



## COVES PHASE II

PROPERTY OWNERS ASSOCIATION

[www.covestwo.com](http://www.covestwo.com) – [covestwo@gmail.com](mailto:covestwo@gmail.com)

FILE NUMBER RES 2020-001

### REIMBURSEMENT OF FUNDS (ROF) AND PAYMENTS POLICY

**WHEREAS**, Article XIV, Section 14.2 states Checks Drafts Etc.: All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by the Directors, and in such manner as shall from time to time be determined by resolution of the Board of Directors; and

**WHEREAS**, Article VI, Section 6.5 states the President shall also carry out all other duties as may be prescribed by the Board. Otherwise, the President may not take any action without the express approval of the Board; and

**WHEREAS**, Article VI, Section 6.6 states the Secretary of the Association shall keep and make all other records and reports, except for accounting purposes, necessary and proper to the operation of the Association; and

**WHEREAS**, Article VI, Section 6.7 states the Treasurer of the Association shall keep the books of account of the Association, maintain deposit accounts for the funds of the Association which shall be subject to withdrawal upon the signature of the Treasurer and whose signatures shall be duly certified to the depositories of the Association, and be responsible for the proper reporting to any governmental agency and the membership of the Association for funds received and paid out, including the responsibility to submit a financial report to the members at each regular member's meeting and to the membership at the annual meeting of the membership; and

**WHEREAS**, a method to complete reimbursements and payments is necessary for regular operations of the Property Owners Association.

NOW THEREFOR, BE IT RESOLVED BY THE BOARD OF DIRECTORS:

Section 1: Any reimbursement requires a copy of the receipt from any transaction attached to a Resolution for consideration to the Board of Directors for repayment. Said Resolution shall include a copy of said receipts as an attached Exhibit, and must be provided to the Secretary to hear at the next scheduled Board of Directors meeting. The Board of Directors reserves the right to deny, but are not obligated to deny, any reimbursement of funds that were not agreed upon prior to said payments being completed.

Section 2: Any individual reimbursement must be for the maintenance or organization of the POA to be shared among all members, limited to physical maintenance of common spaces by Owners or Directors or fees associated with digital or paper documentation, to include the POA website, software, and office supplies and/or equipment, which may



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be required in order to comply with requirements in the bylaws or covenants, or other fees that may be associated with normal operation of the POA.

Section 3: Any reimbursement must first be approved by the Board of Directors by Resolution prior to any purchase, unless said cost is a reoccurring Board Approved regular or required payments or for emergency maintenance or needs as approved by the President in writing.

Section 4: The Board approves regular payments for existing utilities, existing web hosting, existing website domain, existing contractual obligations or work completed, the establishment of an online payment method, existing insurance, existing requirements for detention pond maintenance, existing common space maintenance (not to include Capital Improvement Program maintenance which requires a Resolution for each Capital Improvement item), Record Management Software (e.g. QuickBooks or similar software for the Treasurer's use) or other regular payments as determined by the Board. Regular payments being defined as payments that have been previously made on a regular basis prior to this resolution or approved within this resolution.

Section 5: Regular or required payments that require new accounts, contracts, or any other agreement to be created shall require a Resolution to be approved by the Board of Directors for new services.

Section 6: Reimbursement requests shall be submitted to the President or Treasurer and presented as an agenda item to the Secretary and placed on the next available agenda as a Resolution, and shall require a simple majority vote in favor to approve. Reimbursements to Directors require a recusal of the director involved in the reimbursement.

Section 7: The Treasurer shall not reimburse funds unless a Resolution Agenda Item is approved by majority vote, approved by the President, and attested by the Secretary.

Section 8: The Treasurer shall include a log of the repayment and digital copy of the Resolution approval and receipt with a brief description on the [covestwo.com](http://covestwo.com) *Expense Report* page visible to all owners.

Section 9: The Secretary shall include a copy of the Resolution approval on the Resolutions page for all Owners to view.



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Section 10: The Board of Directors considers “signed by the Directors” in Bylaw Article XIV, Section 14.2 as to require a signature by the President and Treasurer. Resolutions shall require the signature of the President, and be attested by the Secretary for record.

Section 11: Any reimbursement or payment issue not directly resolved within this resolution may be resolved through an interpretation by the President from the existing Bylaws and Covenants.

*PASSED and APPROVED on 11/04/2020*

APPROVED:

Kristifier Paxton, President

ATTEST:

Denise Corbin, SECRETARY