

CMF Finance Committee Processes and Procedures

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Section I - CMF Finance Committee Mission Statement

As a duly elected committee of Carmelita Gardens Community Owners¹, the CMF Finance Committee will implement the approved CMF Budget and develop the financial processes and procedures required to invoice, collect, and issue receipts for the CMF Annual Fees from the Owners, deposit those Fees into an interim² Belizean bank account, distribute those Fees as required for payments for Services Rendered in accordance with the approved CMF Budget³.

Additionally, the Committee will develop processes and procedures to account for the Fees collected and distributed via a Monthly Report to the Owners detailing: beginning and ending balances, deposits and distributions, pending transactions, and any other items (interest received/paid, Account fees, etc.) that may affect a full audit of the balances.

¹ the Home Owners Corporation is needed to formalize asset ownership.

² a permanent business account will be established once the HOC has been incorporated.

³ some additional budget detail will be needed to accurately account for and distribute the Fees.

Section II - Approved 2023 CMF Budget and CMF Fees

A. 2023 Approved CMF Budget

2023 CMF Budget (BZ\$)	
CATEGORY NAME	ANNUAL COST
Grounds Maintenance	\$47,295.00
Roadside Maintenance	\$19,980.00
CG Plants and Trees	\$10,875.00
Grounds Reserve	\$6,727.50
Road Maintenance	\$10,000.95
Road Reserve	\$12,500.00
Liability Insurance	\$1,200.00
Accounting	\$10,800.00
Garden Costs	\$24,222.25
Community Governance Development	\$4,000.00
TOTAL	\$147,600.70
Operating Reserve	\$0.00

GRAND TOTAL	\$147,600.70

B. 2023 CMF Fees

Properties (Lots) Assessed	145
CMF Fees per Property (Lot)	\$1017.94

Section III - Invoicing and Collections

A. Invoicing

Invoicing is the process by which the CMF Finance Committee notifies the members of the Carmelita Gardens Community Owners of their obligation to pay the CMF Fees authorized by the Approved CMF Budget.

The Procedure

1. Enter Quickbooks
2. Create Invoice for each owned Lot # including Payment Options and a *Required Response*¹
3. Send Invoices to Lot Owners.
4. Where invoices are returned as 'undeliverable', or email unreachable, contact the responsible person who maintains contact details on behalf of the Developer (this ultimately should be held within the Home Owners Corporation and maintained by their admin group). Currently the contact is Mark Trickey,

¹ *Required Response*

"Upon Payment of your CMF Fees, please acknowledge that the Fees for lot #(s) **xxx** have been deposited, or charged to your credit card, by replying to the Invoice email so that a proper credit can be applied to the QuickBooks Ledger, and a Receipt issued."

"If you wish to add any details about your payment or comments on the process, please include these in your response email."

B. Collections

Collections is the process by which the CMF Finance Committee receives the payments for the CMF Fees from the members of the Carmelita Gardens Owners.

The Procedure

1. Monitor incoming notifications from the Interim Bank Accounts (US and Belizean) for Deposits and payment facilities (Zelle and SquareUp), and emails to the shared CMF email from Owners who have responded to their invoice.
2. Receive cash payments directly from Owners, and place in safe onsite at Carmelita Gardens until deposit to local interim Belizean account. Issue paper receipt for cash

accepted *(does not replace issuance of Receipt from Quickbooks once the online system is updated)*.

3. Deposit cash in hand as needed to interim Belizean account. *(Today we do not have a set cycle, as in weekly or otherwise given the sporadic receipt of CMF fees in cash to Dalia)*.
4. Receive cash payments directly from Owners, place in safe onsite at Carmelita Gardens until deposit to local interim Belizean account. Issue paper receipt for cash accepted *(does not replace issuance of Receipt from Quickbooks once the online system is updated)*.
5. Deposit cash in hand as needed to interim Belizean account. *(Today we do not have a set cycle, as in weekly or otherwise given the sporadic receipt of CMF fees in cash to Dalia)*.
6. Associate each Deposit with the Ledger Account appropriate for that Lot #, including Bank Fees based on how payment was received.
7. Issue Receipts for CMF Fees for appropriate Lot #'s.

