

# Treasurer's Guidance

{ Updated December 2021 by Chris Costello }

## Duties

Bylaw 5.3.4 states the following duties of the Treasurer:

- Receive and deposit all funds of the HOA in a bank selected by the Board.
- Supervise the maintenance of HOA accounting records.
- Disburse and withdraw HOA funds in the manner specified by the Board.
- Prepare and distribute financial statements as required by the governing documents.

California corporations code section 313 allows the Vice-President to sign contracts in place of the President, and the Secretary to sign in place of the Treasurer. Note that all contracts, including insurance, must be approved by the Board (Bylaw 3.11.7 and 3.11.8).

The following guidance for performing the duties of Treasurer are based on experience:

1. Establish yourself as a signer on the HOA checking account at Mission Federal Credit Union (office in Lomas Santa Fe Plaza, 953 Lomas Santa Fe Drive, Solana Beach CA 92075).
2. Sign checks at the bookkeeping office whenever needed, usually 2-3 times per month (Currently Motherlode Bookkeeping, 207 West D Street, Encinitas, CA 92024, contact Diane McGrath. 760- 436-9044 x 109). Make sure the correct amounts are paid to each vendor. Make certain that no double payments are made. Have checks mailed to your address for signature if a meeting with the bookkeeper is not possible. Post and mail those checks yourself.
3. Work with bookkeeping to collect and monitor slope maintenance fees and annual dues. If necessary, contact homeowners with overdue fees, and have the bookkeeper assess overdue penalty fees.
4. Make invoices received by or presented to the bookkeeper approved by either the President or Vice President before making payment. Maintain documentation. Payments using reserve funds can only be spent on maintenance of infrastructure or legal expenses related thereto, and require the signatures of two Directors (Bylaw 3.11.12).
5. Be familiar with all contracts and their terms (e.g., slope maintenance, recording secretary, bookkeeper, attorneys).
6. Assist the Secretary and membership committee by obtaining a list of new Owners from the bookkeeper each month. The Secretary needs this information for HOA records and the membership committee needs this information to send welcome letters.
7. Maintain and update this guidance document to assist you and your successors in performing the role of your office as defined in the Bylaws.

## **Assessments**

The HOA's annual Assessment (PC&R 4.3.5) is payable in two equal payments on September 1st and March 1st each fiscal year. Each payment that is not received within 30 days after it is due may be assessed a 10% late payment penalty (PC&R 4.10.2). This is normally done in conjunction with the next regular invoice. In addition, interest on unpaid balances at the rate of 10% per year is charged starting 30 days after the payment of that balance was due (PC&R 4.10.3).

The Assessments are collected by a bookkeeping firm hired by the HOA.

The Assessment can be increased for each fiscal year by up to 7% by majority vote of the Board of Directors.

## **Enforcement and Fines**

Owners are responsible for the conduct of their family members, guests, tenants, contractors, and invitees while in the Community. When the HOA receives a written complaint of a violation of the PC&Rs within the development, or a violation of the same is noted by the Board, enforcement procedures may be initiated against the offending Owner in accordance with the process defined in PC&R Article 13. The Board can choose whether to enforce a violation using the business judgement rule (PC&R 13.2)

When an Owner fails to comply with a condition of architectural approval, enforcement procedures may be initiated against the offending Owner (PC&R 8.11).

## **Reporting and Recordkeeping**

1. Report the cash balances and financials to the HOA Board of Directors at each monthly meeting. Pay particular attention to the projected cash positions expected at the start of each fee collection cycle, as those are the cash-critical points.
2. Draft and present the yearly budget to the HOA Board in May for presentation to the Members at the Annual Meeting in June. It is appropriate to delay formal approval of the budget until after the new Board is seated following the annual election.
3. Ensure that the bookkeeping company prepares and files the HOA yearly 501(c) tax return.