

Eight Point Lake Property Owners' Corporation

Policy / Procedure

Issue Date: 8/31/2024	Title: Financial Management	Author(s): Karlyn Wickham Karla Hayden
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Statement of Purpose

The financial policy and procedures contained within this document are intended to provide clarity, transparency, and accountability, ensuring sound fiscal management within the Eight Point Lake Property Owners' Corporation (EPLPOC). This policy, and the procedures used to support it, serve as a guiding framework for budgeting, expenditure control, reserve planning, and financial decision-making, in order to foster trust among all Corporation members and safeguard the Corporation's long-term financial health.

The procedures contained within this document are also intended to aid in institutional knowledge retention and transfer in the event of personnel transitions.

Policy

Per the Corporation Bylaws, the EPLPOC Board of directors elects members of the Corporation to serve as Treasurer and Assistant Treasurer. The Board Chairperson and Vice-Chairperson, primarily with the assistance of the Treasurer and Assistant Treasurer, are charged with overseeing the Corporation's finances. This involves the creation and/or execution of (or overseeing execution of) procedures necessary to ensure the principles of trust and financial health mentioned in the above Statement of Purpose are met. The Corporation's recognized and practiced procedures are documented below, in the 'Procedure' section.

Note: Further description of the duties assigned to the Chairperson, Vice-Chairperson, Treasurer, and Assistant Treasurer can be found in the EPLPOC Bylaws as well as the EPLPOC "Position Descriptions" document.

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Procedure

1. Recording Income
 - 1.1. Membership Dues Income
 - 1.1.1. The Assistant Treasurer is responsible for going to the Post Office to get membership dues payments sent by members.
 - 1.1.2. The Assistant Treasurer records membership dues payments into the membership database system.
 - 1.1.3. The Assistant Treasurer records the total deposit and brings checks/money to the bank.
 - 1.1.4. The Assistant Treasurer sends a report to the Treasurer and Chairperson, detailing the breakdown of the membership dues, with a copy of the deposit slip, deposited into the bank.
 - 1.1.5. The Treasurer records the membership dues into the accounting system and records the payments into different income accounts equal to the report given by the Assistant Treasurer.
 - 1.1.6. The Treasurer reconciles the total recorded in the accounting system with the bank deposit and informs the Assistant Treasurer if the amounts do not match.
 - 1.2. Bottle Return Income
 - 1.2.1. Proceeds from the Bottle Returns are given to the Assistant Treasurer.
 - 1.2.2. The Assistant Treasurer scans each check, endorses them then emails a copy of each check and bank deposit slip to the Treasurer, Chair and Fireworks Committee Chair.
 - 1.2.3. The Assistant Treasurer will deposit the money into the bank.
 - 1.2.4. The Treasurer records the deposit into the accounting system.
 - 1.3. Pavers Income
 - 1.3.1. Memorial Paver brick requests typically come by mail to our P.O. Box and must include a form and a check or cash payment.
 - 1.3.2. The Assistant Treasurer scans the check, endorses it, then emails a copy of the check and bank deposit slip to the Treasurer, Chair and Memorial Paver Chairperson.
 - 1.3.3. The Assistant Treasurer will deposit the money into the bank.
 - 1.3.4. The Treasurer records the deposit into the accounting system.
 - 1.3.5. The Assistant Treasurer sends the Memorial Paver Form to the cards, flower and memorial committee chair so he/she can order the brick to be engraved.
 - 1.4. Lake Directory Income

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- 1.4.1. Advertisers will either send their payments to the PO Box or hand-deliver their payment to the Lake Directory Chairperson who records them on a spreadsheet and in turn gives it to the Treasurer or Assistant Treasurer.
 - 1.4.2. The Treasurer and/or Assistant Treasurer along with the help from other people from the Executive Committee will verify and reconcile the checks/cash received for the Lake Directory Ads against the spreadsheet.
 - 1.4.3. The Lake Directory Chairperson will track the advertising company and check amount in a spreadsheet.
 - 1.4.4. The Treasurer and/or Assistant Treasurer will scan each check, endorse them then email a copy of each check and bank deposit slip to the Treasurer, chair and Lake Directory Chairperson.
 - 1.4.5. The Treasurer and/or Assistant Treasurer will deposit the money in the bank.
 - 1.4.6. The Treasurer will record the deposit into the accounting system.
- 1.5. Donations Made at Gatherings Income
 - 1.5.1. Gatherings take place throughout the year and sometimes proceeds from the gatherings are donated back and possibly earmarked for deposit into certain funds (fireworks, entertainment, etc.).
 - 1.5.2. The money is given to the Assistant Treasurer who will deposit the money into the bank and send a copy of the bank deposit to the Chair and Treasurer.
 - 1.5.3. The Treasurer will record the deposit in the accounting system.
2. Recording Expenses
 - 2.1. Recurring bills such as gas, electric and internet are automatically deducted out of the checking account on a monthly basis.
 - 2.2. Other bills/invoices such as PO Box rental, insurance, printing, property taxes, lawn mowing, maintenance, supplies and entertainment get mailed to the PO Box or hand delivered to the Treasurer.
 - 2.3. The Treasurer writes checks for these, records them in the accounting system and mails them out by the due date of each bill.
3. Reimbursements
 - 3.1. Pre-approved reimbursed expenses can include but are not limited to mileage and gas. When this takes place, an Expense Sheet along with the receipt(s) is given to the Treasurer.
 - 3.2. The Treasurer writes a check made out to the individual, records the check in the accounting system and either hand delivers or mails the check to the individual.
4. Budget