Section IV - Deposits, Distributions and Reserves

A. Deposits

Account transactions resulting in an increase in the balance of the Account are considered as Deposits. These transactions may be from, but not limited to, CMF Fees collection, interest paid, refunded Distributions, or other payment for Services rendered by designees of the CMF Finance Committee.

The Procedure

1. Review interim bank accounts, US, and Belizean, for new Deposits.
2. Enter Quickbooks
3. Associate each Deposit with the Ledger Account appropriate for the relevant Lot #, interest paid, refunded Distributions, or other payment for Services Rendered.
 - a. If relevant to CMF Fees, issue a receipt to Owner.

B. Distributions

Account transactions resulting in a decrease in the balance of the Account are considered as Distributions. These transactions may be, but are not limited to, authorized payments to vendors or individuals for Services rendered, payments for Materials required by vendors or individuals for Services rendered, and other authorized payments that may be required for the implementation of the Approved CMF Budget.

The Procedure

1. Receive Invoices and supporting details (Backup files) as appropriate from CMF Vendors for Services Rendered.
2. Enter Quickbooks.
3. Create a Ledger Account for each Vendor.
4. Enter Invoices into appropriate Vendor Ledger.

5. Send Invoice with Backup files to Finance Committee member #1 (Jessica Keener) for review and a recommendation for approval, further discussion, or denial.
6. Finance Committee member #1 forwards the Recommendation email with Invoice & Backup files to Finance Committee #2 (Emily McGibney) for review and approval.
7. Finance Committee member #2 forwards Approval email with Invoice and Backup files to Finance Committee #3 (JD Longwell) for review and approval.
8. Finance Committee member #3 forwards Approval email with Invoice and Backup files to CMF Administrator (Dalia Heaton) with a recommendation for Payment from a specific bank account.
9. The CMF Administrator issues the Payment for the Invoice from the recommended bank account (i.e. Atlantic Bank or Merchant's Bank).
10. Request a Vendor Receipt for Invoice Payment.
11. Enter the Vendor Receipt for Invoice Payment, along with the Approval email 'chain', for the Record, into Quickbooks.
12. Issue an email to the Finance Committee members indicating that the Payment Process is complete for that Invoice.

C. Reserves

Funds designated as Reserves in the Account are retained herein for use in specific instances as required by the CMF Finance Committee but not yet defined.

The Procedure

1. Enter Quickbooks
2. Enter Amounts designated for Reserves from the Approved 2023 CMF Budget

Section V - Accounting, Reporting, and Audits

A. Accounting

An Intuit Quickbooks Instance has been developed to reflect the published categories and subcategories of the approved 2023 CMF Budget and used to account for the invoicing, collection, and distribution of the CMF Fees.

The Procedure

1. Accounting will be provided utilizing Intuit QuickBooks See Chart of Accounts (Appendix A)
2. Issue Invoices for CMF Fees by lot#
3. Receive payment(s) from lot owners.
4. Issue Receipts for payments.
5. Receive Invoices for Services Rendered.
6. Validate and Record Invoices for Services Rendered.
7. Get payment approval from two (2) members of the CMF Finance Committee members.
8. Pay the approved invoices and ensure that a receipt for payment is received and recorded.

B. Reporting and Communications

A **Monthly Report** to the Owners including a Balance Sheet report, Cash Flow report along with supportive details (CMF invoices remaining open, or details to explain asset or cash position, etc.) will be prepared and posted to the Community website(s).

The Procedure

1. Enter Quickbooks.
2. Prepare Monthly Reports for posting by prior calendar month end date.
3. Seek Review and Approval of the Monthly Report from 2 CMF FC Members.
4. Post the Monthly Report to the designated Community website(s) by the 15th of the following month.

