



Plantation Harbor Property Owners Association

202 Sumter Court, Havelock, NC 28532

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REGULATION #02-05

FINANCIAL ACCOUNTS & "BONDING"

DATE APPROVED: April 28, 2002

DATE RECORDED:

- A. This regulation directs the PHPOA Treasurer to maintain multiple tiers of financial accounts for PHPOA. Each tier may have multiple accounts. The tiers and their guidelines are:
1. Checking account(s): The funds in these accounts at any point shall be one half to two months of receivable dues. These are for paying routine bills and are used numerous times throughout the month by the financial staff. While the Treasurer will normally be the authorizing signature against these accounts, any of three signatures shall be authorized: the Treasurer, President, or one at least one of the Directors.
 2. Short term savings: The funds in these accounts shall be one half to three months of receivable dues. These accounts are an intermittent savings from which monies flow into our Long range funds or back into the Checking account for payment of bills. Typically the monies in these accounts should be available on demand and thus a Money Market account would typify the accounts at this tier. Withdrawals from these accounts will require the signature of at least two of the following: Treasurer, President, or any of the three Directors.
 3. Long range savings: These accounts are for the Long term and capital savings within the association. Some of these accounts may be restricted/dedicated for specific usages. Discretion shall be used to provide conservative investments and the funds should be diversified with varying access/maturity dates. Access to these accounts may not be as fluid as in the above second tier; for example a multiyear CD would be appropriate here, not at the prior tier. Withdrawals from these accounts will require the signature of at least two of the following: Treasurer, President, or any of the three Directors.
- B. The funds in the various tiers will occasionally be outside these guidelines as monies transition from one tier to another or are in transit to pay various bills, but this should be the exception, not the rule. Prior to establishing any new type of account the Treasurer should prepare a proposal and seek approval of the Directors for this *type* of investment. For example, should we chose to use treasury bills instead of CD's this should be reviewed by the Directors, but following this approval subsequent investments in or renewal of treasury bills would be at the discretion of the Treasurer. It is permitted to have fewer tiers if a single investment type is approved by the Directors which meets the objective of two or more of the above tiers.
- C. The Treasurer shall also arrange for safe keeping (for example a Safe Deposit Box) of PHPOA documents and valuables such as Deeds, Stock Certificates, CD's, Insurance Contracts, etc. The Treasurer, President, and at least one of the three Directors shall have access to these documents. The Treasurer shall also maintain an inventory of this storage and review it annually with the Director responsible for the Audit of PHPOA's accounts for our Annual Business Meeting.

- D. The Treasurer shall also arrange for the insurance/bonding of all PHPOA personnel who have access to the these funds. This insurance should provide at least \$100,000 coverage.

APPROVED:

/s/

J. Allen Heller
Director, PHPOA

/s/

James Mead
Director, PHPOA

/s/

George Radford
Director, PHPOA