

Contingency Fund Guidelines Acct Ending: 6114

- The contingency account shall be for the purpose of paying for unexpected expenses that are outside the usual operating budget.

Some examples include, but are not limited to: unplanned legal fees, storm damage clean up not covered by insurance, damage or vandalism to property the HOA is responsible for, under collection of dues, etc.

- The contingency fund shall be a separately maintained savings account from the operating account.
- The contingency fund balance shall be 100% of the yearly operating budget of any given year.
- As the yearly operating budget/yearly assessments increase, so shall the contingency fund maximum.
- Every year, at the annual meeting, a yearly statement shall be provided to the residents.
- Transfer and use of the fund shall require unanimous board approval.
- \$1000 per year shall be budgeted for the Contingency Fund in the yearly operating budget until such time as the contingency account is funded for one year's operating budget.
- All funds carried over, at the end of the year, from the operating budget, shall be transferred to the contingency account until it is funded 100%.