volunteer leaders and members of the Association; and,

**WHEREAS**, the Board has determined that it is in the best interests of the Association and the Association’s members to adopt *Clarification of Existing Past Due Payment Rule*.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby adopts *Clarification of Existing Past Due Payment Rule*, as a guide to the relationship between the Association and its members.

### **"Clarification of Existing Past Due Payment Rule"**

The RSA Declaration specify that interest and penalties will be assessed on past due payments:

*15. (B) Any assessments which are not paid when due shall bear interest from the due date until paid at the rate of 18% per annum and shall be subject to a late charge penalty equal to the greater of \$25.00 or 5% of the assessment amount per occurrence. Any payment received by the Association shall be applied first to any interest accrued on the assessments, then to any late charge, then to any costs and reasonable attorneys' fees incurred in collection and last to the delinquent assessment. No payment by check is deemed received until the check has cleared.*

This document provides details of how this rule is applied.

**Due date** is defined as the 1st day of every quarter as stated on the coupon booklet that all owners receive each year AND per the Declaration

*15. “Each Unit's assessment shall be due and payable monthly or **quarterly in advance** to the Association, as shall be determined by resolution of the Board.”*

Owners will have a **grace period** until the 15<sup>th</sup> day of the month to provide payment.

If payment in full is not received by the 15<sup>th</sup> day of the month, a penalty fee of the greater of \$25.00 or 5% will be assessed based on the total balance due on the account.

If payment in full is not received by the end of the month a Finance Charge (Interest) of 18% per annum will be assessed from the original due date.

**This is consistent with our Declaration and recent collection actions for late payments.**

**Example 1:**

Quarterly assessment for Q2 of \$3,000 due April 1.

Full payment of \$3,000 credited to account within CiraNet before April 15.

Result: no late fee and no interest charged for Q2 assessment.

**Example 2:**

Quarterly assessment for Q2 of \$3,000 due April 1.

Full payment of \$3,000 credited to account within CiraNet on April 15.

Result: late fee triggered for Q2 assessment; account invoiced on April 15 for \$150 (5% of \$3,000, which is larger than \$25). However, since the full assessment amount was paid before April 30, there will be zero interest payment invoiced on April 30.

**Example 3:**

Quarterly assessment for Q2 of \$3,000 due April 1.

Full payment of \$3,000 credited to account within CiraNet on April 30.

Result: late fee triggered for Q2 assessment; account invoiced on April 15 for \$150 (5% of \$3,000, which is larger than \$25). However, since the full assessment amount was not paid before April 30, there will also be an interest payment invoiced on April 30 for 44.38 (18% of \$3,000 x 30/365). Additional interest payments will be invoiced at the end of each month on the outstanding account balance until paid in full.

Duly adopted at a meeting of the Board of Directors held: June 20, 2023

Motion by: Kathleen Harmon Seconded by: Tom Dudar

VOTE:

	YES	NO	ABSTAIN	ABSENT
<u>Thomas Dudar</u> President	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Kathleen Harmon</u> Vice President	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>
<u>Bahr Mahony</u> Treasurer	<u>      </u>	<u>      </u>	<u>      </u>	<u>X</u>
<u>Charles Jeffrey</u> Secretary	<u>X</u>	<u>      </u>	<u>      </u>	<u>      </u>

ATTEST:

Steve Mannik

Witness/Property Manager  
Steve Mannik

06/20/2023

Date