



Sundowner Financial Policies

INTRODUCTION

The financial strength of the Sundowner has been achieved through the vision and collective efforts of many hard-working, dedicated individuals. Because the Board of Directors is responsible for the financial stability of the Sundowner, it must develop and maintain a system of financial accountability, a financial plan that reflects the mission of the Park, a sound investment strategy, and adequate reserves.

Virtually every activity of the Park involves day-to-day financial transactions that demand guidelines in the form of written policies and procedures. Until the publication of this manual, those guidelines have been a combination of Bylaws, a limited number of written policies and procedures approved to address specific problems, and numerous unwritten policies and procedures that have evolved through the need to conduct routine business.

The Finance Committee recommends the adoption of this Financial Policies and Procedures Manual. While every effort has been made to include a comprehensive set of guidelines, this manual should be viewed as a living document and continuously modified in order to maintain it as a viable resource.

POLICY & PROCEDURE SUMMARY

The Sundowner Board of Directors (BOD) have adopted this Financial Policy & Procedure effective September 2021.

1. Faw Casson will be engaged to provide monthly bookkeeping and accounting services as needed and authorized by the BOD. Additionally, they will prepare the annual tax returns starting in 2022.
2. The BOD will appoint an Office Manager to assist the Treasurer with day to day financial duties. (Approved by separate vote 8 Yes, 1 No (Earl) & 0 Abstain on 10/2/21)
3. The Treasurer and Office Manager will be the only Sundowner representatives who are authorized to contact Faw Casson.
4. The Sundowner Finance Committee will provide oversight on all financial matters and report to the BOD. Board members should contact the Finance Committee with any questions or to receive any financial information or documentation.
5. Sundowner will not move to QuickBooks online at this time. The current QuickBooks Desktop will be used to save on fees and avoid any interruption in service. Faw Casson will promptly provide any reports needed to Sundowner.
6. The Treasurer will continue to pay all the bills and send Faw Casson list of all bills paid on a weekly basis to be recorded in QuickBooks.
7. It may be more effective for Faw Casson to pay the bills, preferably through the vendors' websites or through the bank's online bill paying service. The Finance Committee will explore this option for 2022.
8. Faw Casson will send out invoices to all owners before the 1st of the month. Finance charges will be applied on the 15th and then account statements will be sent out on the 17th. They will e-mail invoices and statements to those with e-mail addresses, and will mail the others. The Office Manager will send them an updated spreadsheet with owners' contact info, including e-mail addresses as they change.
9. Faw Casson will research how to process ACH and credit card payments through QB. They will have ACH set up in time for October's invoice. The ACH fee would remain \$5.00.
10. Faw Casson will provide Sundowner with the ACH form to use or continue with ACH through QuickBooks.
11. Faw Casson will send Customer Balance Detail reports to Sundowner each week, preferably on Friday.
12. Sundowner will send Faw Casson all tax payments received and deposited.
13. Faw Casson will provide monthly bank reconciliations to the Treasurer and Finance Committee by the 10th of the month.
14. Faw Casson will provide monthly financial statements to the Treasurer and Finance Committee by the 15th of the month.
15. The Office Manager will send any separate charges that need to be applied to owners' accounts to Faw Casson on a weekly basis to the next invoice.
16. Faw Casson will be granted online access to all Sundowner bank accounts so they can pull statements and run reports as needed.
17. Faw Casson will provide any information as needed to Sundowner Attorney's assistant pertaining to HUD settlements throughout the year. Also, Sundowner Settlement Representative will provide Faw Casson a copy of the settlement along with the new shareholders information after settlement.
18. Faw Casson will update the information in the system and will communicate with the Treasurer or Office Manager if needed pertaining to any payments for Sundowner. (18 items approved by separate vote 8 Yes, 0 No & 1 Abstain (Earl) on 10/2/21)

ACCOUNTS PAYABLE

Invoices will be forwarded to the Park's Treasurer immediately upon receipt for payment. All non-recurring or budgeted invoices should be reviewed for accuracy and budgetary limitations by the Finance Committee or board officer. All accounts payable shall be paid far enough in advance of the due date to avoid any late fees or penalties.

All expenses not authorized in the annual or capital budget must be approved by the Board of Directors.

ANNUAL REVIEW

The Finance Committee is to have a Review completed every year. A Review of Agreed Upon Procedures will be conducted every third year and/or whenever a new President takes office.

AUTOMOBILE ALLOWANCE

The Park shall reimburse the current IRS rate as permissible as it relates to the Park's Accountable Plan & travel policy and staff mileage reimbursements.

