



Stonebridge



Stonebridge Property Owners Association

RESOLUTION 2026-002

ESTABLISHING OPERATING RESERVE FUNDS

WHEREAS, the Board of Directors of the Stonebridge Property Owners Association has a fiduciary duty to ensure the financial stability of the Association and the Security District operations it administers;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. Establishment of Reserve Funds

The Board hereby establishes two separate reserve funds: (a) **General Reserve Fund** – for Association operating expenses; and (b) **Security District Reserve Fund** – for Security District operating expenses.

Each fund will be held in its own bank account and tracked separately in the Association's financial records. **These funds may not be commingled under any circumstances.**

2. General Reserve Fund

The General Reserve Fund will be maintained at an amount equal to **twenty-four (24) months** of the Association's average operating expenses.

This fund exists to ensure continuity of Association operations during revenue shortfalls or emergencies. Funds may only be used for legitimate Association operating expenses.

3. Security District Reserve Fund

The Security District Reserve Fund will be maintained at an amount equal to **six (6) months** of the Security District's average operating expenses.

This fund ensures uninterrupted security services in the event of tax collection delays, emergencies, or revenue interruptions. These funds are dedicated solely to Security District expenses and **may not be transferred to or used for general Association purposes.**

4. Board Control of Reserve Funds

Reserve funds are under the **exclusive authority of the elected Board of Directors**. No management company, current or future, may have signatory authority, withdrawal authority, transfer authority, or discretionary control over any reserve account.

Management companies may receive financial statements reflecting reserve balances for reporting purposes only.

All decisions to transfer, spend, or invest reserve funds require: (a) **majority vote** of the Board of Directors; (b) a **properly noticed Board meeting**; and (c) documentation in the **official meeting minutes**.

5. Authorized Signatories

To protect the integrity of reserve funds, the following rules apply to all reserve accounts: (a) only **current elected Board members** may be authorized signatories; (b) a minimum of **two (2) Board member signatures** is required for any withdrawal, transfer, or movement of funds; (c) no management company representative, bookkeeper, contractor, or other non-Board individual may be listed as an authorized signer; and (d) authorized signers must be updated within **ten (10) days** following any Board transition or election.

6. Management Company Limitations

Any management contract entered into by the Association must expressly exclude management control, custody, or access to reserve funds. Management companies may provide accounting support and financial reporting but may not exercise any discretionary control over reserves.

7. Funding and Annual Review


The Board of Directors shall include annual reserve contributions in the **annual budget process, review reserve balances annually** and adjust contributions as needed to maintain target funding levels, and **conduct or commission a reserve study** periodically, as deemed appropriate by the Board.

8. Effective Date

This Resolution and Policy takes effect immediately upon approval by the Board of Directors and remains in effect until modified or rescinded by future Board action.

Adoption

ADOPTED by the Board of Directors on this 13 day of March, 2026.

President:  _____

Hillary Hafner, BSN, RN



Stonebridge



Financial Reserve Policy

Stonebridge Property Owners Association

Purpose

This Financial Reserve Policy establishes guidelines for maintaining adequate operating reserves for both the Stonebridge Property Owners Association (SPOA) and the Security District it administers. The goal is to ensure continuity of services and long-term financial stability for the community.

1. Reserve Structure

The Association maintains two separate reserve funds: (a) **General Reserve Fund**; and (b) **Security District Reserve Fund**.

Each fund is held in a separate bank account and tracked independently. No commingling of funds is permitted.

2. General Reserve

The General Reserve is maintained at a level equal to **twelve (12) months** of average SPOA operating expenses. It may be used only for Association operating expenses during periods of revenue interruption, emergency, or Board-approved necessity.

3. Security District Reserve

The Security District Reserve is maintained at a level equal to **six (6) months** of average Security District operating expenses. These funds may only be used for Security District expenses and may not be applied to general Association costs.

4. Funding

Annual contributions to each reserve fund are included in the annual budget and reviewed each year to ensure reserve targets are met.

5. Annual Review

The Board reviews reserve balances each year during the budgeting process and adjusts contributions as needed to stay on target.

6. Compliance

All reserve funds are maintained in accordance with the Association's governing documents and applicable law.