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- 4.1. Review all operating expenses to date for the current fiscal year, projecting expenses for the balance of the year. Compare to the previous year's budget and weed out "one-time" expenses.
- 4.2. Research any projected increases for: utilities, insurance, property taxes, professional fees, etc. If the info is not available, add a small increase to each item.
- 4.3. Add additional items to the budget as approved by the Board. For example: technology upgrades, one-time repair/maintenance items, etc
- 4.4. Prepare an Excel spreadsheet with formulas that will calculate what the yearly dues amount would be to fund the budget items. Expenses may be partially funded by the Association's projected share of the net profit from the Lake Directory.
- 4.5. The draft budget should be presented to the general membership at the regularly scheduled Fall General Membership Meeting. The preliminary budget is then presented to the Executive Committee for review and their input by December 1st. When the budget is finalized, it is presented to the entire Board for approval. Additions/adjustments to the budget must be submitted by December 15th to facilitate approval of the yearly dues amount. Mid-January the Membership Application stating the yearly dues amount is printed.
5. Bank Account, Bank Statements and Reconciliations
 - 5.1. The Treasurer, Assistant Treasurer and Chairperson are listed on the bank accounts.
 - 5.2. Currently, the association has a checking account, money market account and CD, all of which are with Isabella Bank.
 - 5.3. The Bank Statements are made available online to authorized officers and can be displayed or printed when they become available each month.
 - 5.4. The Treasurer downloads the bank statements and uses this to reconcile the bank account balance with the accounting system balance for each account.
 - 5.5. For security reasons, the Bank Statements are not saved on anyone's computer.
 - 5.6. The Treasurer sends the reconciliations to the Chairperson for review, with a copy to the Assistant Treasurer. This includes bank reconciliations of all bank accounts, reconciliation with Quickbooks, and a copy of the balance sheet.
6. Credit Cards/Debit Cards
 - 6.1. The Treasurer and Assistant Treasurer each possess a debit card with their individual names listed on the card.
 - 6.2. Debit Card purchases come out of Checking account.
7. Certificate of Deposit (CD)
 - 7.1. From time to time, the corporation may purchase a CD in its name.

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8. Bank Deposits
 - 8.1. The Treasurer and Assistant Treasurer are responsible for making bank deposits.
 - 8.2. From time to time, there may be a reason to withdraw cash from the bank. For example, cash prizes for the Golf Cart Parade winners.
 - 8.3. The Treasurer and Assistant Treasurer are responsible for withdrawing cash from the bank.
 - 8.4. The Chairperson can provide oversight for withdrawals if he or she chooses.
 - 8.5. The Treasurer submits monthly bank reconciliations (3) to the Chair and Assistant Treasurer to verify and approve.
9. Corporation Taxes
 - 9.1. Corporate Taxes are paid once/year. A CPA Firm is hired to file the corporate tax return along with 1099 tax forms, if any.
 - 9.2. The CPA Firm works closely with the Treasurer and Assistant Treasurer to prepare the tax return.
 - 9.3. The Treasurer reviews accuracy and signs the tax return.
 - 9.4. A physical copy of the Tax Return is retained at the Treasurer's residence.
 - 9.5. For security reasons, The Treasurer does not save an electronic copy of the Tax Return.
 - 9.6. No other board member sees the tax return before it is filed.
 - 9.7. The tax return will be provided to any Board Member, if requested.
10. Financial Statements
 - 10.1. The Treasurer produces financial statements that are distributed to the entire board for review and comment, three (3) times per year. Those times include the Spring Membership Meeting in May, the Fall Meeting in September and at Year-end. The Treasurer also provides a copy of the financial statement monthly for the Executive Board to review.
 - 10.2. A financial report is sent to the Corporate Secretary to be distributed to the membership 10 days prior to the Spring and Fall Membership Meetings.
11. Petty Cash
 - 11.1. The corporation does not keep any Petty Cash
12. File Storage and Backup
 - 12.1. The backup files for the accounting system are saved to a flash drive and stored at the residence of the Treasurer and Assistant Treasurer.
 - 12.2. The backup files for the membership database are saved to a flash drive and stored at the residence of the Assistant Treasurer.
 - 12.3. Important data such as bylaws, meeting minutes, forms and historical information are stored on the Association website, www.eightpointlake.org.
13. Treasurer, Assistant Treasurer, and Chairperson Position Financial Requirements

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- 13.1. The Treasurer, Assistant Treasurer, and Chairperson positions are included in a dishonesty policy endorsement of the corporate insurance.
- 13.2. When one of the three above mentioned positions has a change in volunteer person(s), a criminal background check should be run through the State of Michigan website through the ICHAT program.
- 13.3. The Board Chairperson, after a vote of approval by the Board of Directors, reserves the right to have a verification of corporate finances and record-keeping performed on an as-needed basis by a third party.

REVISION HISTORY

Rev #	Date	Description of Revisions	Revised By
1.0	8/31/2024	Document origination.	Karla Hayden