

**BLUE LAKE OWNERS ASSOCIATION
POLICY FOR FISCAL RESPONSIBILITY
Resolved and Adopted December 9, 2014**

The following resolution has been adopted by the Board of Directors (“Board”) of Blue Lake Owners Association pursuant to Colorado Statutes, at a meeting of the Board to establish a policy for fiscal procedures.

AUTHORITY: The Declaration, Articles and Bylaws of the Blue Lake Owners Association and the Colorado Common Interest Ownership Act.

EFFECTIVE DATE: December 9, 2014

RESOLUTION: The Blue Lake Owners Association hereby adopts the following Policy:

1. Policy Purposes.

The purposes of this Policy are to manage the association’s funds in a transparent and responsible manner per generally accepted accounting principles.

2. Separation of duties.

- No one person should have full capabilities with any account of the association.
- The Office Manager shall be the administrator of the accounting software. The password shall be secured and given to the President. Others will have separate logins.
- Each individual will do only assigned duties so that each entity is not compromised in any way.
- An individual not associated with daily account management will complete monthly reconciliations of all bank accounts. This person will also do entries of depreciation and post changes as directed by the auditor after audit/financial review; or accountant per tax returns.
- Signors on accounts shall not have access to blank checks.
- Annual Audits or Financial Review (as determined by the board) shall be done by an independent accounting firm.

3. Banking.

- New accounts will be opened by a resolution of the board only.
- Operating and Reserve Accounts will be kept separate. Transfers between Reserves and Operating Accounts will require a resolution of the board. The regular monthly transfer will be automated and adjusted annually per the approved budget.
- Transfers between accounts (except for the regular monthly automatic transfer between Operating and Reserves) shall be approved at regular meetings of the board and recorded in the minutes.
- Online access for the Office Manager is for File Management of ACH; review of account activity; and printing of statements only. There will not be transferring capabilities enabled.
- All board members shall have online access to banking accounts to view account activity only.

4. Internal Controls.

- Non-ordinary expenditures of \$5,000 or more require the signatures of at least two signors.
- No checks shall be signed if blank or if payable to cash
- All check signors shall thoroughly review invoices and supporting documentation before signing payment checks.
- The office shall be secured at all times when not occupied by an employee. Board members with keys shall sign in to report date and purpose for entrance. Files containing sensitive association or customer information shall be kept in a locked file.

- No petty cash shall be maintained in the office. Cash received will have a receipt written for the customer.
- Deposits of checks and cash will be made no less than once per week.

5. Expenses and Accounts Payable.

- The Operations Manager will gain board approval for non-ordinary expenditures over \$750.
- The Office Manager will gain board approval for non-ordinary expenditures over \$250.
- Mileage will be reimbursed per the IRS mileage rate.
- Debit Cards will be issued to the Operations Manager and Office Manager to minimize the number of reimbursements necessary. This account balance will be replenished as needed each month to \$500 after audit of receipts by the board president or other board member.

This Policy may be amended from time to time by the Board.

This Policy supersedes any previously adopted Policy on the same subject matter.