

## **Legal and Financial Team Mandate - Nov. 5, 2011 consensus**

**Mandate:** The Legal/Financial Team acts in the best interest of the community, in handling official Home Owners' Association business. It is charged with managing community finances, with meeting legal requirements, including the Reserve Study, and with annual filing and recording duties. It monitors and supports the legality, maintenance, and safety of the physical building and property.

**Composition:** The Legal/Financial Team is a standing committee with membership of 5-7 residents. Membership is on a voluntary, as-needed basis. Team membership requires the assumption of specific financial or legal duties. Those who manage the financial affairs of the community sit on this committee, along with 2-3 who handle the legal affairs of the HOA. Membership consists of 2-year terms, with no requirement to step off the team after two years.

The legally required Board Officers, Chair, Secretary, and Treasurer [ORS 100.410], will be designated based upon the related jobs assigned.

### **Team Member Qualities:**

- Commitment to fulfilling a specific financial or legal responsibility on a regular basis without reminders.
- Commitment to check in with the team on the progress of the work completed.
- Commitment to keep an organized record of in-process, completed, and recorded responsibilities.
- Ability to be both meticulous and transparent in one's area of responsibility.
- Commitment to ask for help in advance if unable to fulfill a duty within required timeframe, and to step off team if unable to accomplish agreed-upon tasks.
- Basic ability and skills needed for business and/or financial matters.

### **Team Operations:**

- Sub-groups within Team (Treasury, Legal, Reserve Study, etc) meet as needed, and full Team meets no less than quarterly.
- Team creates and maintains a clearly delineated system of shared responsibilities with specific members assigned to all known jobs on an annual basis.
- Team Lead organizes the assignment of duties, checks in on progress and completion of duties, and announces meetings and sends agendas to community.
- Team conducts periodic self and team evaluations and external evaluation by the community, based on task expectations and timely performance, and which can lead to resignation from resignation from the team.
- Team reports to community regarding its functions and tasks, in regular minutes and an annual report.
- The legally required Board Officers of Chair, Secretary, and Treasurer are members of this team, assigned on a voluntary basis annually, to do certain legal duties noted below. The Treasurer leads the treasury sub-group.

### **Financial Duties of the Team:**

- Collections: Level 4.
  - Collecting Deposits
  - Tracking Checks in Deposits on Sheet
  - Sending Reminders for HOA dues
  - Making Deposits, verifying that deposit receipt matches form.
- Dues collections enforcement per our collections policy (which policy includes notification of community if more than 60 days past due). Level 4.
- Check writing: Reimbursements and bill payments: Level 4.
  - Pay all approved bills and invoices on time
  - Reimburse all community members for approved community expenses
  - File a new form with OnPoint whenever check signers change
  - Flag invoices that will require 1099 & obtain Tax IDs

- Reimbursement Forms: supplied on paper and posted on Talk Central.
- Reconcile bank statements monthly by a non-check writer. Level 4.
- Taxes: Filing & Paying. Level 4.
  - Property (October)
  - Income preparation w/ Schwindt (February)
  - 1099s (January)
- Input of all expenses & deposits in Quickbooks. Level 4.
- “Memorize” appropriate Quickbooks reports and make available to the community. Level 3.
- Track Team and Level 3 budgets and expenditures, and follow up with individuals or teams as needed. Level 3.
- Reviews Budget vs Actuals, Balance Sheet, and member balances monthly, and follows up with teams or individuals as needed. Level 3.
- Utilities Tracking and Leadership: tracks usage from bills, presents data to community, and offers education and tips to reduce consumption. Level 3.
- Reviews Quickbooks accounts annually: Write Offs, Reserve Accounts, etc. Level 3.
- Manages changes in investment of funds. Level 2.
- Manages Budget Fair, the “Annual Meeting” of the HOA.
  - Planning of Budget Fair Process. Level 3.
  - Set Level 1 Budgets based on Research & Forecasting. Level 3.
  - Spreadsheet Preparation, forms to teams, collection of information from teams. Level 4.
  - Facilitation of Process. Level 4.
- Develops Team’s annual budget for legal, accounting, and office supplies for the annual budget fair, based upon assessment of the needs for that year. Level 2.
- Maintains overview of the Reserve Study and Maintenance Plan: ensuring funding levels are in compliance, managing updates, and maintaining an overview of project schedules and completion. Level 3.
- Manages Roll-Over Process. Level 4.
- Manages the Community Contingency Fund (expenditures approved in cooperation with Team Leads, over \$1000 goes to Plenary). Level 4.
- Provides a year-end report to the HOA including: making available a financial review (external if requested and funded by the HOA), a review of tasks completed and the timeliness of the work, a review of team members’ contributions, and a request for any new team members based on tasks that need to be assigned. Level 3.

