

# TUSCAN VILLAGE HOMEOWNERS ASSOCIATION



## FINANCIAL POLICY

# **TUSCAN VILLAGE HOMEOWNERS ASSOCIATION (TVHOA)**

## **FINANCIAL POLICIES**

### **POLICY**

To assure a sound and practical accounting and financial reporting procedures, the TVHOA has adopted the following policy to improve review and control of its financial processes.

### **Control of Disbursements**

- Disbursements require the approval of the Treasurer and one additional Board member. Approval will be documented via signature on a check request form or by email.
- Automatic draft disbursements, Electricity and water bills do not require additional board member approvals.
- Board authorization is required to add additional automatic bank drafts or to modify existing ones.

### **Finance Committee**

- The Finance committee will consist of the TVHOA President and two association members;
- The two association members, who are in good standing and free of any conflict of interest, will be appointed by the Board of Directors
- Term of appointment will be two years. The members shall serve in alternate years.
- Current Board members or their spouses cannot be Committee members.
- The Treasurer is the officer of the Board of Directors that communicates directly with the Committee.
- Purpose of the Finance Committee. The primary purpose of the Finance Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities with respect to budgeting, finance, and accounting procedures.
- The role of the Committee is oversight. It is NOT the duty of the Committee to conduct audits or to determine whether the financial reports are complete and accurate.

- Responsibilities and duties of the Finance Committee Review existing financial internal controls and make recommendations for any improvements in such controls, giving due consideration to the limited nature of HOA with minimal personnel needed to maintain its financial reporting system.
- The Treasurer shall review with the Committee, for its approval, the quarterly financial reports prior to such reports being distributed to HOA members.
- The Treasurer shall prepare an annual budget/forecast which shall be presented to and approved by the Committee prior to submission the HOA members.
- Annually, review all HOA insurance policies – determining with advice from insurance agents and other resources the adequacy of coverage.
- Annually, review Reserve Funds set aside as a separate fund that the HOA can use for the future cost of significant repairs and replacements. The adequacy of reserve funds is a consensus judgement of the Board of Directors and Finance Committee.
- Review the Treasurer and Board of Directors proposed dues and other assessments prior to it being submitted to the HOA membership for approval at the annual meeting.
- The Committee shall meet quarterly. The meeting shall be called by the Chairman and be held after the Treasurer has completed the quarterly financial reports and before such reports are distributed to HOA members.

#### Duties of the Treasurer

- Duties of the Treasurer as outlined in the TVHOA bylaws.
  - Have charged custody of, and be responsible for, all funds of the Association, and deposit all such funds in the name of the Association in such banks and other depositories as shall be selected by the Board of Directors.
  - Receipt of funds and receipts will be deposited with-in seven business days
  - Receive moneys due and payable to the Association from any source whatsoever.
  - Disburse, or cause to be disbursed, the funds of the Association as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
  - Keep and maintain adequate and correct accounts for the Association's business transactions.
  - Preparation of the annual forecast for member review at the annual Member meeting in the 4<sup>th</sup> Quarter of each year.
  - Preparation of the annual Budget by the end of January each year for the Board of Directors approval.
  - Ensure records are kept in accordance with the Records Retention policy.

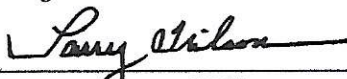


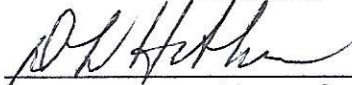
### Duties of the Finance Committee

- Inspect the financial books and records of the Association on a **quarterly** basis, including but not limited to:
  - Review of disbursements to verify that they all have proper approval.
  - Review of bank statements.
  - Review of all checkbooks used by the Association.
  - Review of bank reconciliations.
  - Review of receipts to verify that all regular and special assessments are collected and duly recorded.
  - Review and approval of the Quarterly Treasurer's Report prior to it being sent to the Members.
  - Review and approval of the Annual Treasurer's report including the forecast for the upcoming year and proposed assessments prior to it being submitted to the members for review at the annual meeting in Q4 of each year.
  - Review of the proposed Annual Budget of the Association prior to it being voted on by the Board.
- Report the results of the quarterly reviews to the Board of Directors and the annual Homeowners meeting.
  - If irregularities are found during the inspection or review process and cannot be corrected, they will be brought to the Board of Directors attention for follow up action(s).

This policy may only be amended by a majority vote of the board of directors.

TUSCAN VILLAGE HOMEOWNERS ASSOCIATION  
*A Texas non-profit organization*

By:   
Larry Wilson  
President

Attest:   
David Hatcher  
Treasurer