

## Lake Forest Association Financial Policy – 9/27/17

### **Finance Committee:**

The Finance committee will consist of two or three persons from the general membership and one or two Board Members. The Finance Committee will be approved by the Board Chair and its membership published to the General Membership as part of the web posting of the regular Board Meeting Minutes.. The Financial Committee is responsible for ensuring audits are conducted, maintaining a financial policy, reviewing investment accounts, and long term planning.

It is the responsibility of the Financial/Audit Committee to solicit a volunteer from the general membership to complete an audit annually.

There should be no less than annual review of the investments accounts. Investments should be segregated from general operating funds and put in multi-year tiered instruments with an emphasis on maintaining the security of the principle.

The Financial Committee has the responsibility to work with the board to plan for the strategic funding needs of the organization. Membership rates should consider projected outlays including current operation expenses and conservatively plan for large capital needs such as dredging.

### **Budgeting and Reporting:**

The annual budget shall be developed by the Treasurer and Board and presented at the Fall General Meeting and approved by general membership following voting procedures set forth in the bylaws. The budget shall include revenue, capital, and operating expenses. A comparative P&L and balance sheet must be available to membership no less than quarterly. Any material changes to the budget above \$10,000 must be communicated to and approved by the general membership.

### **Expense Approval:**

Any project or purchase over \$2,500 requires more than one estimate o include the scope of work and diagrams where appropriate. Any discretionary expense more than \$500 will be approved by the Board excluding emergency maintenance. The minutes documenting the motion and approval of the expenses must be posted on the website on a timely basis following each meeting. Any items that were approved via email will be recorded in the next board meeting minutes. Where there is a financial conflict with any item being voted on, the board member must recuse him/herself from the vote.

### **Expense Reimbursement:**

In order to be reimbursed, an expense form detailing the nature of the expense must be completed in full and submitted with receipts. All labor must be paid directly through LFA and not reimbursed to board members.

### **The Establishment of Accounts:**

LFA will maintain bank and investment accounts. Any changes to those accounts requires board approval. Distributions over \$10,000 will require two signatures on the checks. 2<sup>nd</sup> signature must be either the Board Chair or Vice Chair. There will be no debit cards, or petty cash, maintained in the name of LFA. LFA will use a Visa Credit Card issued to the Chairman and Park Manager. Reimbursement for charges on the credit card will require receipts as previously noted in the Expense Reimbursement section of this policy. LFA will also maintain a Lowes credit card issued to the Chairman as to take advantage when possible of Lowes 10% discounts.

**LFA Annual Dues Collection** – March 1st of each year, invoices for LFA HOA dues for the 4/1 current year -3/31 following year membership period are mailed to all Participating and Non-Participating members. Dues must be paid by 4/1 of the current year to remain current. All members that pay their dues by 4/1 will be provided access to the LFA Park.

**LFA Finance Committee** – Approved by LFA Board 4/26/17

Russ Cole – LFA Treasurer

Clark Troy – LFA Board

Jeanette Bench – General Membership

Rich Guerin – General Membership

Chris Barker – General Membership