BANK ACCOUNT RECONCILIATION

At months end, the Bookkeeper or Accounting Firm shall gather bank statements for all Park accounts and do an initial review of the checks and deposits that cleared during the previous month. Bank statements and accountants' copies of QuickBooks shall be forwarded to the Treasurer and Finance Committee for review. Copies of the final reconciliation reports, profit & loss report YTD, balance statement, and the general ledger of each account will be forwarded to the President and Board of Directors.

Voided checks shall be retained and stapled to their check stub and filed in each years' file.

BANKING SERVICES

The Finance Committee will recommend to the Board of Directors investment opportunities and financial institution(s) to be its bank(s) of record. Bank accounts may be opened by the Treasurer without Board of Directors approval (with required signers). At no time shall funds deposited exceed FDIC/NCUA or comparable insured limits.

Banking services shall include, but are not limited to the following:

- Checking accounts (Operating Account).
- Capital Improvement Account
- Reserve Account
- Certificates of Deposit
- Money Market Account

BUDGET

The Finance Committee shall be responsible for working with the Board of Directors to prepare the proposed operating budget for the subsequent year. The proposed operating budget for the subsequent year shall be presented to the Board of Directors for their approval no later than November 30th of each year.

All budget adjustments or requests will require recommendation of the Finance Committee to be sent to the Board of Directors for approval. The Park will budget for any and all loans to include the total payment of loan principal and interest and to also include Fixed Asset purchase amounts each year.

CERTIFIED PUBLIC ACCOUNTANT

The Park's Board of Directors will engage on an annually renewable basis a Certified Public Accounting firm to serve as its certified public accountant. Any change in Certified Public Accountants must be approved by the Board of Directors.

The duties and responsibilities of the certified public accountant shall include:

- Prepare annual federal income tax returns and annual state income tax returns for Sundowner Park Inc.
- Prepare all 1099s for all 1099 independent contractors the Park does business with including Board Members.
- Monthly bank reconciliations for all Park accounts.
- Conduct the annual Review.

CHARITABLE CONTRIBUTIONS AND DONATIONS

Any request for the Park to make financial contributions or donations to anyone or to any organizations shall be brought to the Board of Directors for approval.

CHECKING ACCOUNTS

The Park shall maintain an appropriate number of checking accounts to conduct the business of the Board in an efficient, cost-effective manner.

An adequate supply of pre-numbered checks for each account shall be maintained. Unused checks shall be stored in a secure location.

All normal monthly bills including tax payments may be disbursed with only one signature on the check. These bills will be approved by the President or one of the Vice Presidents before payment. All other checks drawn upon an account of the Park's in excess of \$2,500 shall have two (2) authorized original signatures. Check signatories may include the President, one of the Vice Presidents, Secretary or Treasurer; however, an approved person cannot sign a check made payable to themselves. Any proposed non-budgeted expense over \$2,500 should be reviewed by the Finance Committee, time-permitting, in advance of a Board of Directors vote to approve or reject such expenditure.

All Board reimbursements will be approved by the President or one of the Vice Presidents. Any reimbursements cannot be approved to themselves.

It is the policy of the Park that no "blank" checks be signed by any authorized party.

Any signed checks that have not been mailed or distributed shall be stored in a secure location

PAYMENT OF BILLS

All invoices are submitted to the Treasurer shall prepare the checks. Bills shall be paid as follows:

1. All normal monthly bills including taxes may be disbursed with only one signature on the check or paid electronically if applicable. These bills will be approved by the President or one of the Vice Presidents before payment is made.
2. When two signatures are required on a check, the Treasurer should contact the President, or Secretary. Bills and payments will be paid once per week with exceptions to special occasions.

COLLECTION PROCEDURES

Payment for all products, services, education courses, sponsorships, etc., is due at the time the request for the product or service is made, invoices will be sent as needed. However, if it becomes necessary to initiate collection procedures, all available means of collecting should be exhausted prior to initiation of write-off procedures.

RETURNED CHECKS

In the event a check made payable to the Park is returned unpaid for any reason, the Treasurer is directed to notify the maker of the check by sending a letter allowing them ten (10) days to replace the check with cash, cashier's check, or money order for the amount of the check plus \$25.00 returned check fee. A check will not be accepted, nor will the board office resubmit the check to the bank for payment. If the check is made good before the check has been returned by the bank to the board office, then no late charge will apply.

