



**BUDGET & FINANCE
COMMITTEE
Guidelines**

MAY 2023

I. BACKGROUND

Crosspointe Swim & Racquet, Inc. pursuant to Article IV of the Crosspointe Declaration of Covenants, Conditions, and Restrictions, is responsible for management and control of the common areas or open space owned by the community. Article VII of the Bylaws of Crosspointe Swim & Racquet, Inc. provides that the Board of Trustees (BOT) manages the affairs of the corporation. Article VIII of the Bylaws authorizes the BOT to appoint committees to carry out the BOT's purposes. The BOT has created the Budget & Finance Committee (B&FC) to oversee the finances and budget of Crosspointe Swim & Racquet, Inc.

This document consists of general guidelines for the B&FC. The document is for guidance only, and does not create rights in third parties which do not otherwise exist.

II. RESPONSIBILITY

Objectives: The role of the B&FC is to oversee the financial status and transactions of, and annually formulate a budget for, the community's homeowners' association, Crosspointe Swim & Racquet, Inc. Major objectives of the B&FC shall include, but are not limited to:

1. Review income and expenditures.
2. Formulate and recommend fiscal policy and procedures.
3. Prepare an annual budget for BOT review and approval
4. Monitor the association's financial status.

Functions: In pursuing the objectives cited above, the B&FC will, at a minimum, assume the responsibilities and perform the functions described below.

1. In reviewing the association's income and expenditures, the B&FC shall:
 - a. Receive and review income and expenditures statements quarterly.

- b. Review all transactions regarding association reserve funds and provide the results of its review to the BOT along with recommendations if appropriate.
 - c. Conduct quarterly reviews of the association's budget status, and recommend adjustments as deemed appropriate, to the BOT.
2. In formulating and recommending fiscal policy and procedures, the B&FC shall:
- a. Identify processes requiring policy, guidelines, and/or procedures (e.g., special groups).
 - b. Develop and draft policy, guidelines, and procedures for those processes and submit them to the BOT for review and adoption.
3. In preparing the association's annual budget, the B&FC shall:
- a. Develop, in coordination with the BOT, a budget development, submission, and review schedule no later than July of each year. That schedule will approximate the following:
 - (1) No later than mid-September, Committee chairpersons submit their budgets for the following fiscal year to the Community Manager
 - (2) Approximately one week following completion of (1), above, the Community Manager reviews committee inputs; consults with committee chairpersons as necessary for clarification and explanation of apparent inconsistencies, inaccuracies, or oversights; prepares a draft budget spreadsheet; and submits the spreadsheet and copies of each committee's input to the B&FC.
 - (3) Upon completion of (2), above, and continuing through mid-October, the B&FC develops a draft budget. Meetings with committee chairs will be conducted as necessary during the budget development process.
 - (4) Approximately one week prior to the end of October the community manager sends the draft budget to each member of the BOT, all B&FC members, and each committee chairperson.
 - (5) No later than the last day of October, the B&FC schedules and convenes a joint meeting among the BOT, B&FC members, committee chairpersons, and the Community Manager at which the draft budget will be reviewed, discussed, and amended as deemed necessary. This meeting will be open to residents so as to permit them to provide commentary on and recommend input to the budget.
 - (6) No later than the first week of November, the Community Manager

incorporates the draft budget resulting from the joint meeting addressed in (5), above, into the BOT's "read-ahead" package

(7) The BOT approves a budget at its November meeting.

b. In pursuing the budget development and review cycle identified above, the B&FC will also identify and evaluate any perceived need for an assessment change. Should a change be deemed necessary, the B&FC must justify its recommendation to the BOT.

4. In monitoring the financial status of the Corporation, the B&FC shall:

a. On a quarterly basis, obtain from Crosspointe's contracted management company and review the association's balance sheet, statement of income and expenses, and other pertinent financial documents. Upon completing the review, the B&FC will document its findings in the formal minutes of the meeting (or, in the absence of a quorum, in a Memorandum for Record [MFR]) for the BOT's information.

b. On a continuing basis, review changes in assets or liabilities that are reported by the management company.

c. Upon completion of an audit, receive and review the formal report that documents the association's financial records, books, and actions. The B&FC will record the results of its review; formulate and record in a memorandum any recommended or anticipated corrective actions to noted procedural, documentation, or financial shortcomings; and provide the memorandum to the BOT.

