

**MEADOWS AT SHAWNEE
HOMEOWNERS ASSOCIATION, INC.
P.O. Box 475, Milford, DE 19963
Website: www.meadowsatshawnee.com**

POLICY NUMBER: 2026-001: Effective Date June 01, 2026

SUBJECT: Policy Guidance for the Financial Administration of the Meadows at Shawnee Homeowners Administration in compliance with the Association’s governing documents: the Corporate By-Laws and the Declaration of Restrictive Covenants.

1. AUTHORITY:

a. The Meadows at Shawnee Homeowners Association’s (HOA) Corporate By-Laws, Article VI “Powers and Duties of the Board,” gives the HOA Board of Directors the power to exercise all powers, duties and authority vested in the corporation, not reserved to the membership by other provisions by the HOA’s: Articles of Incorporation, By-Laws, or Declaration of Restrictive Covenants, including the power to “adopt and publish rules and regulations governing the use of the common properties and facilities, and the personal conduct of the members and their guests, and to establish penalties for infractions” (<http://www.meadowsatshawnee.com/bylaws-and-restrictions.html>).

b. Title 25 Property, Common Interests and Ownership of Real Estate, Chapter 81 Delaware Uniform Common Interest Ownership Act; Subchapter III. Management of the Common Interest Community, Section 81-302(a)(11) (<https://delcode.delaware.gov/title25/c081/sc03/index.html>).

2. PURPOSE: The purpose of this policy is to provide the Meadows at Shawnee Homeowners Association’s Board of Directors with clarification, direction and guidance for the uniform understanding of the administration and management of the HOA’s financial operations.

3. POLICY: The following establishes HOA policy:

a. To institute oversight protective measures to minimize potential theft, or financial mismanagement in the event that the HOA’s Treasurer should vacate his/her position through resignation, is voted out by the membership, is removed from office by the Board of Directors, or becomes physically unable to continue.

b. To provide the HOA Treasurer with the authority to serve as the financial manager for all HOA monetary transactions in accordance with the procedures established in this policy directive in addition to those duties specified in the HOA’s By-Laws in Article VIII. Officers of the Corporation. Section 5. Treasurer.

4. PROCEDURES:

a. In addition to those duties listed in Article VIII. Section 5. Treasurer:

i. Shall also be responsible to execute all financial obligations incurred by the Meadows at Shawnee HOA in accordance with the terms specified in any contract entered into with a person, organization or business for supplies and or services.

ii. Shall also be required to ensure that all checks drawn against the HOA accounts must have the signature of at least two of the following Board Members: Treasurer, President, Vice President, Secretary or any other member so designated by the Board.

iii. Shall also be responsible to ensure that current signature cards of authorized current elected HOA Board members are maintained with each banking institute where HOA funds are deposited, or holding interest bearing HOA investments (e.g., bonds, certificates of deposit, etc.).

iv. Shall also be required to secure prior approval for electronic, debit card, transactions drawn against the HOA's account for any amount in excess of \$250.00, from the President of the Board of Directors, or in the absence of the President, the Vice President.

v. Shall also maintain all Expense Voucher(s) for all debit card transactions (charges and payments) and present them to the Board as part of the agenda of regularly scheduled Board of Directors meetings. Voucher(s) shall show the date, item, vendor and cost.

vi. Shall also perform all other such duties as the Board of Directors may from time to time prescribe or require.

b. Schedule of Financial Reports: A Compilation, Review, or Certified audit of the HOA's financial records:

i. There shall be a Compilation Annual Report performed by an independent accounting firm of all of the HOA's financial records for each fiscal year ending June 30th.

ii. There shall be an audit conducted by an independent accounting firm of all of the HOA's financial records prior to the starting date of any contract for services agreement with a management company for the purposes of managing the HOA's daily operations.

iii. A Compilation, Review, or Certified audit of the HOA's financial records may be ordered:

- (1) By a majority vote of the Board of Directors when deemed necessary;
- (2) If required by any applicable state or local statute;
- (3) Upon the resignation, illness or the death of the Treasurer;
- (4) Upon the discovery of an apparent discrepancy in the HOA's financial records, accounts, missing financial records, or negligence.

iv. A final audit shall be performed, in the event that the HOA is dissolved of all of the HOA's financial records prior to the dispersal of the Corporation's assets as required by Paragraph Eleven of the HOA's Certificate of Incorporation and applicable law.

5. DELEGATION OF DUTIES: In accordance with Article VIII, Section 6 of the HOA By-Laws, "In case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate her or his powers or duties to any other officer or to any director for the time being."

APPROVED by the Meadows at Shawnee HOA Board of Directors on **May 20, 2026**.

/S/ Thomas J. Chilton

Thomas J. Chilton, President

Meadows at Shawnee Homeowners Association, Inc.