

## **OPERATING PROCEDURE #103**

### **BUDGET DEVELOPMENT**

**This Operating Procedure is written to provide a set procedure for the initiation, development and adoption of the yearly operating budget of the Surfside Homeowners Association. This process shall be in full compliance with Board Policy concerning the Budget Process and new Washington State Laws.**

**1. The Budget Committee shall be formed at the August regular Board Meeting of each year. The Committee shall consist of the Board Treasurer, who shall act as the Committee Chairperson, the Financial Administrator and no more than three additional members who shall be appointed by the Committee Chairperson.**

**2. The following Department Heads and/or Designated Trustees and Committee Chairpersons shall submit preliminary budgets to the Budget Committee Chairperson no later than the regular September Board Meeting. These budgets shall cover all expenses needed for the up-coming fiscal year. Separate budgets shall be submitted for operating expenses, and capital improvements.**

**2.1 Water Superintendent/Field Manager**

**2.2 Financial Administrator**

**2.3 Committee Chairpersons/Designated Trustees of committees who expect to expend Association funds:**

**2.3.1 Fish Management Committee**

**2.3.2 Insurance Committee**

**2.3.3 Lands and Buildings Committee**

**2.3.4 Water Systems Planning Committee**

**2.3.5 Legal Trustee**

**2.3.6 Security Trustee**

**2.3.7 Compactor/RV Area Trustee**

**3. The Budget Committee shall prepare an operating budget and a capital expenditure/reserve funds budget from the input from all the above named sources along with the computerized year to date financial statements provided by the Association business office and the audited financial statements of the prior fiscal year.**

**4. The Budget Committee shall present a final draft of the proposed budget at the October regular Board Meeting for Board approval.**

**4.1 Budget must be accepted or rejected at this meeting.**

**4.2 Accepted proposed budgets will be printed and a special membership meeting for budget approval shall be scheduled. Operating Procedure # 103 cont**

**4.3 All members shall be mailed a summary budget letter and a proxy ballot, informing the membership of the time, date and place of the special budget meeting and giving voting instructions for those wishing to vote by proxy.**

**4.3.1 The meeting shall be no sooner than fourteen (14) days nor more than thirty (30) days from the date of the mailing.**

**4.3.2 Members attending the budget meeting and those voting by proxy, shall vote on the acceptance or rejection of the adopted budget.**

**4.3.3 Budgets which fail to receive a majority negative vote shall be considered ratified.**

**4.3.3.1 The budget committee may present a new budget using the same process listed above.**

**4.3.3.2 Info new budget is ratified, the previous years budget shall govern assessments and spending in the next fiscal year, or until a new budget is ratified by a vote of the membership.**

**5. Budget development shall be made considering long range plans and needs of the Association. A five (5) year plan should be the goal of these considerations.**

**6. All Budget and Budget Development procedures shall conform to the guidelines outlined in the new Washington State Laws regarding Homeowners Associations, RCW 64.00.00.**