

# A Pocono Country Place POA, Inc.

**POLICY RESOLUTION:** FINANCIAL PROCESSING  
**SUBJECT:** Budget Process  
**DATE APPROVED:** March 20, 2010  
**DATE(S) REVISED:** August 21, 2010

**NO:** F-01  
**PAGE:** 1 of 3

---

This policy has been adopted or revised on the date indicated by the A Pocono Country Place Property Owners Association, Inc.'s Board of Directors. The purpose of this document is to establish uniform procedures for the APCPPOA Annual Budget Process in order to retain consistency from year to year.

## **BUDGETS & BUDGET PREPARATION GENERAL**

All expenditures of the Association shall be provided from the budgets described in this section and as set forth in the APCPPOA Bylaws. Importantly, the Bylaws, at Article III, contain the following definition:

Budget: a projected listing of income and expenses of the Association for a fiscal year together with supporting schedules as approved by the Board of Directors and administered by the Community Manager. The Budget includes an Operating Budget, which covers annual operating income and operating expenses, and a Capital Budget, which covers creation of capital reserves and payment of capital expenses for assets that have a useful life of more than three (3) years.

The Board of Directors shall adopt said budgets for each fiscal year by the November Board meeting. Further, as an adjunct to the budget process the board shall fix the amount of the annual dues and maintenance.

## **SEQUENCE**

Annually, on or before August 15th, the community manager (CM), after receiving the budget guidelines from the Board of Directors, shall request from each standing and special committee proposed initiatives to be funded through the operating and/or capital budgets. These requests shall be accompanied by written justification regarding intended use, benefit, and cost. The CM and Controller shall conduct departmental meetings on or before September 1st and review their proposed departmental budgets. The CM and Controller shall then (1) draft operating and capital budgets, incorporating necessary changes to the proposed budgets of the departmental managers and (2) submit to the Budget and Finance Committee (B&F Committee), the individual departmental budgets, the combined APCPPOA budgets, the schedule of fees and charges and a narrative that explains the rationale behind the numbers. This shall be accomplished by October 1<sup>st</sup>. The B & F Committee shall thoroughly review with the CM and Controller, line item by line item, each departmental budget and the combined

APCPPOA budget. It will report its findings and recommendations to the board for its review no later than October 1st.

**On or Before**

**ACTION**

August 15	Budget Guidelines Received from Board of Directors
August 15	Committee's Submittals Received by Finance Committee/CM/C
September 1	Budgeting Process Begins
September 1	CM /C Conducts Departmental meetings
September 15	CM/C Submits Budgets to BOD & Finance Committee Including Capital & Operating Budgets and the Schedule of Fees & Charges
October 1	B & F Committee submits its recommendations for review to BOD
November Board Meeting	Board of Directors Approve Budget

**PUBLIC WORK SESSION**

The Board shall hold at least two public work sessions at least seven days prior to the board taking final action on the budget. Notice for these sessions shall include a summary of the proposed budget plus the anticipated dues, fees and assessments to be levied upon the membership if said budget is approved. The budget shall be finalized and approved on or before the November Board meeting preceding the fiscal year for which it was prepared. Once approved, the manager shall print it in reasonable detail in the official APCPPOA publication, post it on all community media outlets and make copies available at the APCPPOA offices.

**OPERATING EXPENSE BUDGET**

Each year the annual operating expense budget and five year operating budgets shall be approved by the board and be consistent with generally accepted accounting principles. The Finance Committee shall recommend to the board an operating Budget that is fiscally responsible, while, at the same time, ensures the community operations are not compromised and sufficient funds budgeted to properly maintain the community assets, buildings and amenities.

The committee shall provide to the Board and membership the rationale in support of its recommendations.

**CAPITAL EXPENSE BUDGET**

Each item of capital expense shall be classified as depreciable or non-depreciable and depreciated or expensed in a manner consistent with generally accepted accounting principles. All capital expenditures shall be approved by the Board in an open meeting. Capital expenditures for scheduled replacement, repair or restoration of the Community baseline facilities and equipment shall be detailed and schedules adhered as outlined in the Reserve Study. Department Heads and the B & F committee shall complete a list of non replacement items identified as "Improvements" with rationale behind the need for

same and recommendations as to the method of funding the improvement. The Bylaws provide, in relevant part, as follows: "For non-replacement capital expenditures exceeding three (3%) percent of the current year's billed dues, the Board shall obtain an affirmative vote of a majority of members present at the Annual Meeting or at a special meeting called for such purposes at which a quorum is attained. **Article V, Section 3T.**

Once a capital expense budget has been approved by the board, no budget line item within said budget may be exceeded, at anytime, unless otherwise approved by the board.

-----

Authenticated by:

---

*Signature of Secretary, APCPPOA Board of Directors Date*

---

*Signature of President, APCPPOA Board of Directors Date*