In the event that the returned check has not been made good by the end of the first ten (10) day period, a certified letter will be sent by U.S. Certified Mail – Returned Receipt Requested notifying them that if payment is not received within 10 days from mailing of certified letter, the check will be turned over to legal counsel.

Should an owner or vendor have more than one check returned per year, owner will not be allowed to submit a check as payment to the Board for a period of one year.

COMMITTEE EXPENSES/BILLS

Committee's that incur expenses during the year shall prepare a budget to be reviewed by the Finance Committee and approved by the Board of Directors. Bills related to events held by committee's must be approved by the committee chairperson.

FINANCE COMMITTEE

COMPOSITION: The Finance Committee must include 2 Board Members, the Treasurer. The Office Manager will be a non-voting member.

FUNCTION: The function of the committee is to:

- Overseeing the financial health of the Park and recommending changes as needed to the Board of Directors.
- Providing financial guidance to support the programs, services and operations of the Park, while striving to achieve fiscal responsibility for our owners.
- Reviewing the Park's income and expense levels in relation to the annual budget and reserve allocations, as well as investments.
- Preparing a recommended annual budget for consideration by the Board of Directors, so that a budget for the following year can be approved by the Directors prior to November 30 each year.
- Anticipating the future financial obligations.
- Recommending an investment strategy and financial policies to the Board of Directors that preserve the financial integrity of the Park.
- Making recommendations to the Board of Directors regarding requests for unbudgeted expenditures.

PROCUREMENT: Requests for bids, services, and expenditures from vendors may be made by the Committee on behalf of the Park for recommendation to the Board of Directors based on current need.

MEETINGS: The Finance Committee shall meet monthly before the Parks Board meetings to approve the monthly financial statements and any other business brought before the committee.

FINANCIAL REVIEW

The purpose of this review is to express an opinion as to the organizations financial statements and to assure the Board of Directors of the financial health of the organization. These reviews are to be done in lieu of a certified audit or Review of Agreed upon procedures by the Park's CPA.

In the event of any audit notification by either the Internal Revenue Service or the Maryland Department of Revenue, the Treasurer will immediately notify the Board of Directors, as well as the CPA firm. The CPA firm with the approval of the Board of Directors shall be authorized to represent the Park at all meetings and hearings related to such audit(s).

PROPERTY & LIABILITY INSURANCE

The Park shall maintain "all risk" property and general liability insurance for the office contents, physical building, and pool.

The Park shall maintain professional liability (errors and omissions) for the officers, directors and staff. The Board of Directors, shall have the responsibility and authority to determine adequate coverage and appropriate deductibles.

The Park shall enter into an annually renewable agreement with a firm recommended and approved to serve as its property and general liability insurance agent. Any change in property and general liability insurance agent must be approved by the Finance Committee and reported to the Board of Directors for approval.

The Park will obtain additional coverage's or insurance riders when the value of any system, property or interruption of services/ function shall exceed standard policy coverages.

The Park shall maintain fidelity and crime (board dishonesty) insurance with a minimum amount of \$500,000 and \$1000 deductible. This Bond will be purchased annually by the Park from an insurance company approved by the Board of Directors at a cost to be determined. This bond shall cover all board members and vendors providing services. Any change in insurance provider or limits of liability must be approved by the Board of Directors. The Park may not self-insure.

LEGAL COUNSEL

The Park will enter into an annually renewable agreement with a law firm to serve as its legal counsel as need arises. Any change in legal counsel shall be approved by the Board of Directors.

OFFICE INVENTORY

On a yearly basis and no later than September 30, the President or one of the Vice Presidents shall provide the Finance Committee an updated depreciation schedule to be used for the tax return of the current year. The Finance committee will maintain this schedule as part of their assets. The Park's CPA will review this list each year prior to completing the tax returns.

PETTY CASH

The Park shall maintain a petty cash fund not to exceed \$300.00. Said fund shall be maintained by the Treasurer and kept in a secure location.

The President, Vice Presidents or the Finance Committee shall have the authority, within budgetary limitations, to approve use of the petty cash fund for miscellaneous cash purchases and reimbursements for out-of-pocket cash expenditures. A cash receipt or adequate documentation for all cash expenditures shall be required, approved, signed and dated by the President or one of the Vice Presidents.

The petty cash fund shall be replenished to \$300.00 on an as needed basis by cashing a general account check for the total amount of the receipts and documentation.

The Treasurer shall reconcile the petty cash fund monthly.

RECEIPT OF CASH AND CHECKS

The Park shall accept check or credit card as payment for monthly fees and tax payments.

The Treasurer shall endorse all checks FOR DEPOSIT ONLY to the appropriate account immediately upon determination of the appropriate account.

