

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

AUHTORIZATIONS POLICY AND PROCEDURES

BACKGROUND

The Declaration of Covenants, Conditions, Restrictions and Easements (“CC&Rs”) of The Sanctuary Community Association, Inc. (“Association”) specify that the Board of Directors (“Board”) is responsible for the operations of the Association, including the execution of proposals, and also authorizing the payment of costs and expenses to be paid by the Association. The By-Laws of The Sanctuary Community Association, Inc (“Bylaws”) indicate specific conditions for execution of agreements and contracts, which may be augmented by resolution. The governing documents allow the Board to contract with a management company in the performance of its responsibilities and to authorize a Managing Agent to perform duties in support of the Board. The CC&Rs allow the Board to create administrative policies to operate the Association. The following policy controls execution of agreements/contracts and spending authorizations.

1. The Board has a fiduciary responsibility to ensure that reasonable and responsible procedures are implemented to regulate Association expenses.
2. This authorizations policy applies to all operating expenditures of the Association. Any expenditure from the reserve funds *must* be authorized at a duly noticed meeting, or qualifying Action Without a Meeting.
3. Disbursement of all association funds must follow the normal Accounts Payable process, and are submitted as either check requests, or direct vendor invoicing.
4. It is the general policy of the Board that new contracts, projects, improvements, purchases or expenses must be approved by the Board at a duly noticed meeting, or qualifying Action Without a Meeting. However, it is recognized that minor expenditures occur from time to time between meetings, and the Board through this policy specifically grants limited discretionary approval authority as follows:

Managing Agent – The Managing Agent is authorized to set-up automatic payment disbursements for regular and routine expenses, including but not limited to: utility bills such as electricity, trash and water, and payroll expenses, including taxes and payroll administration fees. Additional spending authorizations may be established within the Managing Agent's contract.

Treasurer – To facilitate the payment of required taxes, the Board authorizes the Treasurer to solely sign tax returns and approve payment of taxes, including Federal Income Taxes and local property taxes.

Director acting as Staff Liaison – A single Director of the Board acts as Staff Liaison. To facilitate the operations of the clubhouse and staff, this Director is solely empowered to authorize \$500 per transaction for routine, customary expenses to satisfy Staff operations. The \$500 limit applies to the total cost of each project and expenditures may not be split in order to comply with the \$500 limit. Any purchases above the approved authorization limits will require approval of the Board. This authority may be expanded directly to Staff. In all cases, the proposed spend must be communicated to the Managing Agent before it occurs, and all receipts shall be scanned and submitted to Management.

President – To facilitate the general operations of the community, the President is solely empowered to authorize \$1000 per transaction. The \$1000 limit applies to the total costs of each project and expenditures may not be split in order to comply with the \$1000 limit. Any purchases above the approved authorization limits will require approval of the Board. The proposed spend must be communicated to the Managing Agent before it occurs.

5. In addition to the spending authorizations outlined in #4, quotes, proposals, estimates, agreements. and the like, that are approved at either a duly noticed meeting or qualifying Action Without a Meeting may be signed solely by the Managing Agent for execution.
6. This policy may be amended from time to time by the Board.