Cedar Highlands HOA Policy and Procedure

Policy Number: No. 2026-2

Name: CHHOA Treasury Financial Management Policy

Date of Inception: April 9, 2026
Last Updated: Date of Inception: July 13, 2026

Objective:

The objective is to clearly define the Financial Management structure of the Treasury in accordance with the governing documents of the Cedar Highlands HOA.

Background:

The Cedar Highlands CC&R's allow for the board to adopt/codify Financial Management practices to ensure the good stewardship of the community's funds. There has been some confusion across previous Boards regarding the various Treasury related functions. The aim of the creation of this policy is to provide a financially responsible framework for the Treasurer to follow which ensures the CHHOA's funds are managed in transparent, responsible, and strategic manner.

Policy:

The following is the Treasury Financial Management Policy of the CHHOA Board.

A. Dues Invoicing

1. CHHOA yearly dues amounts shall be determined/voted on by the Board at the 1st Board meeting after the yearly election. Voted/Approved/Posted no later than Dec. 1.
2. Dues will be invoiced annually on Jan. 1 and due by Jan. 31.
3. Dues are considered late on Feb. 1. Late dues will be charged a 10% late fee, and will accrue 1.5% interest per month. Outstanding balances after 2 months will be noticed(written) and subject to lien in accordance with Utah state HOA regulations/law.
4. Dues are **ONLY** accepted on an annual basis and are payable by Cash, Check, or Money Order **ONLY**. The CHHOA mailing address is: P.O. Box 1921, Cedar City, UT. 84721

B. Banking

1. The Treasurer will use FDIC/NCUA insured banks/credit unions for CHHOA Banking. This ensures that CHHOA Funds are insured.
2. The Treasurer will keep 1 General Checking account at chosen financial institution(s), with all CHHOA funds (dues/deposits/fees) in that account. A separate ledger for refundable deposits will be kept. This ensures CHHOA funds maximize interest earning while on deposit.
3. The Treasurer, and the Treasurer's A.O will be signors on all CHHOA financial accounts. In the event there is no Treasurer's A.O., a CHHOA BOD member will be added as the additional signor. This allows for flexibility/coverage to handle the day-to-day financial obligations of the CHHOA Board.

4. The Treasurer will issue a debit card to each authorized signor to allow for flexible payment options when conducting CHHOA board approved business. All charges made with debit cards will be approved in advance by the board as possible, which will then be approved in the consent agenda at board meetings. Receipts for debit card purchases will be kept and provided to Treasurer or Treasurer's A.O.
5. The Treasurer will collect and destroy debit cards on an annual basis to help prevent fraud and unexpected recurring charges/fees. New debit cards will be issued annually to approved signors.
6. Checks will require 2 authorized signors signatures.
7. General Checking Account Transactions, as possible, will be kept to a maximum of 6 per month, to avoid incurring transaction fees.
8. The Treasurer will keep a Petty Cash amount of $500.00 on hand to allow for flexibility in handling CHHOA business as needed. A Petty Cash Ledger/Folder will be maintained with receipts.

C. Investment/Reserve/Emergency Funds

1. The Treasurer will fund and keep 12 CD's at CHHOA's chosen financial institution. The 12 CD's will be kept on deposit in a 'ladder' form, 1 each month, with each initiated/renewed at the first business day of each month. The amount of each individual monthly CD will be $10,000.00. The total amount of CHHOA funds on deposit in CD's will be $120,000.00. This rotating 'monthly CD ladder' will allow strategic flexibility in maximizing our interest returns on our financial reserves. As the CD's mature, they will be redeposited at current CD interest rate. This amount of funds and monthly CD ladder structure will constitute the CHHOA's financial reserve 'engine' generating interest to be used for CHHOA needs.

D. Budget

1. The Treasurer will generate the CHHOA annual budget in a line-item format, easy to understand and transparent. This budget will be voted on/approved by the Board once generated. Budget amendments can be generated on an as needed basis, subject to Board approval.

E. Independent Financial/Accounting Service Providers/Vendors

1. The Treasurer may select/hire/contract with an independent accounting/financial consultant to assist the Treasurer in executing the CHHOA business.

2. The Treasurer will use Intuit Accounting software for invoicing dues/accounting for CHHOA members financial standing.

F. Record Keeping/Documentation

1. The Treasurer will maintain accurate and redundant records to include but not be limited to:

   - General Checking Account Bank Statement Ledger/Folder

   - Annual Budget Folder

   - Monthly Management Report Folder

   - Petty Cash Ledger/Folder

   - General Files relating to CHHOA business