

Procedure

Annual Operating Budget, Contingency Spending, & Reimbursement Procedure

**Responsible Committee: Finance & Administration
Legal & Administration Work Group**

(Replaces Operating Budget & Contingency Spending & Reimbursement Procedure)

Adopted September, 7/21/2019, 10/20/2020

Last reviewed 10/2020

The primary funding document is the HOA Budget, approved annually by the Committee of the Whole. Expenditures can be made for budgeted line items if consistent with the stated purpose within the budgeted amount and with the approval of the committee.

1. Items that are in the HOA Budget

The committee is authorized to make the expenditure and present the receipt to the Office Manager. Refer to and follow the *Credit Card Procedure*.

Spending proposals that require “contracts or signed agreements” with outside vendors:

Contracts for services that are within the budget and valid for one year or less require the signatures of two officers, as required in the *Vendor Contracting Requirements House Agreement*.

Procuring supplies by the Procurement Task Team:

These are budgeted expenses for regular supplies used by PDXC.

- When an item is needed, contact a member of the Procurement Team OR write on the form posted on the door of the Utility Closet with full details of item needed.
- The Procurement Team coordinates with the Office Manager to maintain accounting records.

Request to Use Funds for Another Project:

When budgeted but unused Committee funds are available to complete a new project, use the *Reallocation of Budgeted Funds Procedure* for that approval.

2. Contingency Funds

Contingency funds are available to use for an event or circumstance that cannot be planned **and** when the committee budgeted funds are expended. Contingency funds may also be available when the anticipated expense exceed the budgeted amount.

Contingency funds are identified in four categories: **emergency, repair, time-sensitive needs, and non-time sensitive needs** Each has its own process:

Emergency Purposes: These expenses are imminently required for the health, safety, or security of the building and the occupants. Examples: installation of a dead-bolt lock or a broken window on the first level. The urgency of the situation is judgmental.

Process for approval of expenditure:

- Prior to repair, *agreement between* the convener of the responsible committee and one or more members of the community with experience in the affected area should be acquired.

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- When the project is complete, email the Treasurer and the Office Manager of the decision and note the names of the members providing consensus.
- Submit the invoice for the work to the Office Manager.

Repairs of existing items: These expenses are for repair of currently owned equipment when it fails and when the expense exceeds the amount of the repair budget. Examples: repair of ice machine, repair of garage door, etc.

Process for approval of expenditure:

- The committee with the item in its budget is the primary authority and will plan the approach and make recommendation(s).
 - Consider whether the item is under warranty or in the reserve fund,
 - Determine whether the item should be repaired or replaced. If the committee approves the **repair**, notify the Treasurer and the Office Manager by email..
 - Submit the invoice for the repair to the Office Manager.
- If the committee recommends **replacement**, present the request (with a detailed plan) to the F&A Committee who will send the request to the community for a 5-day review for feedback and transparency.

Items that are time-sensitive but not an emergency: These items are needed, but do not constitute an emergency. Example: an over-run of the budget or notification that the contracted band must cancel and the replacement band is greater than the budgeted amount.

Process for approval of expenditure:

- The committee presents the request (describing the project and its costs) to the F&A Committee who will send the request to the community for a 5-day review.

Projects that are not time-sensitive: These items have not had community review and support. Example: building shelves in the kitchen or adding a seating area in the west garden.

Process for approval of expenditure:

- Follow the standard procedure used for new ideas (requiring two community hearings of a fully documented project).

Confidential Items: Contingency funds may be requested for an item that requires confidentiality, if requested by the Community Process Committee. The community will be notified through the 5-day review process providing details that do not breach confidentiality. Example: resolution of personal conflict

3. Requests to reimburse invoices paid with personal funds

Use of personal funds to pay for PDXC expenses should be avoided and only when use of the Association credit card is not feasible.

If personal funds are necessary:

- Submit the reimbursement request within 5 days of the invoice date.
- Receipts must include **only** PDXC goods.
- If personal items are included on the receipt, the reimbursement request will be rejected.
- Reimbursement request goes to the Office Manager for processing.

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Addendum: Refer to the following located on the Portal

- Credit Card Procedure
- Reallocation of Budgeted Funds Procedure
- Vendor Contracting Requirements House Agreement
- Decision Making Procedure: 5-Day Review (pending)