



Lakeridge Association - Financial Operation Policy

Lakeridge Association Mission

United in Creating a Better Community. To provide Members recreational facilities for the promotion of their enjoyment, happiness, and health.

The Bylaws of a corporation are the governing rules by which the corporation operates. The following financial operations policy aims to fulfill its mission and remain financially accountable to Lakeridge Association members. To accomplish this, the Board of Directors commits to providing accurate and complete financial record keeping and adhering to the following policy.

Authority

The Board of Directors is responsible for the financial management of the Association.

1. Dates.

- 1.1. Fiscal Year is from March 1st through February 28/29th.
- 1.2. Membership Year is from April 1 through March 31.
- 1.3. Membership Dues are due April 1.

2. Budget.

- 2.1. See: [2021 Bylaws, and Rules and Regulations and LA Articles of Incorporation](#).
- 2.2. The budget is an estimation of revenue and expenses over the fiscal year. The budget shall be the basis for setting annual Membership dues and may or may not include Special Assessments or other fees.
- 2.3. A budget proposal shall be prepared annually by the Board of Directors and presented at the Annual Membership Meeting in March for membership approval.

3. Management of Funds.

- 3.1. All financial accounts are in the organization's name: Lakeridge Association.
- 3.2. Primary email account for business communication: lakeridgedenver@gmail.com
- 3.3. The Treasurer shall be the custodian of the Association's funds until they are disbursed by order of the Board of Directors. This includes:
 - 3.3.1. Checks, business debit card, and electronic transfers, e.g., water, electric utility bills, membership management program.
 - 3.3.2. The bank check stock/card(s) are maintained by the Treasurer in a secure location.



- 3.3.3. The Treasurer will reconcile financial statements monthly; financial discrepancies will be brought to the Board's attention immediately.
- 3.3.4. The Treasurer will review the financial status of the Association with the Board regularly, at least quarterly.
- 3.3.5. The Treasurer or the Board of Directors may request member(s) assistance to assist with treasurer/accounting duties.
- 3.4. When Board directorship changes impact signatories on the financial accounts, all financial institutions will be contacted within 60 days to update the appropriate financial paperwork.
- 3.5. Electronic acceptance [countersignature] of all disbursed payments shall be required on the Association's financial accounts by at least two Board members and the accountant.
- 3.6. Invoices and financial obligations will be paid on time to avoid late fees.
- 3.6.1. Annual Financial Review - The Board of Directors shall cause an annual financial review within 60 days of the annual membership meeting. An annual financial review will be conducted by A non-board member in good standing.
- 3.7. Steve Kram is the registered agent and accountant of the Lakeridge Association:
address: 2661 S. Zurich Ct, Denver, CO 80219
- 3.8. Financial Reports/Spreadsheets maintained continually:
 - 3.8.1. Income
 - 3.8.2. Expenses
 - 3.8.3. Budget
- 3.9. Financial and Budget Reports/Spreadsheets archived annually:
 - 3.9.1. Annual Budget Report
 - 3.9.2. Bank Statements
 - 3.9.3. Membership role count [Wild Apricot-Personify]
 - 3.9.4. Annual Financial Review
 - 3.9.5. Taxes and IRS filings
- 4. **Contributions.** 2021 Bylaws Section 8.5:
 - 4.1. The Board of Directors may accept on behalf of the Association any Contributions. Donor-designated Contributions will be accepted for special funds, purposes or uses, and such designations shall be honored; provided, however, that the Board of Directors may reject a donor-designated Contribution that cannot be fulfilled or that the Board of Directors determines is not in the best interest of the Association. The Board of Directors reserves the right to apply non-designated Contributions as they determine to be in the best interest of the Association.