III ORGANIZATION

The Membership of this committee shall be organized as follows:

1. Eligibility: Any Crosspointe homeowner may serve on the B&FC. To become eligible for committee membership the homeowner must (1) be in good standing, with no outstanding rules violations; (2) must be and remain current with all assessment payments; and (3) must initially attend three out of four consecutive scheduled meetings. Although the number of B&FC members at any given time is not limited, the committee's efficiency and viability is considered best when membership is sustained at approximately five members. Members should generally have at least a fundamental knowledge of, or experience with, financial and budgeting procedures and express an interest in assisting with managing and enhancing Crosspointe's economic viability. Persons accepted for membership on the B&FC and recognized as such by the BOT will have full voting privileges as prescribed under Roberts Rules of Order.

2. Voting Members: When the three criteria in paragraph 1, above, are met, upon recommendation of the B&FC and recognition by the BOT through the review of committee meeting minutes, the prospective member will be granted full voting membership on the B&FC. A member's voting privileges may be revoked should the

member fail to attend three consecutive scheduled meetings and those absences were not made known to the chairperson, another B&FC member, or the on-site Community Manager beforehand. A member whose voting privilege has been withdrawn and who wishes to continue serving as a voting B & FC member must so inform the B&FC chairperson. Reinstatement will be subject to concurrence by a majority of voting B&FC members and subsequent recognition by the BOT.

3. The BOT will be informed and recognize committee members through the review of committee meeting minutes and may remove any member with or without cause.

4. Committee Structure: Although the B&FC organization will generally be as prescribed below, this document does not restrict the selection and appointment of co-chairpersons in the event doing so is deemed necessary by both the committee's members and the BOT. Similarly, the BOT's Treasurer is a voting de facto member of the B&FC and serves as its Vice Chairperson.

- a. Committee Chairperson: Upon recommendation from the Committee, the Chairperson of the B&FC is appointed by the BOT and serves for a one year term. The Chairperson is responsible for coordinating and supervising B&FC activities and meetings, ensuring that B&FC responsibilities are met, and submitting periodic reports of B&FC activities to the BOT. The Chairperson shall have the power to appoint an alternate to act as Chairperson when (s)he and the Vice Chairperson will not be able to attend a scheduled meeting. The Chairperson shall enjoy full voting rights.
- b. Committee Secretary: The Chairperson shall appoint a secretary from the committee membership. The Secretary shall be responsible for keeping the Committee roster, recording minutes of all Committee meetings, preparing the report of Committee activities for the Chairperson, maintaining written documentation on Committee decisions and performing other functions in support of the Chairperson and representatives. In the event a meeting fails quorum, the Secretary will prepare a Memorandum for Record (MFR) of the meeting's discussions in lieu of formal minutes.
- c. Treasurer: The BOT Treasurer shall be a standing member with full voting rights and serves as the Committee Vice Chairperson. Furthermore, in the event there are no volunteers to staff a B&FC, the objectives, functions, and responsibilities described in this document become the responsibility of the BOT Treasurer.
- d. Subcommittees: Subcommittees may be appointed in order to accomplish specific functions or perform particular tasks. Subcommittee members may be any Crosspointe resident interested in assisting with the specific function or task. The Subcommittee shall be appointed by the B&FC Chairperson

subject to the concurrence of the B&FC's voting members. Subcommittee members will receive general direction from, and be provided general oversight by, the B&FC. Periodic progress reports will be submitted when requested by the B&FC or when considered appropriate by the Subcommittee.

IV OPERATIONS

1. Meetings: The B&FC will schedule and conduct a formal meeting no less than quarterly. Meetings may be scheduled more frequently as business requirements or circumstances dictate. When necessary to carry out assignments and responsibilities, B&FC meetings may be called by the Chairperson or upon the request of any two voting members or representatives. All B&FC and B&FC subcommittee meetings are open to any Crosspointe resident. Quarterly B&FC meetings will normally be held at the Crosspointe Community Center, although the place, time, and date may vary as agreed to by the voting members. Committee meetings will be publicly announced via the newsletter and website when feasible.

2. Direct Resident Input: A time for direct resident input will be included on the agenda of each regular meeting of the Committee. The order and duration of resident input will be determined by the Chairperson. The Chairperson may limit discussion in order to enable maximum participation and to allow the Committee to complete its agenda. Residents who desire to provide input at a committee meeting should submit an agenda item in advance, however the Committee will make every effort to accommodate unscheduled resident input. Resident input to meetings will be appropriate to the business at hand as determined and controlled by the Committee Chairperson.

3. Communications: The Committee shall provide a copy of the minutes of the past month's meeting and/or a memorandum of any other B&FC activities to the BOT in a timely manner. Any action proposed by the Committee should have benefit of Committee representation at the BOT meeting where the proposal will be considered.

CHANGES AND AMENDMENTS

This document may be changed or amended by Committee vote, subject to the Board's approval.

Date: 7/27/23

Signed: 
Chairperson, Budget & Finance Committee

Approved:

Date: 7/18/23

Signed: 
President, Board of Trustees