

CVE Treasurers' Workshop



October 9, 2024

Your Guide

Howard Silverstone

- COOCVE Treasurer – 2024
- COOCVE Controller – 2022/3
- CIAC Committee Member
- Oakridge F Assoc. Treasurer – for 4 years
- Oakridge F Assoc. Secretary – for 3 years

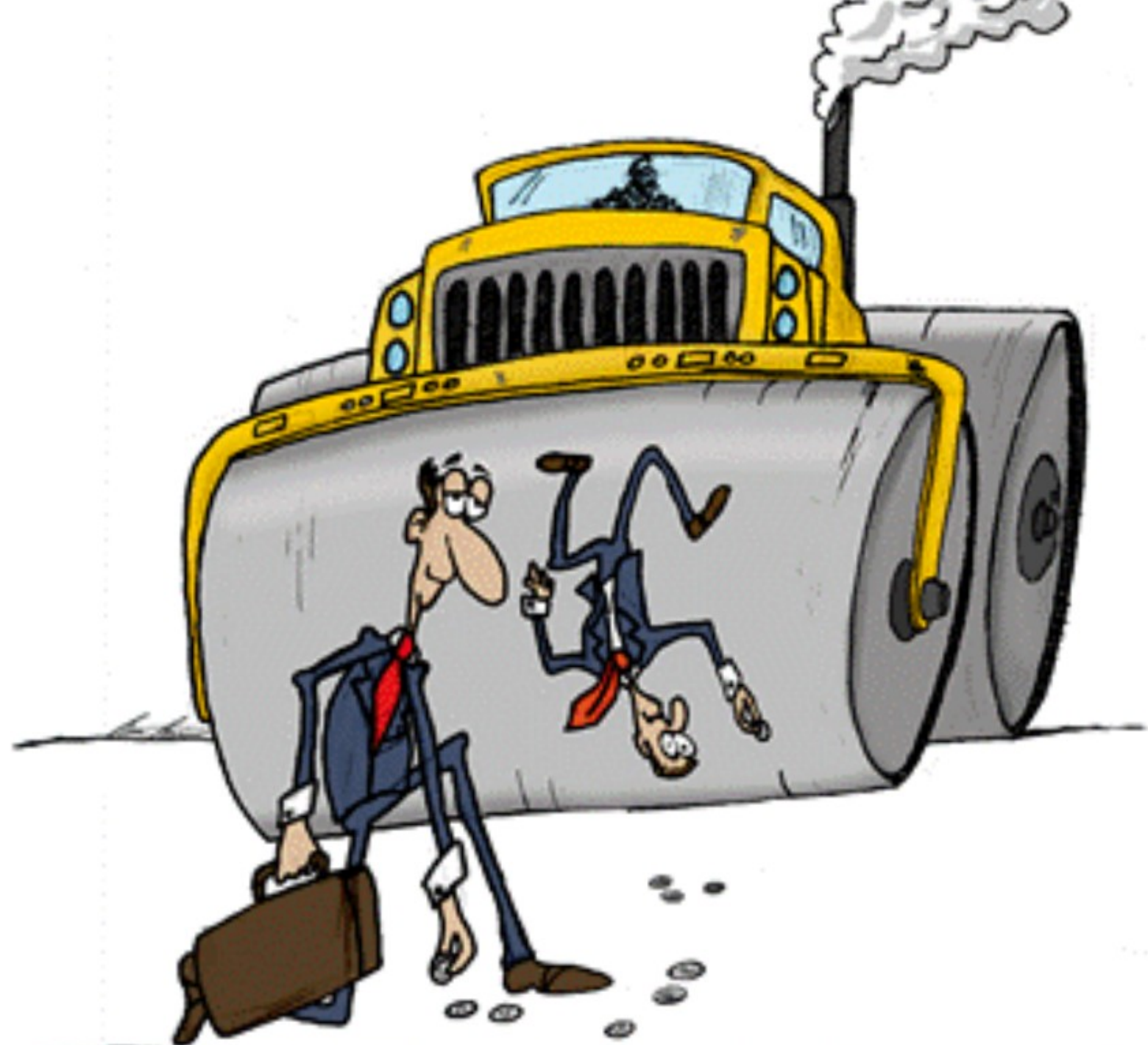


“Congratulations!!”



“You’ve been elected by your fellow board members to be our Association’s Treasurer!”





