

Master Homeowners Association for Green Valley Ranch
APPROVAL OF EXPENDITURES POLICY

Effective April 27, 2011

Inherent with the operations of the Master Homeowners Association for Green Valley Ranch are the approval of expenditures. The annual operating budget is approved by the Board of Directors as a financial plan to provide services and programs for the Association. It is necessary that internal controls exist in order to protect the use of financial assets of the Association. One such control is the policy defining the approval process for Association expenditures.

The Association may use a management agreement or directly employ individuals to handle the financial affairs of the Association who would then be accountable for all aspects of processing Association expenditures. Professional accounting services will be used or employed to process and account for Association expenditures. This policy is established to provide accountability and control of Association expenditures.

APPROVAL OF ACCOUNTS PAYABLE

Approval of bills presented for goods and services to be paid from Association funds, whatever the source, will be done by the HOA Manager, if the amount is \$1,000 or under. For bills that are \$5,000 or under, the President may approve the amount. For bills that are \$10,000 or under, two officers or one officer and one board member may approve the amount. All other bills will wait to be approved at a board meeting.

Board member's cannot approve their own reimbursements.

USE OF CONTRACTORS FOR PERSONAL SERVICES

Bills for consultants are considered open ended contracts for time and materials that include, but are not limited to, accounting services, legal fees, consulting fees, temporary labor services, web master, newsletter editor, and other contractual services required to conduct business.

Bills for consultants will be evidenced by a contract whose amount is approved in accordance with the foregoing approval levels and a detailed bill identifying dates of service, time charged, reimbursement rates, tasks performed and original receipts for materials reimbursements. All contracts with the Association must be signed by the President or Vice President and attested by the Secretary or Treasurer.

Use of overtime for employees must be pre-approved by the President or their designee where the individual, task and estimated time and cost are identified.

ACCOUNTING PROCEEDURES AND PROCESSES

Accounting services shall include the pre-audit of bills presented for payment and will be audited for accuracy and will use forms and spreadsheets to process bills. Association bills will be processed to in a timely and efficient manner in order to minimize late fees, penalties and interest charges. Any changes due to: payment made to incorrect vendors or incorrect amounts paid; checks that must be voided or re-issued, stop payments, adjustments requiring a journal entry and prior period adjustments must be requested in writing and initialed by Accounting services and approved by the President or Treasurer.

The financial expenditure records, funds and bank accounts will be reconciled on a monthly basis by the Accounting Services. The Treasurer or their designee will lock all transactions prior to the date of the bank statement on the accounting system. Accounting Services will perform monthly back up of financial data electronic files. The Treasurer or their designee shall approve the design of internal security of all financial data, which will be protected by Accounting services.

Financial reports will be provided to the Board at Regular Board Meetings and whenever requested for use at Special Board Meetings, Committee Meetings, Budget Preparation, Audit and ad hoc as determined by the Board or any Officer.

Original bills that have been paid will be maintained by Accounting services in a logical and orderly manner. All financial expenditure records of the Association are property of the Association and will be made available to the Board of directors whenever requested. All financial expenditure records will be made available to the Association's auditor.

Master Homeowners Association for Green Valley Ranch
RESOLUTION

TO APPROVE THE EXPENDITURES POLICY

Pursuant to the provisions of the Declarations of the Master Homeowners Association for Green Valley Ranch (the "Association"), which allow for this action of the Executive Board of Directors of the Association, the following Resolution was adopted by the majority of the Executive Board of Directors of the Association.

BE IT RESOLVED, that the "Expenditures Policy" is approved and adopted as Rule and Regulation of the Association to be effective April 27, 2011; and

FURTHER RESOLVED, that the officers of the Association shall notify the Members of this Policy.

IN WITNESS WHEREOF, signed and adopted by the Board of Directors this, _____ day of _____, 2011.

**MASTER HOMEOWNERS ASSOCIATION
FOR GREEN VALLEY RANCH,**
a Colorado Nonprofit Corporation

