

BOXWOOD GREEN HOMEOWNERS ASSOCIATION FEE REBATE POLICY

Purpose of Policy. To establish a policy for the payment of fee rebates when excess earnings are available in the Homeowners Association.

Background. Over the years the Boxwood Green Homeowners Association (Association) has been able to accumulate retained earnings from the assessments it has collected from Lot Owners. Additionally, the Board of Directors (Board) has been able to fine tune its reserve needs and at the same time better project its cost of operations. Still, with the unpredictable costs of maintaining Association property and the rate of inflation, it is impossible to determine from year to year the exact cost of operations.

While costs vary from year to year based on current events, the Board strives to keep yearly assessments as level as possible. Assessments are intended to cover costs rather than build retained earnings above the level needed to prevent special assessments. Thus, it has adopted a policy of maintaining approximately the same assessment each year and providing a fee rebate with the assessment if and when possible. Fee rebates will be authorized by the Board based upon the financial condition of the Association and projected costs for the next year. It is possible that in some years there may be a token rebate to encourage timely payment or no rebate at all.

General Guidelines. The Board will review the financial condition of the Association annually and, if appropriate, will authorize a fee rebate applicable to the next year's assessment invoices.

Eligibility.

Lot Owners who pay their Association assessment on time as stated in the Association's Collection Policy and who are not in "non-compliance with the published rules and regulations of the subdivision" as stated in the Association's Covenant and Bylaw Enforcement Policy will be eligible for any such rebate.

Policies and Procedures.

1. The Treasurer, working with the Finance Committee, will review the financial condition of the Association annually to determine if a fee rebate is appropriate. This review will take into consideration reserve needs, the current amount of reserves and retained earnings, financial operations for the current year and financial needs for the next year. Based on their findings, the Treasurer will prepare a two-year budget containing any rebate of collected fees recommended for the Board's consideration.
2. The Board will review the Treasurer's recommendation and determine if the recommended fee rebate or an amended fee rebate is in the best interest of the Association.

3. The Board will only grant fee rebates to eligible Lot Owners.
4. The Treasurer will apply any approved fee rebate to the assessment invoices sent at the beginning of the next calendar year.

Notification and Revocation of Current Rebate. It is the responsibility of each Lot Owner to know when annual assessments are mailed and to ensure that their assessment is paid on time. As indicated on the invoice and according to the Association's Collection Policy, any rebate offered on the invoice does not apply and the full amount of the current assessment becomes due and payable if payment is not received on time.

Revised January 18, 2019
Reviewed March 10, 2022