

CASA DI AMICI CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF ASSOCIATION POLICY NUMBER SEVEN

EFFECTIVE DATE: March 24, 2014

SUBJECT: Policy for Authority to Approve Expenditures on Behalf of Casa Di Amici Condominium Association.

PROBLEM: The Association needs a clear and enforceable policy to identify those duly authorized to approve expenditures on behalf of the Association.

POLICY STATEMENT: Expenditures to be incurred by the Association may only be authorized by the Board of Directors as voted by a majority of a quorum of the Board of Directors as defined in the Association's Declaration Document, except in the following circumstances:

1. The Association's duly contracted management company may pay, or in limited cases authorize, expenditures on behalf of the Association as follows:
 - a. Expenditures with a one-time payment that are incurred under a contract for services pre-approved by the Board of Directors.
 - b. Expenditures on an ongoing basis such as annual contracts that include periodic payments with said contracts being pre-approved by the Board of Directors. This would include payments clearly defined in amount and scope under the contract and clearly within the scope of the contract. If any question occurs as to whether the expenditure falls within the scope of the contract then the question shall be directed to the Board of Directors for resolution.
 - c. Expenditures that clearly must be made quickly in emergency situations to avoid risk to Association Members and Association property and where delay in approval would cause additional harm or lead to additional damage to Association property. Even in this circumstance the Association's management company shall make a concerted effort to contact as many Board Members as reasonably possible for consultation on the expenditure.
2. Individual duly elected or appointed Board Members may authorize expenditures on behalf of the Association under the same circumstances as "1c." above but shall also make a concerted effort to contact as many other Board Members as reasonably possible for consultation on the expenditure.

All approved expenditures shall be paid by check prepared by the Association's management company and signed by a duly elected or appointed Board Member. However, all checks must be approved by a majority of a quorum of the Board of Directors. This approval shall be documented by means of approval by reply email by a majority of a quorum of the Board of Directors to the Association's management company's email to each Board Member which shall include a list of all checks proposed to be paid for the month.

Petty Cash: The association shall establish and maintain a Petty Cash account in an amount to be established by the Board of Directors. The duly elected Treasurer for the Association shall maintain the account and will be responsible for disbursements and replenishment of the account. The Petty Cash account shall be used for small expenditures as authorized by the Association's Board of Directors. The Treasurer shall periodically provide a reconciliation to the Association's management company and the Board of Directors as directed by the Board of Directors.