5. Reserves.

- 5.1. Definition: A reserve fund is a savings account or other highly liquid asset set aside to meet any future costs or financial obligations, especially those arising unexpectedly.
- 5.2. Reserve funds should be designated as a separate line item from the general operating funds.
- 5.3. Reserve funds are to be no less than \$10,000.00

6. **Ownership Interest** is *calculated annually* to meet the requirements of Bylaws Articles 10: Dissolution. How ownership interest is calculated:

- 6.1. Maintain and Calculate % annually prior to the Annual Membership Meeting in March by Accountant and/or Treasurer. This completed summary is provided to the Board at their Annual Board Meeting in April.
- 6.2. Formula:
 - 6.2.1. Add the total number of years each member has since their “start” date.
 - 6.2.2. Divide the total number of member years by the number of current members.
 - 6.2.3. This number equals the member’s percentage of Ownership Interest.
 - 6.2.4. Example, Mr. Wolcott’s property has 48 years as a Member. Divide 48 by 2616 (number of years of **all Members**), and you get Mr. Wolcott’s ownership interest of 1.83%
- 6.3. **Loss of Ownership Interest** (see Bylaws Section 2.2. Removal from Membership.)
 - 6.3.1. Communication notices will be emailed to email on file for the Member household.
 - 6.3.2. Ownership Interest may be reinstated within 60 days [June 1] if all Dues, Assessments, and late Fees are paid in full.
 - 6.3.3. Dues, Assessment, and late Fees not paid/received within 60 days [June 1] the member will be dropped from the membership rolls and property Ownership Interest will be zero (0%).
- 6.4. **Exchange of Ownership Interest**
 - 6.4.1. Member sells, transfers or exchanges the property.
 - 6.4.2. Member /seller is in good standing and has paid the current year’s Dues up to March 31st. New owner will be considered a Member in Good Standing.
 - 6.4.3. **Membership Transfer Form** (Dues paid to March 31st) Member/seller will complete the form. To maintain Ownership interest the Form should be completed and signed by Member/ seller transferring to the new owner of the said property.
 - 6.4.4. **If the Membership Transfer Form is not completed**, the new owner/Member has a Membership through March 31st.



- 6.5. **Reinstatement to Membership.** (See Bylaws Section 2.3. Reinstatement to Membership)
- 6.6. **New non-Member currently owning property with no Ownership Interest** in the Lakeridge re-subdivision (See Bylaws Section 2.4. Payment of Dues and Assessments). May begin Membership with the current year
 - 6.6.1. By paying all Dues and Assessments at the current Dues rate in full, member(s) would gain Ownership Interest with that start year.
 - 6.6.2. Membership Dues and Assessments may be prorated for new non-members joining after October 1st, Member will not accrue ownership-interest on a partial paid year.

7. **Board Responsibilities.**

- 7.1. Direct the methods of
 - 7.1.1. Fees (or not), Dues, and Assessments
 - 7.1.2. Members payments, single and periodic
 - 7.1.3. Methods (check, electronic, credit/debit card)
 - 7.1.4. Response to overdraft (insufficient funds by members/bounced checks)
- 7.2. Obtain competitive bids for items or services costing more than \$1,000 per unit. Selection will be based on numerous elements, such as cost, service, the scope of the contract, and previously established business relationships.
- 7.3. The Board will review the Budget regularly throughout the year, minimally quarterly.
- 7.4. Individual Board Members may not enter into any financial or contractual commitments (See Bylaws Section 5.11).
- 7.5. **Corporate Seal.** (See Bylaws Sections: 5.7 Secretary & 13.7 Corporate Seal)
The Secretary shall be the custodian of the corporate seal.
Secretary shall affix the corporate seal to the following financial documents:
 - 7.5.1. Budget as approved at the Annual Membership Meeting in March.
 - 7.5.2. Annual financial review.
 - 7.5.3. Annual membership roll.

2021 Lakeridge Association Board of Directors:

President - Patricia Staples
 Vice President-Jenny Meyer
 Secretary - Joy Zimmer
 Treasurer - Karen Jones
 Communications Director - Peggy Pitchford
 Director 1 - Andy Bardwell
 Director 2 - John Nies