

## Asset Protection Policies

- 1) General ledger and subsidiary ledgers are balanced and posted monthly.
- 2) Management company to maintain \$500,000 bonding on employees.
- 3) The association shall maintain its own fidelity bond covering the board, employees, and the management agent, including principals.
- 4) Provide backup accounting records and protect from destruction or loss.
- 5) All checks are pre-numbered and accounted for.
- 6) Arll checks are manually signed.
- 7) The check signer examines invoices and supporting documentation prior to signing.
- 8) Checks are mailed by someone other than the preparer.
- 9) Supporting documentation is defaced to prevent reuse.
- 10) Voided checks are retained and defaced.
- 11) Bank reconciliation procedures include the following:
  - Inspection of checks for signatures.
  - Inspection of checks for endorsements.
  - Examination of checks for number, payee, date, and amount.
- 12) Bank reconciliations are prepared promptly at the end of each month.
- 13) A separate bank account is used for payroll and maintained on an imprest basis.
- 14) Deposit each day's receipts intact and without delay.
- 15) Notify banks immediately when an authorized check signer leaves the association or the board.
- 16) All investments are to be registered in the association's name?
- 17) Control assessment revenues so that their non-receipt is noted and investigated.
- 18) Drawing checks to cash is prohibited.
- 19) Use of cashiers checks requires Board Approval?
- 20) Petty cash funds are:
  - Kept in a locked file.
  - Not to exceed \$200.
  - Controlled by the onsite Manager.
  - Maintained on an imprest basis.
  - Counted periodically by the Treasurer.
- 21) Investments are maintained in FDIC insured CDs of max 100 K or U.S. Treasury Bills.
- 22) Maintain an aging record of receivables.
- 23) Write-offs of owner balances must be approved by the Board.
- 24) Maintain asset inventory including serial numbers.
- 25) Vendor invoices verified for quantities, prices, clerical accuracy, and duplication by the Manager and Treasurer.
- 26) Is a purchase order system used?
- 27) Major contracts let through a bidding process using a prequalified list of contractors.
- 28) Board of directors authorizes all reserve transactions
- 29) Checks for reserve expenses must be signed by two Board Members.
- 30) Maintain payroll records including:
  - Detailed individual employee records.
  - Adequate time records.
  - Proper approval of pay rates and pay rate changes.
  - Proper authorization for payroll deductions.
- 31) Review insurance coverage annually to ensure that there is appropriate coverage.