Objectives of this Workshop

- 1. Demystify Tasks & Enhance your Effectiveness*
- 2. Sound Business Practices & Compliance with FL Statutes*
- 3. Learn from each other*

Topics to be Covered

1. Treasurer – Role & Responsibilities
2. Basic Condo Accounting 101
3. The Annual Budgeting Process
4. Working with board, owners, management company, and banks
5. Ideas to strengthen controls and security
6. **FL Legislation Updates** – Florida HB 1021

Treasurer – Responsibilities

The board as a whole is responsible for the financial health of your Association.

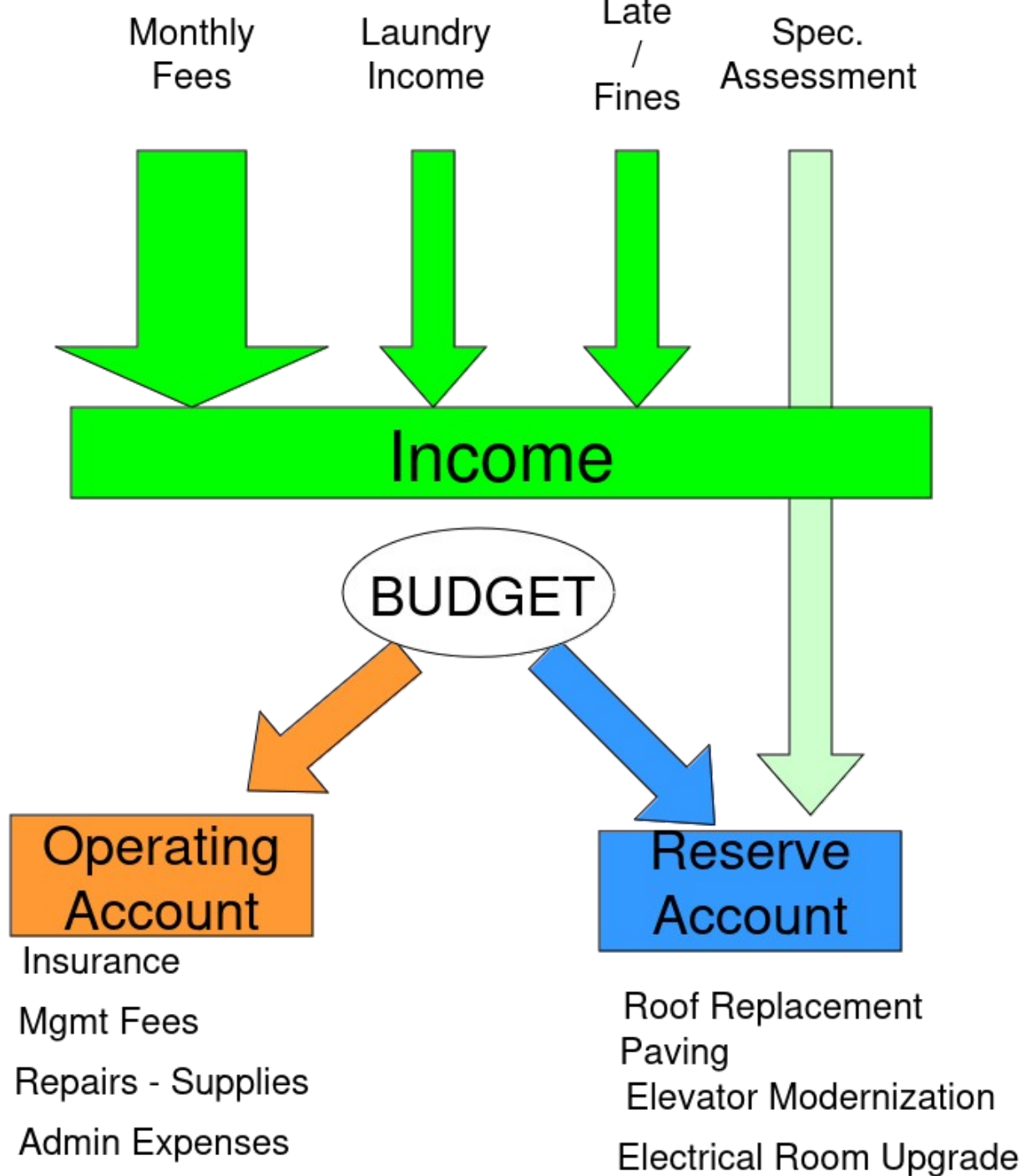
Treasurer is a Director and an Officer with Fiduciary responsibility to the membership. The details are spelled out in FL Statute 718.111

The Treasurer has specific duties to protect the Association's assets.

