



F1 - Internal Financial Controls Policy

Resolution of the Board of Directors

DISCUSSION

DUTIES AND ROLE OF THE ASSOCIATION BOARD OF DIRECTORS

- The Board is responsible for understanding and ensuring that internal controls are adequate and are being followed.
- Review and approve annual budget.
- Review and approve financial statements & bank reconciliations. Approval to be documented in the meeting minutes.
- Use of Capital Reserve Funds requires pre-approval of the BOD.

DUTIES AND ROLE OF THE ASSOCIATION TREASURER

These duties generally include but are not limited to:

- Keeping and maintaining a complete set of financial records.
- Depositing funds in the name of the Association in Board approved depositories.
- Overseeing payment of all bills, including proper expense classification.
- Taking responsibility for the identification, implementation, and on-going monitoring of internal financial controls.
- Preparing an annual budget with Board input.
- Overseeing insurance coverage (general liability, directors and officers, and fidelity).
- Overseeing investment of funds.
- Billing assessments and collecting on delinquent accounts.
- Overseeing the replacement reserve program.
- Filing all federal, state, and local tax returns in a timely manner.
- Preparing monthly financial statements.
- Performing monthly bank reconciliations.
- Participating on a team with selected Directors to Interview major contractors
- Communicating financial information to the Board and, if appropriate, the membership.
- Implementing and monitoring safeguards to protect the Association's assets.
- Preparing and implementing the operation and reserve budgets.
- Monitoring the annual preparation of financial statements by an independent CPA as well as preparation of year-end tax returns, including other appropriate tax and corporate filings.
- Overseeing an annual compilation, review or audit by a CPA.
- Working with an outside CPA to evaluate the system of internal controls.

POLICY

1. The fiscal year for IAHA will be same as the calendar year (1 January through 31 December).
2. An annual budget shall be prepared (with Board input) and approved no later than the February Board meeting of each year. A budget summary shall be provided to membership within 30 days of budget adoption.
3. All transactions are to be entered in Quicken Business software, or equivalent accounting software, including a digital copy of the transaction paperwork. Explanation shall be entered in the "Memo" line.
4. A current financial statement shall be prepared prior to each Board of Directors (BOD) Meeting.
The statement will include:
 - a. Bank account totals (including reserve account),
 - b. All category expenses to-date compared to the budget,
 - c. Projected expenses to year end,
 - d. Amount of past due Assessments and status (collections, liens, etc.)
5. The financial statement should to be made available to the Directors two (2) days prior to the meeting for their review. Additional copies are to be provided for membership reference at the meeting.
6. Quarterly financial statements shall be provided to membership. The content of this statement will be similar to that provided to the BOD at their regular meetings.
7. Bank statements are to be reconciled monthly using the association's accounting software. A reconciliation report shall be generated and attached to the bank statements. The report will be provided at the BOD meeting with the financial statement, approved by the BOD and documented in the meeting minutes.
8. Dual signatures are required on all checks, preferably the President and Treasurer. Signatores are those Board members with signature cards on file at the bank.
9. Individual purchases using the IAHA EBT debit cards are limited to \$200/transaction and must be for a budgeted item. Purchases greater than that amount or for items that are not budgeted, requires approval of a second Board officer, preferably the Treasurer or President. Receipts shall have the purchaser's name, reason for purchase, and signature written on it and shall be handed to the Treasurer within five (5) days of purchase.
10. Use of private credit/debit cards to make a purchase on behalf of IAHA, should be avoided. Reimbursements on private cards requires BOD approval. Receipts shall be handed to Treasurer within five (5) days of purchase.
11. On-line banking payments are not to be made without BOD pre-approval and documented in the meeting minutes.
12. All incoming checks are to be immediately endorsed "For Deposit Only - IAHA" either by hand or our Umpqua Bank endorsement ink stamp. Checks should be kept in a locked safe or cabinet until deposited, preferably within 2-3 days of receipt.
13. All investments shall be in accounts which provide FDIC insurance.
14. Investment transfers shall be pre-approved by the Board.
15. Maintaining a Petty Cash fund will not be the practice of IAHA.
16. A copy of the annual financial statement shall be provided to membership within 90 days of the end of the fiscal year.

REFERENCES

- 2024 Treasurer’s Accounting Handbook & Procedures Manual - Schwindt & Co. CPA’s,
- IAHA By-Laws,
- ORS 94.595: Reserve Account
- ORS 94.645: Annual Budget
- ORS 94.670: Record keeping, financial reviews
- ORS 94.704, ORS 94.709, ORS 94.712, ORS 94.716, ORS 94.719: Liens

Date of Board Meeting: 4 June 2025

Record of Vote: 6 YES 0 NO 2 ABSENT



President – Ron Singh



Secretary – Robert English

9/5/2024	Rev 2 NEW Approved
	Rev 3 Format updates, Added Signature Block & Revision Record Block
6/4/2025	Rev 4. Added who can double sign checks.

**Revision
Record**