

STONEWOOD TOWERS PROCEDURE NO. 39

SUBJECT: Signature Authority for Checks Written Against the Accounts of the Stonewood Towers Condominium Association

Background:

During an internal review of operations, it was discovered that all checks written by the Directors and management did not have the proper oversight to determine their necessity and accuracy. This procedure is being issued to correct that deficiency.

In August 2017, the Association's Bookkeeper submitted a one week notice of termination to the Board. This left the Board little time to find a replacement. After exercising its due diligence, the board elected to amend its contract with Towers Management Company to add their accounting services. The amendment stipulates the Association will continue to maintain its current control as the sole authority in approving any and all checks written for vendor payments.

Procedure:

Board authorization for invoice payments is accomplished using the Towers Management accounting services' VMS check approval system. This system requires two (2) board members to log into the secure VMS system to authorize each invoice for payment and subsequent check(s) being sent to the appropriate vendor(s). Effective immediately, all authorization for check payment(s) written against either the Reserve Fund or Operating Fund accounts of the Stonewood Towers Condominium Association shall follow the following signatory approval procedure.

- 1) Prior to board invoice authorization for payment, the Property Manager shall review and initial each invoice thereby signing off on approval for invoice payment.
- 2) In the absence of the property manager, any available board member may initial approval of the invoices on behalf of the Property Manager.
- 3) Checks authorized for payment against the Association's Reserve Account, via Towers' secure VMS system, shall require approval by two (2) board members. The order of precedence of the two (2) signatures shall be: Treasurer, President, Vice President, Secretary, and the Director at Large.
- 4) Checks authorized for payment against the Association's Operational Account, via Towers' secure VMS system, shall also require approval by two (2) board member signatures. The order of precedence of the two board member signatures shall be: Treasurer, President, Vice President, Secretary and Director at Large.
- 5) Transfer of funds from the Association's Reserve Fund Investment account to the Association's Reserve Operational bank account shall require only one signature. The signature shall be one of the authorized signatures registered with the Association's appropriate financial institution accounts.
- 6) Payroll checks shall require only one signature. The signature being that of a board member.

Financial institutions handling Stonewood Towers Condominium Association accounts will be given the names of the individuals authorized to sign checks.

Non-compliance will be subject to review by the Board of Directors.

FOR THE BOARD OF ADMINISTRATION