THE FOUNTAINS HOMEOWNERS ASSOCIATION, INC.
P.O. Box 373082
Satellite Beach, FL 32937
August 4, 2008

Policy Statement Three
Fiscal Procedures

References. The Fountains Homeowners Association, Inc.:

a. Declaration of Restrictions, Limitations, Conditions, and Agreements (The Covenants), dated: February 18, 1975 assigned to properties within Unit II; and dated: January 23, 1978 assigned to properties within Unit III, of the Fountains subdivision.

b. Articles of Incorporation, dated: August 7, 1990,

c. By-Laws, dated: October 20, 2007

d. Policy Statement One, Organization and Functions, dated: August 4, 2008

1. Background. Proper fiscal responsibility requires established procedures relating to the manner in which Association funds are accounted for, safeguarded, managed, and spent. .

2. Purpose. This policy statement outlines fiscal procedures related to the administration and operation of The Fountains Homeowners Association, Inc. In case of any conflict between the references cited above and this Policy Statement, the provisions contained in the referenced documents shall control. This Policy Statement supersedes "Policy Statement Three, Fiscal Procedures, dated: December 13, 1993", which is hereby rescinded.

3. Duties and Responsibilities.

a. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board.

b. The Treasurer shall keep appropriate accounting software files (current and back-up copies) and cause an annual audit of the Association's accounting files to be made at the completion of each fiscal year.

c. The Treasurer shall prepare the annual budget and an annual balance sheet statement. The budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

d. Other specific functions assigned to the Treasurer are related to the monitoring of liability and casualty insurance policies and filing the appropriate corporate tax documents.

e. The Treasurer shall, upon written request of any holder of a first mortgage, furnish copies of the Association's budget and balance sheet statements to such lender.

f. The Treasurer is authorized to disburse funds and sign all checks and similar instruments for the Board.

4. Procedures.

a. Assuming Office of Treasurer

(1) Receive bank checkbook and monthly statements, accounting software files (current and back-up copies) on corporate computer, supplies, and other appropriate records from outgoing treasurer.

(2) Verify previous income and expenditures and call for acceptance by the Board of the bank balance and final report of the outgoing treasurer.

(3) Assist the incoming Board in reviewing the preliminary annual budget prepared by the outgoing Board and recommend changes and/or approval of the budget, as required.

b. Recording of invoices sent and dues paid:

(1) Mail invoices for dues to all homeowners in January.

(2) Maintain list of those who have paid dues.

(3) Send delinquent statements to homeowners who have not paid dues.

(4) Deposit monies received in the bank account.

(5) Retain deposit slips; enter amounts of deposits in corporate records and in accounting software files, as required.

c. Disbursements.

(1) Write checks for bills received and services rendered, as required.

(2) Record check amounts in the appropriate records and/or in appropriate accounting software files.

(3) Mail payments.

(4) Maintain file of bills paid.

d. Budget preparation.

(1) At the October Board meeting, review with the Board of Directors the Association's actual expenditures to date; and the anticipated expenditures for the rest of the current year. At the same time, receive from each appropriate Board member an estimate of expenditures within his/her area of responsibility for the next budget year.

(2) Prepare a preliminary proposed budget reflecting anticipated income and expenditures for the next budget year.

e. Reporting.

(1) Present monthly reports of receipts, expenditures, and balance in account to the Board of Directors at each Board meeting..

(2) At the November Board meeting, present a proposed annual budget to the Board of Directors for the following year and review with the Board a proposed dues schedule needed to balance the preliminary budget.

(3) In December provide an annual operating statement, balance sheet, and a preliminary annual budget for presentation to membership at annual meeting.

(4) In January prepare an end-of-the-year balance sheet to enable required submission of Federal and State tax returns.

(5) The Treasurer shall prepare and submit the “State Annual Report” to the appropriate office within the State of Florida prior to May 1st of each year.

f. Relinquishing office.

(1) Schedule annual audit of the Association’s financial records, as required by Section 12.7, By-Laws.

(2) Present to the incoming Treasurer all records, accounting software files (current and back-up) on corporate computer, hard copy files, supplies, checkbook, and post office key.

(3) Verify account balances with incoming Treasurer and explain established procedures.

Approved by the Board of Directors, August 4, 2008

original signed	original signed
John Sniegowski Secretary,	Rob Bracewell President,

Fountains Homeowners Association, Incorporated

Copies: One each Board Member, Officer, Support Activity Person, and Committee Chairperson, as required