
FINANCIAL POLICIES & PROCEDURES, August 10, 2012, (page 1 of 4):

- 1.) The financial transactions for The Estates of RiverTree Owner's Association, Inc. are divided between two individuals, not in the same household:
 - Treasurer position on the Board of Directors: an unpaid position
 - Management of financial records and monetary transactions resides with the Treasurer on the Board of Directors.
 - i. Deposits are recorded and transacted by the Treasurer.
 - ii. An Incoming Mail & Check Register Log is used to document receipt of owner payments, incoming Accounts Payable invoices, debit card transactions, and Accounts Payable checks issued.
 - An Independent CPA is retained and paid on a contract basis
 - An independent CPA reports directly to the Treasurer and is contracted to:
 - i. perform monthly bank reconciliations,
 - ii. Create and distribute Accounts Receivables invoicing, A/R aging report
 - iii. create all financial reports
 - iv. perform audits
- 2.) Bank deposits: The Treasurer performs all bank deposits, with backup documentation retained with each deposit record.
- 3.) Financial Reports: created by the CPA
 - Quarterly reports: March 31, June 30, September 30, and December 31.
 - i. Balance Sheet
 - ii. Check Register
 - iii. Profit & Loss

FINANCIAL POLICIES & PROCEDURES, August 10, 2012, continued (page 2 of 4):

- Annual Reports: April 30 for May Owner's meeting and May 31 for business year end and Income Tax filings.
 - i. Balance Sheet
 - ii. Check Register
 - iii. Profit & Loss

4.) Financial software: QuickBooks or other

5.) Check signing:

- The Treasurer does not sign checks, unless both the President and Secretary are unavailable...a rare situation. (The Treasurer will obtain verbal approval from the President or Secretary prior to signing a check. President or Secretary will approve the check backup documents as soon as possible.) The Treasurer now writes the checks, attaches backup for the expenditure, and has the check signed by either the President or Secretary of the Association.
- The Treasurer requires a receipt for each expenditure, as validation for the expenditure, prior to writing a check.
- Debit card auto draft has been setup with utility vendors, where possible.

6.) Capital projects: future capital projects of \$1,000 or more will be monitored by 2 Board members (not the Treasurer), in addition to a non-board member project manager.

- Reimbursement will require all of the following:
 - i. detailed expense documentation;
 - ii. approval from both Board members assigned to the project;

iii. prior to the Treasurer drafting a check for payment.

7.) Treasurer transition: all financial records in hard copy and electronic media will be removed from the outgoing Treasurer's possession as soon as possible, by no less than two current members of the Board of Directors or one member of the BOD and the CPA.

8.) Financial records:

- Electronic: The Treasurer and CPA computer files are maintained on electronic media and are backed up to a separate system.
- Hardcopy records: maintained by the Treasurer and CPA in secure areas.

9.) Retention of Financial Records: records will be maintained in hardcopy and electronic media for 7 years. (i.e. 6 years of history and the current year).

10.) Fidelity Bond: The Association maintains a Fidelity Bond on the Treasurer position. This policy coverage is a condition of continued service by the Treasurer.

11.) Director's and Officer's Liability policy: The Association maintains a D&O Liability policy for the BOD. This policy coverage is a condition of continued service by the Board of Directors.

12.) Commercial Insurance policy: The Association maintains insurance coverage for the Common Areas owned by the Association. This policy coverage is required for continued operation of the Association.

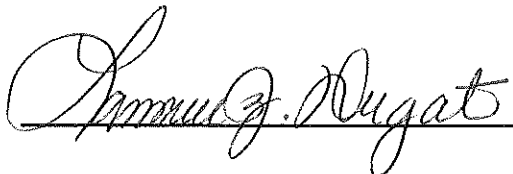
FINANCIAL POLICIES & PROCEDURES, August 10, 2012, continued (page 4 of 4):

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- 13.) Mail pick-up: The Treasurer is primarily responsible for mail pick-up from the Association's P.O. Box. Secondary responsibility for mail pick-up is reserved for the President, only upon verbal or written request by the Treasurer, for a short-term, specific period of time. The President will maintain a log of all mail received during the mail pick-up period and provide a copy of this log to the Treasurer, along with all retained mail for the corresponding period.
- 14.) Treasurer position back-up: In the event of a short term absence (3 weeks or more) of the Treasurer, the President and the independent CPA will assume all duties of the Treasurer.

EXECUTED effective as of the 17th day of December,
2014

THE ESTATES OF RIVERTREE OWNER'S ASSOCIATION, INC.



By: Tammie J. Dugat

Its: President

STATE OF TEXAS)

COUNTY OF REAL)

This instrument was acknowledged before me on December 17,
2014, by Tammie J. Dugat, President of The Estates of RiverTree Owner's
Association, Inc.





Notary Public, State of Texas

My commission expires: 1-25-2016

Doc#	BK	Vol	Ps
10112	OR	82	561

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Dec 23, 2014 at 09:05A

Receipt#:	9440
BK/Vol/Ps:	OR 82 561
Document Number:	10112
Amount:	\$8.00

By: D Ann Green, Deputy

STATE OF TEXAS

COUNTY OF REAL

I hereby certify that this instrument was
FILED on this date and time stamped hereon by
me and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS OF REAL COUNTY, TEXAS in the volume
and page as shown.

Bella Rubio, County Clerk
Real County, Texas

By: D Ann Green, Deputy

Any provision herein which restricts the sale,
rental or use of the described real property
because of color or race is invalid and
unenforceable under federal law.