PORT TRINITIE ASSOCIATION
Financial Policies and Procedures
Approved October 21, 2024

These financial policies and procedures are adopted by the Port Trinitie Association Board of Directors on the date noted above and are available to the entire Port Trinitie membership.

GENERAL:

1. The fiscal year will be the calendar year, January 1 to December 31.
2. Taxes will be prepared by qualified tax preparer and presented for review to the PTA President and PTA Treasurer.

BUDGET MANAGEMENT

1. The PTA Treasurer and Property Manager should jointly prepare the proposed annual Community Facilities Operating Budget and the proposed annual Condominium Operating Budget.
2. Input from the PTA Board of Directors should be requested prior to budget finalization and presentation to the PTA and PTHOA memberships.
3. The proposed budgets with notes should be distributed to the PTA Board of Directors at least 15 days in advance of the Fall PTA Board meeting for review and comment.
4. The proposed budgets with notes should be distributed to entire PTA and PTHOA memberships at the same time of the PTA Annual Membership Meeting announcement. Condominium House Representatives will vote on both the community and condo budgets and the lot owners will vote only on the community budget.

COMMUNICATION

1. The PTA Treasurer should ensure that PTA Board Members will have access to the financial reports within 45 days of each quarter. The reports should include a summary of the PTA financial statements for the current fiscal year.
2. Annually, the PTA Board of Directors should discuss the need for a financial review to be performed in the coming year for the current fiscal year and budget for such an expense if a financial review will be performed. An audit should be performed by an independent CPA. Findings will be reviewed by the PTA Treasurer and reported to the PTA Board of Directors.
3. If a budgeted expense is running over budget by the greater of $2,000 or 10% of the budgeted amount, the PTA Board of Directors should be informed of this increase in expenditure.
4. If the community budget and or the condo budget ends the fiscal year with a surplus, the PTA should vote at the fall meeting on the disposition of these funds.

SOURCES OF FUNDS

1. Condominium and Community Facilities fees should be posted as Sources of Funds in separate general ledger accounts.
2. Condominium and Community Facilities assessments should be posted as Sources of Funds in separate general ledger accounts.

USES OF FUNDS

Approval

1. All invoices (copies or scans) should be reviewed by the PTA President and PTA Treasurer for approval. In the event the PTA President or the PTA Treasurer is not available, the PTA Vice President may approve invoices in his/her absence.
2. Any expenditure over $3,000, except for contract invoices, needs the prior approval of the PTA President or PTA Vice President in the President's absence.
3. The PTA President or PTA Treasurer should not approve his/her own invoice. Another PTA Board of Directors' officer should be the second approval.

4. Invoices for services should be itemized by description of labor and materials and should identify whether condominium or community facilities. If the expenditure is due to a named storm, identify the name of storm on the invoice.
5. The PTA Treasurer may create a standing approval process for recurring invoices such as utilities, Bookkeeping, etc.
6. The PTA President is authorized to spend a maximum of $1,500 for each occurrence without prior PTA Board of Directors approval on unbudgeted expenditures. Expenditure cannot be split into separate invoices.

Disbursements

1. It is the policy of the PTA not to pay expenses of individually owned units. Any exceptions to this policy must be approved by the PTA Board.
2. Every disbursement should have a corresponding receipt and/or invoice marked electronically with the amount, date paid, and tracking number.
3. Every disbursement should have approval.
4. The individual units should reimburse the PTA for the pro rata amount of property and flood insurance as a Sources of Funds line item.
5. Contracted services exceeding $5,000 should be put out for bid.
6. PTA may reimburse individual PTA Board of Directors for travel expenses incurred solely for attendance at a PTA Board meeting up to $300 maximum per meeting. Travel expenses include lodging, tolls, and round-trip mileage from home to the meeting at the IRS reimbursement rate at the time the expense was incurred.
7. PTA should budget annually for one House Representatives meeting (Condominium budget), the PTA Annual Membership Meeting (Community Facilities budget), and for 2 PTA Board of Directors Meetings Community Facilities budget).
8. 100% of the bank fees should be allocated to community facilities.

RESERVES

1. The reserve funds should follow the North Carolina State and Federal laws for HOAs.
2. PTA should establish and maintain a Capital Reserve Fund for replacement and maintenance costs due to normal wear and tear for capital items.
3. Storm/Flood Reserve Funds
   a. The PTA should maintain reserves to meet unexpected future property expenses that may occur due to storms or floods.
   b. The PTA will maintain the following minimum balances for the storm/flood reserves:
      i. Condominiums in the amount of $10,000
      ii. Community Facilities in the amount of $25,000
4. If a reserve fund has a required minimum and the balance of this reserve fund falls below the required minimum, a special assessment of the membership (Community and or Condominium) will be implemented to restore the reserve to the required minimum amount.

DELINQUENCIES

Condominium Unit Delinquencies:

PTA Treasurer will be notified immediately by the Unit Agent and/or Property Manager if a condominium unit is unable to meet the PTA authorized insurance premium or unit repair financial commitment. Subsequently, the PTA Treasurer should approve a disbursement of PTA funds to pay the bill. The PTA Treasurer should immediately notify the House Representative of the problem and request a plan of action be submitted within 15 days to resolve the issue. The purpose of this plan is to ensure the funds shortfall does not reoccur and reimbursement to the shortfall of the budget. If the unit continues not to meet its financial commitment for a period of 60 days from the original date of delinquency, the PTA will invoke its authority under Section 10 of the Declaration of Unit Ownership. The PTA will file a suit to recover a money judgement, including legal and court fees, against the unit. The PTA also reserves the right to file a lien on the unit for purposes of foreclosure. The PTA Treasurer will be responsible for approving the resolution plan and tracks the plan for compliance.

HOA Delinquencies:
PTHOA has the right to collect assessments and fees. PTHOA can assist PTA in collection of assessments for community facilities. The PTA can suspend use of community facilities if payments not made by lot owner. PTHOA collects the debts, establishes the lien, and files with the Clerk of Superior Court of Dare County the amounts due, with 12% per annum interest, costs of collection, court costs, and reasonable attorney fees. (Article VI Sections 7 and 8 of DCCRs.) The PTHOA PTA Board members will be responsible for managing any HOA delinquencies.