



## **MOA MAINTENANCE & RESERVE FUND POLICY**

### **Purpose:**

A Maintenance Reserve Fund, here in after referred to as "The Fund", shall be established by the MOA Board of Director for the purpose of repairing or replacing high expense assets where the costs for such maintenance and/or repair is outside of normal or routine care.

### **Policy:**

The funds deposited in The Fund shall be used for the repair and replacement of assets and properties owned by the Michaywe Owner's Association and its subsidiaries. Funds deposited to The Fund may be made monthly, quarterly, semi-annually or annually. However, all contributions shall be in The Fund by December 31<sup>st</sup> of each year. The Board of Directors has the responsibility to establish criteria and periodically review a listing of all the assets for inclusion on The Fund list. The funds may only be used for the repair, replacement or maintenance of assets. The Board must establish a separate fund and the funds may not be commingled with operational funds.

### **Procedure:**

The MOA Board shall determine an amount to be deposited in The Fund during the annual Budgeting process. The funds in The Fund shall be invested in short-term federal or state insured securities or certificates of deposit. Interest earned on investments shall remain in the fund.

The Fund list will show the original value of the item and projected replacement and/or repair cost. In addition, the list will show the estimated replacement and/or repair date. The Board does not have to spend the amount allocated to each asset on the estimated date.

The general manager, with the approval of two officers of the Association, is authorized to withdraw monies from The Fund, provided that the item to be repaired or replaced is on the approved list and the amount withdrawn does not exceed \$10,000. Release of funds in excess of \$10,000.00 must be approved by a simple majority vote of the Board of Directors.

If the entire cost of a repair or replacement is not available from The Fund, the difference may be made up from moneys allocated to other items on the list, provided that use of such moneys will not adversely deplete the fund in such a way as to present a serious risk for the Association. If there continues to be a short fall of funds to complete the repair or replacement of an approved asset then money may be allocated from the general fund if available. In addition, the Board may borrow money to facilitate the repair or replacement of an approved asset.

The Board may authorize the use of The Fund for emergency repair of assets not included in the Asset List, provided that such use of funds shall fall within the intent of this policy and involve repair or replacement of an item that has been unintentionally omitted or deleted from this list.

If this policy conflicts in any way with the governing documents of MOA, then the provisions of the governing documents shall be followed, notwithstanding any provisions of this policy.

**This policy was approved by the MOA Board of Directors at their regular meeting on December 19, 2009.**