

HUNTINGTON FOREST HOMEOWNERS ASSOCIATION
POLICY RESOLUTION NO. 2023-01
(Policies and Procedures for the Management of HFHOA Funds)

Amended December 13, 2023

This Resolution Replaces Resolution #2018-05

WHEREAS, the Board has decided that it is in the best interests of the Association to adopt written policies and procedures for the management of the Association's funds:

NOW, THEREFORE, BE IT RESOLVED:

A. The Association shall maintain two separate accounts:

- An Operating Account
- A Contingency Account

B. Operating Account

- 1) The Operating Account is for handling the Association's regular income and expenses. The funds in this account are to be held in one or more of the following:
 - Burke & Herbert Bank checking account;
 - PayPal account for the receipt of annual assessment payments;
 - The T. Rowe Price Government Money Fund money market account
- 2) The Association's president and treasurer are the designated signatories for these three accounts; they are authorized to move funds among these three accounts as they deem to be in the best interests of the Association.
- 3) As neither the Burke & Herbert Bank checking account nor the PayPal account pay interest on their balances, it is desirable to have some of the operating funds invested in the T. Rowe Price Government Money Fund. The monthly dividends are to be reinvested in this fund and shown as current-year income in the treasurer's reports.
- 4) Should there be a positive balance in the Operating Account at the end of a year, then by March 31 of the following year, the Board shall transfer that amount to the Contingency Account. (The March 31 date allows for adequate cash flow at the start of each fiscal year.)

C. Contingency Account

- 1) The purposes of the Contingency Account are to:
 - Provide funds for critical unplanned requirements that can't be accommodated or anticipated within the Association's annual budget;
 - Have funds available in the event of revenue shortfalls;
 - Minimize the need for special assessments.

- 2) The objective amount to have in the Contingency Account is \$15,000. If the Contingency Account is below the objective amount when the annual budget is being prepared, the budget shall include a line item to add to the Contingency Account.
- 3) As part of its annual budget development, the Board will review the status of the Contingency Account and, as needed, adjust the objective amount and the annual contribution to the account.
- 4) The Contingency Account funds shall be placed in an interest-bearing account, such as the T. Rowe Price U.S. Treasury Money Fund, a money market fund. The monthly dividends are to be reinvested in this fund and shown as an increased Contingency Fund balance in the treasurer's reports.

D. Restrictions on Use of Funds in the Contingency Account

- 1) The Board must approve any use of the funds in the Contingency Account.
- 2) Prior notification to the Association's Members must be given of any planned vote by the Board of Directors to use Contingency Account funds; the notification shall include the estimated amount and the purpose for use of Contingency Account funds.

E. The T. Rowe Price Accounts

- 1) The designated signatories for above-cited T. Rowe Price accounts are the Association's president and treasurer, currently W. Stephen Piper and Daniel Wilkey, respectively.

The effective date of this Resolution shall be November 8, 2023.

I hereby certify that this Resolution was duly adopted by the Board of Directors on November 8, 2023, and amended on December 13, 2023.

**HUNTINGTON FOREST HOMEOWNERS
ASSOCIATION**

By:

W. Stephen Piper
President