### **Legal Functions:**

- Provides for insurance coverage, and annually reviews for adequacy, in accordance with ORS 100.435 and ORS 100.417. Level 3.
- Files an Annual Report and any amendment with the Real Estate Agency in accordance with ORS 100.250. Level 4. (Chair’s duties.)
- Renews corporate registration annually. Level 4.
- Upon consensus recommendation by the HOA, determines and amends administrative rules and regulations governing the details of the operation of the condominium and use of the common elements. (Bylaws, CC&Rs, Policies) Level 4.
- Completes and returns all escrow paperwork promptly and as requested. Level 4.
- Reviews and approves any remodel that impacts common elements or costs more than \$500. Level 3.
- Maintains current files of rental agreements and leases, assuring that they meet bylaw requirements. Level 4.
- Manages safekeeping and archiving of all legal documents, including financial and legal decisions, legal documents, forms, copies of unit owners’ insurance policies, and team minutes and reports to community. (Secretary’s duties.) Level 4.
- Enforces legally binding rules and regulations of the association, according to the Bylaws and policies of the community. Level 3 (window for feedback may be as short as 24 hours.)
- If a safety or legal issue is brought to the team, follows through with investigation and creation of a plan for mitigation as necessary. Level 3.

- Maintains a relationship with an appropriate legal counsel. Level 4.

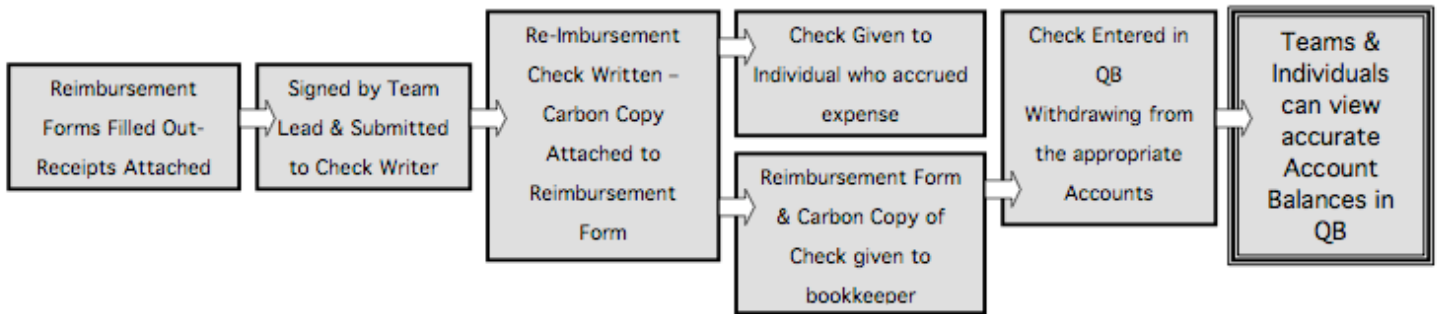
### **Emergency Powers**

- In an emergency situation that impacts common property, 2-3 members of the Legal-Financial Team (as available at the time) work with 2-3 members of R&M to respond to the emergency, including: contacting insurance, signing contracts for emergency repairs, and negotiating with contractors if necessary. Level 3

### **Resources**

- Quickbooks Online for bookkeeping.
- Resources for HOA management are used as needed (“Regenesis Report,” legal counsel, etc.).
- Funded budget is essential for legal, accounting, office supplies, and bookkeeping.
- Bookkeeping can be included as budget item if no community member is able to do this work.

## Reimbursements



## Collections