Treasurer – Responsibilities

1. Record Keeping
2. Internal Controls
3. Budgeting
4. Compilation / Review / Audit
5. Banking Relationships
6. Insurance
7. Taxes
8. Reserve fund oversight
9. Dues and Assessments
10. Financial Statements

The Basic Condo Financial Model



The Budget Process

1. Start Early. Discuss with your CAM. Many managers will prepare a 1st draft annual budget for you.
2. Review current year and prior year results, to understand spending trends. Look at most recent Reserve Schedule to determine projects coming due in the upcoming year.
3. Review any proposed / new spending requirements. Also look at SIRS Study requirements for financing of new projects, or revalued projects.
4. Grasp the upcoming year's Insurance cost projections, and consider financing plans if you are unable to pay "up front".
5. The board may conduct closed session workshops – as long as **no decisions are made**.
6. Conduct a noticed board meeting to review the proposed budget. Ensure your management company sends the proposed budget to all Association members for their review.
7. Conduct a noticed budget adoption meeting, at which time the board votes to approve the Budget.

Relations with Owners

1. Your neighbors (often friends) are also Association members with binding obligations to the Association.
2. One of the most difficult tasks the Treasurer faces is dealing with members who are delinquent or who disagree with the budget that was adopted.

DISCUSSION

Working with Management Company

1. Your management company performs vital accounting and cash management tasks for your association:
 - Collection of monthly fees. Deposits into Operating and Reserves bank accounts – per approved budget.
 - Payments to vendors and contractors upon approval of the board.
 - Maintenance of General Ledger, and preparation of month end financial statements. (Balance Sheet / Statement of Income & Expenses / Delinquency Report)
2. A critical success factor for the Treasurer is developing an open, transparent relationship with the CAM and the Accounting staff.

DISCUSSION

Banking Relationships

1. Generally, your management company will select the banks, and will have custodial control of the accounts – even though your Association’s officers will become signing officers.
2. Some guidelines:
 - Maintain separate bank accounts for Operating Funds and Reserves
 - Never agree to have your Association’s funds co-mingled with your management company’s accounts, nor with any other condo Association
 - Be mindful of FDIC insurance limits - \$250,000 per depositor per institution. Have new accounts opened if you approach the FDIC threshold.
 - Be mindful of interest rates and opportunities to increase yields. Check timing of cash requirements before locking into CDs.
 - Make sure your Management Company’s monthly financial package includes copies of bank statements, and that the balance sheet and the bank statements reconcile.

DISCUSSION

Control and Security of Financial Assets

Some suggested guidelines:

1. No petty cash, no Association debit or credit cards, no unrecorded "off-the-books" transactions.
2. All outflows from Operating and Reserve bank accounts are approved by the board. Ideally 2 officer's signatures – either manually or digitally to authorize payment.
3. Vendors submit all invoices to the Management Company for processing. Treasurer and Board should occasionally verify with vendors that they are being paid in an accurate & timely manner.
4. Collection and Deposit of laundry funds is handled by more than 1 person – 1 being a board member.
5. Any required Compilation / Review / Audit is performed by a 3rd party – usually a CPA who specializes in Condo - HOA matters.
6. Budgets and Monthly financial reports are shared in a timely manner with board members. All owners also have easy access to this information (with sensitive data such as delinquency details redacted).

DISCUSSION

Records Retention

How long do we have to keep things?

Forever!

- Board Meeting Minutes
- Starting in 2017

7 Years

- Annual Budgets
- Financial Reports
- Tax Filings

1 Year

- Ballots. Sign-in sheets. Proxies (Documents related to voting)



Florida HB 1021

(eff. July 1, 2024)



1. Official Records

- a. All invoices, transaction receipts, or deposit slips that substantiate any receipt or expenditure of funds by the association, permits, and education certificates added to official records.
- b. Official records must be maintained in an organized manner and good faith effort to recover lost records.
- c. Posting records on the website fulfills records request obligation.
- d. The association must provide a check list to an owner requesting records and a check list indicates which records were provided.
- e. Criminal penalties for repeatedly knowingly willfully with intent to harm association for refusing to provide records or to hide a criminal action.

Post Webinar Contact

Follow-up feedback & questions are always welcome. Please contact Howard Silverstone at:

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954-596-0775



Post Webinar - 2nd Chance Review

A recorded copy of this Zoom seminar will be available shortly on the COOCVE website at:

<https://coocve.com>



Condo Treasurers' Workshop



October 8, 2024

Thank you!