



# Lake of the Pines Association Policies & Procedures

*This policy is not an Operating Rule as defined in the Davis-Stirling Common Interest Development Act.*

## Donation Process

### A. DONATION LIST

1. Management maintains a Donations List.
  - a. Donations should rank as a high priority for the repair or replacement of current facilities which the Association is currently unable to fund. If the donation involves a major renovation or improvement for which the Association will be responsible for future repair or replacement, the project must be in scope with the work of the Long-Range Plan.
  - b. Items on list should reflect needs of a particular department or improvements for the Association overall.
  - c. Donations will be accepted by groups for special interest projects but will be completed as time and manpower, particularly if done with Association labor, permits.
2. Requests from Committees, Clubs, Department Managers are submitted to the General Manager.
3. Management approves additions to the list.
4. List available for donor's review.

### B. PROCESSING DONATION

1. Donation request, by way of letter, is completed by concerned group (Contributor)
2. Donation funds must be in the Association treasury prior to acceptance by the Board of Directors.
3. Donation must be accepted by the Board of Directors at their first regularly scheduled meeting after the donation has been deposited in the Association treasury.
4. Under \$1,000



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- a. Management approves, staff works with Contributor for costs, processing and collecting monies for project.
  - b. Accounting will maintain records of project income and expenses.
5. Over \$1,000
- a. Donation request form submitted.
  - b. Expenditure presented to Board for approval identifying impact on O&M and/or Capital Reserve Budgets.
  - c. Management to co-ordinate projects - process bids, cost and labor.
  - d. Accounting will record donation receipts and expenditures and add to the Capital Reserve listing when appropriate.
  - e. Management will provide follow-up reports to the Board of Directors upon completion of project.

### C. FUNDING PROCESS

1. Under \$1,000

Donation income and expense processed through O&M (Operations & Maintenance) Fund.

2. New Additions over \$1,000

Donation income and expense processed through O&M Fund under an Improvement account by item and capitalized as appropriate.

Expenditure added to Capital Reserve list as appropriate.

3. Donations included in Reserve Fund

When expenditure is included in the Capital Reserve listing, income and expense will flow through the Reserve Fund.

Two Board readings will be necessary for expenditure as required for Reserve disbursements.



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## 4. Labor

Association labor may be used on donation projects; if the donor pays the fully loaded labor costs; when such use can be fit into the work schedule; and when such use, and its scheduling can be accomplished without extra labor costs for Association work elsewhere.

Fully loaded is defined as all direct labor hour loadings (payroll tax, insurance, etc.) and appropriate loading to cover management supervision, equipment and misc. tools, etc.

When the Association has planned projects and a donor wants to donate the material, Association labor can be used, providing such use meets the above scheduling and extra cost tests.

## 5. Specific Projects

The funds must be used for the specific project for which it was donated.

## 6. Excess/Shortage of Funds

Should the expenses of the project be less than the donated amount, the funds will be reimbursed or assigned to another project as determined by the donating organization.

Should the expenses of the project be more than the donated amount, funding will be provided by the donating organization, or in the sole discretion of the Board of Directors, out of available O&M Funds.

## 7. Reimbursement of Funds

The project must be started within six (6) months of the acceptance of the donation by the Board of Directors. If the project is not started within the said time frame, the funds will be reimbursed to the donating organization.