

FIREFLY COVE BOARD FINANCIAL PROCEDURE GUIDELINES
Effective January 12, 2024

Article I
Contracts

- 1.1 Contracts for goods or services will be negotiated and executed by the President or another Board member at the President's direction.
- 1.2 Contracts over \$1000 require approval of at least two Board members.
- 1.3 Contracts over \$5000 require the Board of Directors approval.
- 1.4 Copies of all contracts will be kept on file by the Treasurer and the Bookkeeper.

Article II
Invoices and Receipts

- 2.1 Invoices or receipts will be required for all goods and services provided to the Firefly Cove POA. This paperwork must include a clear description of the cost of the product and/or service provided. Any Board member with involvement generating an invoice or receipt should include "OK to Pay" notation dated and signed.
- 2.2 All invoices or receipts must be delivered to the Bookkeeper for payment.

Article III
Payments

- 3.1 A Board member will review all invoices or receipts with the Bookkeeper and consult as needed with other Board members for approval.
- 3.2 Check signing authority:
 - 3.2.1 Checks written up to \$1000 require one Board member's signature.
 - 3.2.2 Checks written for over \$1000 require two Board member's signature.
- 3.3 Check payments will be disbursed by the Bookkeeper.

- 3.4 A check disbursement log must be maintained for Monthly to Date and Yearly to Date reporting.
- 3.5 Any Invoice or receipt paperwork must be noted with traceability to a check number and Income Statement Line Item charged.

Article IV
Assessment

- 4.1 Quarterly assessment remittances will be noted by a Board member with the Bookkeeper for recording. A log of property owner assessment payment status will be maintained by the Bookkeeper and reported monthly as part of financial statements.
- 4.2 All payment of assessment will be deposited into the POA checking account by a Board member or the Bookkeeper.
- 4.3 Procedures for Assessment
 - 4.3.1 Assessment invoices are emailed approximately 2 weeks before the due date to the Property Owner.
 - 4.3.2 The property owner has 30 days from the due date to pay the assessment.
 - 4.3.3 Property Owners that have an assessment more than 30 days late will receive a phone call instead of an email and will have 15 days to remit the late assessment payment.
 - 4.3.4 Property Owners that have an assessment, that has not been paid, more than 45 days late may be subject to the provisions of the By-Laws of Firefly Cove Property Owners Association Section 8.9 and 8.10.
 - 4.3.5 Property Owners that have an assessment, that has not been paid, more than 45 days late may be subject to the provisions of the Firefly Cove Property Owners Association Dock/Boat Slip Regulations Section 4.10.
 - 4.3.6 Property Owners that have an assessment, that has not been paid, more than 45 days late may be subject to the provisions of the Firefly Cove Property Owners Association Canoe/Kayak/Paddle Board Regulations Section 4.10.

Article V
Financial Reporting

- 5.1 Bookkeeper will issue monthly POA financial reports no later than the 25th day following the close of the previous month.
- 5.2 Reports will include:
 - 5.2.1 Monthly to Date and Yearly to Date Profit & Loss Statement. A year-to-date Profit & Loss Budget Performance Statement
 - 5.2.2 Month End Balance Sheet
 - 5.2.3 A copy of the Association's Bank Statement
 - 5.2.4 A monthly Account Receivable Aging Summary
 - 5.2.5 A monthly Deposit Detail
 - 5.2.6 A monthly Check Detail
- 5.3 Reports will be distributed to all Board members via email. Financial reports will be available to property owners if requested.

Article VI
Financial Planning

- 6.1 The Treasurer, with assistance from the Board and Finance Committee, will develop the annual operating and capital budgets. The Board will review and approve these documents prior to delivering the Budget to all POA members 60 days in advance of the Annual Property Owners Meeting. Purpose is to provide information for budget discussion and ratification during the Annual POA Meeting.
- 6.2 CPA firm will be selected to file tax returns and conduct audits as needed to verify accuracy of financial reporting.

Article VII
Essential General Maintenance/Repairs

- 7.1 Any Board Member/Officer may order or request reimbursement for items or services which are reasonable and necessary to address the essential general maintenance/repairs of Firefly Cove.
- 7.2 If the total cost for the essential items or services is less than \$200;
 - 7.2.1 A Board member is not required to obtain Board approval.
 - 7.2.2 Reimbursement for items/supplies must be “at cost”.
 - 7.2.3 Hourly rate for services performed is not to exceed \$50.00.
 - 7.2.4 Reimbursement for such items/services must be documented by an itemized receipt.
 - 7.2.5 Only itemized invoices, showing dates, times, hourly rate, description, etc. will be paid.

- 7.3 If the total cost for the essential items or services is greater than \$200.
- 7.3.1 Approval must be received in advance from the President of the Association or at least two Board members.
 - 7.3.2 Approval should be documented via email or other writing and attached to all receipts or invoices.
 - 7.3.3 Reimbursement for items/supplies must be “at cost”.
 - 7.3.4 Hourly rate for services performed is not to exceed \$50.00.
 - 7.3.5 Reimbursement for such items/services must be documented by an itemized receipt.
 - 7.3.6 Only itemized invoices, showing dates, times, hourly rate, description, etc. will be paid.

Article VIII
Unbudgeted Spending

- 8.1 For obligations/expenditures not included in the current year’s budget, the following procedures apply.
- 8.1.1 If the obligation/expenditure is deemed an emergency (safety/health/security threat), a board member may act to obligate the POA to address the emergency but shall make a reasonable effort to contact all board members for input to best assess the threat and address the emergency.
 - 8.1.2 For non-emergency unbudgeted spending under \$500, the obligation/expenditure requires the approval of a minimum of 2 board members.
 - 8.1.3 For non-emergency unbudgeted spending \$500 or above, the obligation/expenditure requires board approval.
 - 8.1.4 Spending on all non-emergency unbudgeted obligations/expenditures may not exceed \$5,000 in any fiscal year without POA membership approval.
- 8.2 The President of the Association is exempt from 8.1.1 and 8.1.2.

Article IX
Improvement to Common Area/Amenity

- 9.1 Any new improvement to the common area/amenity that is greater than \$10,000 requires.
- 9.1.1 A design/drawing of the improvement to the common area/amenity
- 9.1.2 At least 2 written bids

Article X
Reserve Account

- 10.1 The Board shall maintain a Reserve Account with the minimum amount equal to the annual amount of Firefly Cove POA assessments or \$100,000 whichever is greater.
- 10.2 If there is not sufficient funds equal to the amount described in section 10.1, the Board shall deposit 50% of the year-end cash balance into the Reserve Account until the Reserve Account is fully funded.
- 10.3 The Reserve Account shall not be reduced by more than 30% during a calendar year without the approval of the majority of the property owners.

Article XI

- 11.1 Any changes to this document must be approved by the majority of the Property Owners at the Annual Meeting or a majority of the Property Owners at a called Special Meeting.