

BOXWOOD GREEN HOMEOWNERS ASSOCIATION

INTERNAL CONTROLS POLICY

Purpose of Policy. Internal Controls are designed to protect the assets of the Boxwood Green Homeowners Association and to establish an audit trail for review during audits.

Internal Control Policies.

The Board of Directors establishes the following internal controls:

Record Maintenance. The financial records of the Boxwood Green Homeowners Association will be maintained on financial software approved by the Board in a current condition. Financial Statements will be prepared monthly for distribution to the Board and annually for distribution to members at the Annual Meeting and at Year End. Additionally, financial reports will be made available in the Resale Certificate (Disclosure Packet), as required by the Code of Virginia, to all property owners selling their property or homes in the community.

Additional copies of the financial records are stored online in the OneDrive account for the Association's laptop and in the Association's Google Drive. Backup copies of financial records will be made at least semi-annually with one copy created on an external drive and stored in a fire-resistant file box on-site and another copy created on a flash drive and stored off-site in the Association's safe deposit box.

Receipt and Deposit of Funds. All receipts from annual fees and large deposits (\$500) or more will be deposited in the Association's money market account to take advantage of an interest-bearing account. Deposits will be made within three business days of receipt.

Disbursement of Funds

- a. Funds will be disbursed only through the Association's checking account to maintain the most complete audit trail.
- b. Only the treasurer, president, and secretary are authorized to sign checks.
- c. All checks in excess of \$1,000 must have dual signatures. In the event a dispersal has to be made and two signers are not available, a single signature will suffice using the money market account. However, the secretary and the president will be notified by email of the dispersal. The secretary will report the dispersal at the next Board Meeting.
- d. Checks to one of the authorized signers must be signed by one of the other signers.
- e. All disbursements must be documented with sales slips, vouchers, or receipts evidencing the amount of the disbursement.

Approved by the Board of Directors 12/02/2021

Reviewed 03/10/2022

Revised 06/12/2025