All checks received by the Park shall be deposited into the appropriate account by the Treasurer within five (5) banking days or as soon as possible following receipt of such cash and checks.

RECORD RETENTION

The Park shall retain records in accordance with the following guidelines:

Accounts Payable/Ledgers and Schedules	7 Years
Bank Account Reconciliations/Bank Statements	7 Years
Checks	10 Years
Insurance Policies	Length of Policy plus 10 Years
Minute Books/Bylaws and Articles of Incorporation	Permanently
Notes and Deeds to Secure Debt	Length of Note plus 7 years
Outside Audit Reports	20 Years
Payroll	7 Years
Tax Returns	20 Years
Year End Financial Statements	20 Years

REIMBURSEMENTS

The Treasurer shall have the authority, within budgetary limitations, to reimburse board members for documented and approved personal expenditures on behalf of the Park and the approved Accountable Plan. All travel reimbursements, mileage, or other reimbursements must be made within 30 days of the date of the actual expenditure and within the same fiscal calendar year.

RESERVES & INVESTMENTS

Cash reserve funds will be invested with safety of principal as the primary consideration. Money Markets, Certificates of Deposit, or U.S. Treasury Bills are the primary investment vehicles for reserve funds. Certificates of Deposit and Money Markets will be invested in federally insured institutions. The balance kept in any one institution may not exceed the amount of deposit insurance offered by that institution. Investments should be reviewed annually by the Finance Committee. The Treasurer is authorized to invest Park funds per the recommendation of the Finance Committee and with the approval of the Board of Directors. Movement of investment funds must be reported to the President or one of the Vice Presidents, within the same day.

RESERVES: The Park shall maintain permanent reserves in the amount of six (6) months of the budgeted expenses of the current year. The Finance Committee shall strive to recommend savings when funds/budget allows. The goal of the Park is to accumulate enough in working capital reserves in order to meet anticipated, non-capital expenses.

TAX FILING

The Finance Committee shall insure that all required county, state and federal reports are filed, transmitted or furnished in a timely manner.

VENDORS AND CONTRACTS

All contracts shall require approval by the Board of Directors.

WHISTLEBLOWER POLICY

The Park requires that its operations be managed professionally, honestly, and in accordance with sound practices and the requirements of its Bylaws, Policies and Procedures. The purpose of this policy is to be a key defense against fraud occurring in an organization and to give constituents and staff the availability of a means to anonymously report suspected wrongdoing.

Federal law prohibits retaliation against whistle blowing with respect to a violation of a federal law or regulation, to include: Forgery or alteration of documents; unauthorized alteration or manipulation of computer files; fraudulent financial reporting; pursuit of a benefit or advantage in violation with the Park's conflict of interest policy; misappropriation or misuse of Park resources, such as funds, supplies, or other assets; authorizing or receiving compensation for goods not received or services not performed; authorizing or receiving compensation for hours not worked.

Any director, officer or member should report violations or suspected violations of this policy. Any board member or owner of the Park, who suspects that the policy is being violated, or suspects other irregularities or wrongdoing, shall immediately report the same to the Finance Committee. If the board member or owner is uncomfortable raising these issues with the committee for any reason whatsoever, the board member or owner shall report the same to any other member of the Board of Directors.

The Whistleblower Policy is intended to encourage and enable directors, volunteers, and owners to raise concerns within the Park for investigation and appropriate action. With this goal in mind, no director, officer or owner who, in good faith, reports a concern shall be subject to retaliation. Moreover, a volunteer who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position.

ACTING IN GOOD FAITH: Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting, auditing practice, a violation of the Code of Ethics, or a Park policy, procedure or bylaw. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in disciplinary action against the accuser.

CONFIDENTIALITY: Reports of concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline as outlined in The Park's Confidentiality and Non-Disclosure Policy and Agreement.

The foregoing is certified as the Financial Policies of the corporation adopted by the Board of Directors on October 2, 2021.



Darlene Pederson, Secretary

October 2, 2021

Date

(Corporate Seal)

2021 Board of Directors:

Lucy Kelly - President (Lot No. 35)
Rick Pritchard – Vice President Administration (Lot No. 231)
John Patras – Vice President Operations (Lot No. 210)
Linda Staples (Treasurer) (Lot No. 34)
Darlene Pederson (Secretary) (Lot 140)
Earl Hughes - (Lot No. 122)
Brian Kelly (Lot 257)
John Thompson (Lot 129)
Wm. Craig Wilson (Lot No. 1)