

HOA Reserves, Budgets, and Funds Overview

07/26/17

	Purpose	Creation	Funding	Spending Authority	Notes
Team Operating Budgets	Provide teams with annual budgets for regular spending to fulfill teams' responsibilities.	Decided each fall during budget process.	HOA dues.	Teams can spend money on anything consistent with their team responsibilities listed in Teams Agreement. Individual budget line items make no difference; only the team's total annual budget matters.	Budget amount is for one year only and does not carry forward.
Extraordinary Spending	Provide teams with budgets for generally nonrecurring special projects.	Decided each fall during budget process.	HOA dues or on rare occasions with internal loans.	Teams can only spend money consistent with the Extraordinary Spending Request approved during budget process.	Each Extraordinary Spending project has a deadline after which the funds are no longer available. If a team will not complete the project before the deadline, they must extend the deadline during the fall budget process.
Team Reserves	Provide teams with budgets for large (between \$500 and \$10K) anticipated spending that happens less frequently than every year.	Decided during periodic Team Reserves revision work.	From HOA dues (\$8000/yr) and HOA operating profits.	Teams can only spend money very specifically for the Team Reserve line item up to the amount of the Reserve Cap plus 20% contingency.	A specific reserve is fully funded when created because all Team Reserves are aggregated.
Contingency Fund	Provide teams with extra funds when other budgets are not adequate.	Decided each fall during budget process.	HOA dues.	Steering team authorizes Contingency Funds as it sees fit for the good of the community.	Contingency Fund authorizations are really just budget reallocations.
Planning Reserves	Set aside money for very large (>\$10K) anticipated spending that happens less frequently than every year.	Decided during fall budget process or periodic Team Reserves revision work.	HOA dues.	No spending authority. Team must get community approval to use Planning Reserve for an Extraordinary Spending project.	Each Planning Reserve has its own balance. Funding happens incrementally over time.
Humanitarian Fund	Provide money to members in financial need.	Created in 2002(?). Fully fleshed out in community decision August 29, 2007.	Voluntary private donations.	Members make fund distribution requests. Steering team authorizes distributions consistent with criteria in Budget & Assessments Agreement.	Private fund managed by HOA, but not really part of HOA.
Renewable Energy Fund	Provide money for renewable energy projects.	Created by community decision June 24, 2009.	Voluntary private donations.	Common Facility team authorizes distributions for projects that are for renewable energy and would benefit the community.	Private fund managed by HOA, but not really part of HOA.