

January 2, 2025

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## Finance Committee Guide to Residents Association Finances

### **Authorities:**

- 1) Residents Association constitution
- 2) Document titled “Financial Management for Resident Council and Blue Heron Foundation” (date)
- 3) Document titled “Financial Management of Resident Council Activities” (date)
- 4) Willamette View Residents Association Handbook (December 16, 2022)

### **Note:**

This guide (cited Finance Committee Guide to Residents Association Finances) has been prepared by the finance committee of the Residents Association. It is under continual review. Its users are urged to bring any apparent error or inconsistency in the guide, or a suggested change to it, to the committee’s attention by email. This guide describes the process of providing financial support for resident-organized activities (supported activities).

## **I. Functions of the Finance Committee**

According to the Association constitution, Art V, Sec 2, “Finance Committee”:

A. “The function of the Finance Committee is to provide oversight and financial review of all funds and financial practices of the Residents Association.” In providing the required oversight, the members of the Finance Committee believe it incumbent on us to publish clear and definitive guidance on the requirements of the Residents Association’s finance system - the purpose of this guide.

B. The committee makes recommendations regarding finances to the Resident Council, Residents Association, treasurer, and assistant treasurer as needed or requested.

## **II. Sources of Funds for Activities**

A. Sources generally: Activities at Willamette View are funded in greatest part by three grants from the Blue Heron Foundation. Other funding for resident activities comes, for example, from contributions by residents who attend events at Willamette View such as music performances, movies, and lectures; from fees paid by residents who participate in certain activities (such as chorus); or from the purchase of goods or services from council activities, such as plant sales, book sales, or work done in one of the wood shops.

### **B. Funding Model Since 2019**

(1) The Blue Heron Foundation provides bi-annual grants to the Residents Association for its activities and annual grants to fully fund the Arts in Public Areas Committee and the Library Committee.

(2) Specifically, under its commitment, the Blue Heron Foundation:

(a) Awards funds through bi-annual grants that are transmitted to Resident Council for distribution to the funds maintained by the Resident Council for the activities. Activities retain the grant funds until spent, subject to the effects of the \$3,000 cap described in this guide below.

(b) Awards annual grants to fully fund the Arts in Public Areas Committee and Library Committee. These grants come in the form of authorizations for each of the two committees. At the end of the year, the unspent balances are retained by BHF.

## **III. How Activities Obtain Funds**

### **A. First Steps**

(1) Step one: A supported resident-organized activity must have an account set up by the Residents Association treasurer. Personal accounts are not to be used to collect or store funds from resident activities.

(2) Step two: Each activity with an account must identify one individual, the Activity Fund Manager (AFM), who coordinates with the treasurer to manage the accounts. The chair of a function may also serve as the AFM.

B. Resident Council Requests to the Blue Heron Foundation for funds:

(1) In January and July of each year, Resident Council submits to BHF a request to provide funds to the Residents Association to support its activities. The level of the request matches the total of voluntary contributions collected by resident activities during the prior six-month period. The voluntary contributions include the cash collections and resident charge authorizations collected at resident activities (see paragraph II. A. for examples). Blue Heron Foundation acts on the request, and the approved funds are transmitted from the Blue Heron Fund to the Residents Association.

(2) Two activities, the Library and Art in Public Areas committees, are funded in full by grants from the Blue Heron Foundation. Their accounts are managed by Willamette View, Inc., and take the form of authorizations. Those two standing committees should submit budget requests to the Council by October 1 for the following year. After review, the Resident Council forwards the requests to BHF.

(3) The level of the grant described in paragraph ((III-B-(1))) is based on the level of contributions made to the activity events. That connection between voluntary contributions and the level of the grant from BHF may encourage residents to support the activities that are important to them, because their contributions will be roughly doubled by the grant. The level of contributions also serves as an indicator that the funds from the Blue Heron Foundation are used for activities valued by the residents.

C. Requests by Activities for Funds from Resident Council

(1) Routine Requests: Twice a year, each supported activity may submit to their councilor a request for funds the activity plans to use in the near future (e. g., after July 1 and after January 1 respectively). The requests are to be submitted by the councilors to the treasurer without change not later than 15 April and 15 October. The activity should specify how it will use the requested funds. It should appear from the request that the intended use of the funds is consistent with the purpose of the activity. (See sample request, Appendix A [pend].)

(2) Special Requests: In addition to routine requests described in the paragraph above, an activity may at any time submit in the same manner a request to fund an unforeseen need or opportunity.

3) The treasurer submits the requests to the Resident Council after review and comment by the finance committee.

D. Handling Cash and Authorizations [note: following paragraphs in D. do not seem to cover authorizations; do we need to change that?]

(1) Cash received at an event sponsored by an activity must be counted immediately after the event by two persons designated by the activity.

(2) For all sources of cash, the AFM completes a funds transmittal form and sends the form together with the funds to Mailbox J for delivery to the treasurer. The treasurer ensures the funds are deposited in the association's account at the credit union.

(3) Once the credit union posts receipt of the funds, the treasurer executes a receipt for the deposit and transmits it to the in-house mailbox of the AFM; the AFM reconciles and files the receipt.

#### **IV. How Activities Spend Money**

A. When an activity wishes to spend money from its account, the AFM will complete and sign a check request form, with appropriate invoices, receipts, or program notices, and send them to the treasurer at mailbox J. The intended

use of the requested funds should be in accordance with the activity's purpose and consistent with the activity's funding requests. The treasurer may withhold disbursements subject to receiving more information from the AFM or obtaining council approval.

B. Once the requested check has been issued, the treasurer sends a check stub to the AFM to reconcile and file.

## **V. Monthly Reports End-of-Year Surplus**

A. For the activity accounts managed by Resident Council, the treasurer posts on the resident website monthly activity balance sheets (showing each activity's fund balance) and the monthly activity transaction detail (showing the receipts and expenditures of each activity during the prior month).

B. The AFM should review these reports in a timely manner and promptly bring any perceived discrepancies to the attention of the treasurer.

C. If the balance of an activity fund exceeds \$3,000 at the end of the year, the excess over \$3,000 is transferred to the council general fund, and then any amount in the council general fund in excess of \$5,000 will usually be transferred to the Blue Heron Foundation. This latter surplus will be offset against the approved matching grant so that only the net amount is disbursed by BHF to the Residents Association.

## **VI. Special Cases** [needs to be reviewed fully]

A. Chorus: The chorus is supported primarily by member dues and contributions received at concerts. Its largest expense is for the contract with the director. The residents association website entry for the chorus indicates "(t)he director's fee is split between the Chorus and Willamette View, Inc." Half of the chorus's contribution is covered by the residents association.

B. Stores

**VII. Forms** [the form names below, highlighted in green, will be linked to online forms, so a user of this guide will be able to click on the highlighted form name and see the form appear]

The association provides the following forms for use of the activities:

- A. **Receipt**
- B. **Check request**
- C. **Funds transmittal**

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