

PORT TRINITIE ASSOCIATION
FINANCIAL POLICIES AND PROCEDURES
(Effective April 2005)

1. The Association will engage the services of a certified public accountant (CPA) to prepare the fiscal year- end profit and loss statement. The statement will be presented to all Association members attending the annual meeting. The CPA will also make recommendation to the board of directors to improve financial procedures and internal controls.

2. The Treasurer of the Association will cause to perform an annual audit of financial transactions and internal controls. The Treasurer will report the audit findings and any recommendations to the board of directors at the next board meeting following the audit.

3. In the past, the Association has paid cable and pest control expenses for some individually owned units. These units in turn reimbursed the Association for these expenses. It is the policy of the Association not to pay expenses of individually owned units. Any exceptions to this policy must be approved by the board.

4. All expenses for insurance are being charged to expense account # 570. The individual units are reimbursing the Association for their pro rata amount of property and flood insurance. These payments were credited to expense account # 570. The recording of revenue and expenses should not be commingled in the same account #. A separate revenue account number should be established to record the payments received by the units.

5. Expense account numbers 710 and 590 are used to account for payments of property labor and repairs. Account # 590 should reflect expenses for repairs and maintenance over \$1000. Any repair projects under \$1000 should be charged to account # 710.

6. The check # should be written on every paid invoice. This procedure will provide an audit path to the computerized check register and vice versa from the check register to the invoice.

7. Invoices for services should have an itemization of expenses to substantiate the monetary fairness of services performed. No invoice should be paid which does

not reflect an itemization of hours of service performed, hourly rate, cost of materials, supplies, etc.

8. There may be instances when a contractor performing services for the Association may purchase supplies through his or her own funds and gets reimbursed by the Association. The contractor's receipts should be attached to the invoice or request for reimbursement. No payment should be made unless receipts are properly presented and attached.
9. Any contracted service to be performed for the Association exceeding \$1500 should be placed for bid. If possible, a reasonable attempt should be made to secure bids from at least 3 contractors.
10. Any expenditure over \$3000 needs the written approval of the President or the Vice- President in the President's absence. The written approval should be attached to the paid invoice.
11. If the Property Manager needs the approval of the President to pay an invoice and the President needs to see the invoice, only a copy of the invoice should be sent the President. This will ensure that the original invoice ends up in the paid file.
12. The Association's Treasurer and Property manager should jointly prepare each year's annual operating budget before it is presented to the board. Input should be requested from all board members before the budget is finalized.
13. The PTA Treasurer will be notified immediately by the Unit Agent, Property Manager if a condo unit is unable to meet a PTA authorized insurance premium or unit repair financial commitment. Subsequently, the Treasurer will approve a disbursement of PTA funds to pay the bill. The Treasurer will immediately notify the House Representative of the problem and request a plan of action be submitted within 15 days to resolve the issue. The purpose of this plan is to ensure the funds shortfall does not reoccur. If the unit continues not to meet its financial commitment for a period of 60 days from the original date of delinquency, the PTA will invoke its authority under Section 10 of the Declaration of Unit Ownership. The PTA will file a suit to recover a money judgment, including legal and court fees, against the unit. The PTA also reserves the right to file a lien on the unit for the purpose of foreclosure.