

EMERALD LAKES VILLAGE

Homeowners Association
P.O. Box 113, Troy, MI 48099

Policy Letter Regarding: Individual ELVHA board member's spending limits and required board approvals of expenditures

ELV Policy #017 dated and approved April 11, 2016.

This letter is in reference to Individual ELVHA board member's **spending limits and required board approvals of expenditures**. It will detail the allowed spending levels for each position, both per occurrence and in total for the entire year. It will also detail the procedures for obtaining approval for necessary purchases above the said limits.

The purpose of having such a policy is to both provide guidelines for board members as to the amount of money they can spend of Emerald Lakes Village Homeowners Association funds for Emerald Lakes Village's needs without prior board approval and also to provide protection for the board and the village should unauthorized or egregious spending occur.

Spending limits not requiring board approval:

	Per Occurrence	Per Year
President:	\$100	\$300
Vice President:	\$100	\$300
Treasurer:	\$100	\$300
Recording Secretary:	\$100	\$300
Corresponding Secretary:	\$600	\$7,200
Security:	\$100	\$300
Maintenance:	\$500	\$1500
Restrictions:	\$100	\$300
Special Projects:	\$100	\$500
Lakes Chair:	\$100	\$300
Membership:	\$100	\$300

Any item that will exceed a per occurrence expenditure or exceed the yearly allowance for an ELVHA board member requires approval by the board.

To obtain approval, the requesting member should make a motion at one of the monthly board meetings explaining the need for the expenditure. Approval would require a majority vote of members present, as long as 60% of the board members are present. If waiting for the next board meeting is not practical, a vote via email would also be acceptable and would require a majority vote of the board members.

Exceptions:

The following positions and instances have exceptions as specifically noted here:

1. Vice President may approve payment on legal bills for ELV related legal matters previously approved by the ELVHA board.
2. Lakes chairperson may approve payment for all costs previously approved by the ELVHA board as part of the annual lakes treatment contract.
3. Security chairperson may approve payment for all costs previously approved by the ELVHA board related to the contract with the security company which patrols ELV.
4. Corresponding secretary may approve payment up to \$600/month to be spent on newsletter printing, stamps, labels or other necessary supplies directly related to the newsletter as approved as part of the budget by the ELVHA board.
5. Maintenance chairperson may approve payment for all costs previously approved by the ELVHA board as part of the annual maintenance contract. In the event of a force majeure, chairperson can contract for necessary, prudent & emergency repairs without prior approval but should alert the board as soon as practical. In event of an unforeseen cost overrun, maintenance chairperson is authorized to spend an additional \$200. Maintenance chair is required however to telephone another member of board to provide notification of this additional expenditure.
6. Special Projects chairperson may approve payments for all costs associated with a contract which has been approved by the board.

If a member of the board for Emerald Lakes Village spends funds above their authorized level without prior approval, the request for reimbursement could be denied. In addition, if the expenditure made in the name of Emerald Lakes Village without approval is significant, the board could ask for the removal of the offending member from the board.

The spending limits contained within this policy letter could and should be updated as appropriate with board approval.