A CMF FC **Communique** will be prepared, as necessary, to list, discuss, and resolve (if possible) any problems, issues, or concerns identified by the CMF Finance Committee, Carmelita Gardens Owners', the Developer, or other Party in Good Standing, and posted to the Community website(s).). Any communiques' to be issued out to the CG Owners will be reviewed and approved by all CMF Committee members and distributed to the CG Owners via email with a copy posted to the Community website(s).

C. CMF Quarterly Audit Process

An Audit will be conducted by a designated member of the Carmelita Gardens Community Owners, on a quarterly basis, to verify the validity of the transactions contained within the CMF Quickbooks Instance.

The Procedure

1. Provide access to the Quickbooks Instance for the CMF to the designated Auditor.
2. Provide 3 monthly statements or one quarterly Bank/Account Statement to the designated Auditor.
3. Provide Support for Q&As related to the Statements or the Quickbooks Instance
4. The Auditor will conduct the Audit in an expeditious manner.
5. The Auditor will provide an Audit Report detailing any Findings from the Audit.
6. The Audit Report will be posted to the Carmelita Gardens Owners website(s).

Audit Materials' List

- Quickbooks Instance Quarterly Details
- Merchant's Bank Account Statement(s)
- Square Account Statement(s)
- Atlantic Bank Account Statement(s)
- Invoices Sent/Paid
- Invoices Received/Paid
- Consolidated Transaction Reconciliation Spreadsheet
- Copy of Cash receipts issued onsite

The Audit Plan

1. Audit Objectives

- i. Ensure that Invoices that are sent for each lot# are paid, amounts are credited to the proper ledger account, and receipts are issued for the amount paid. This will require noting the payment method used, tracing the funds through the various accounts utilized for payment, and that proper credit has been applied to the ledger account for that lot#.
- ii. Ensure that Invoices that are received for services rendered have been validated per the procedures described in IV-B above, are paid, and receipts have been received and recorded.
- iii. Ensure that no intermingled funds (CMF vs CFG) have been improperly applied.

2. Audit Location, Personnel, and Timing

- i. The audit location will be onsite at Carmelita Gardens at the office for the CMF Administrator.
- ii. Personnel required for the Audit include the Auditor, the CMF Administrator, and one member of the CMF Finance Committee.
- iii. The Audit will be initiated, conducted, and completed within 30 days following the end of the Quarter for which the Audit is intended.

3. Audit Report

- i. Findings from the Audit will be compiled, and a Report will be prepared detailing the Findings and any remaining issues or actions to be completed.
- ii. The Audit Report will be issued within 7 days of completion of the Audit.
- iii. A copy of the Report published within the Owner pages of the Community website(s).

Section VI – Additional Considerations

A. CMF Finance Committee Members

CMF Finance Members are voted in by the Carmelita Gardens Owners annually and serve without direct compensation for a term of 1 year. Any expenses incurred will be authorized and reimbursed on an as required basis.

B. Home Owners Corporation (HOC)

Carmelita Gardens Community Owners are responsible for establishing a corporate entity for the purpose of accepting asset transfers from the Carmelita Gardens Developer and maintaining those assets for the benefit of the Carmelita Gardens Community in accordance with the CC&Rs.

C. Interim Bank Account

An Interim Bank Account has been established by the CMF Finance Committee to Service the needs of the Carmelita Gardens Community Owners until such time as the Home Owners Corporation (HOC) has been incorporated, and an appropriate corporate bank account has been established. The Interim Bank Account will be subject to the processes and procedures defined above.

D. Annual CMF Budget

The Carmelita Gardens Community Owners will be responsible for establishing an Approved CMF Budget, and CMF Fees, annually.

E. CMF Fees Payment Options

All CMF Fees will be received for deposit or distributed for payment in Belize Dollars (BZ\$). Options available for receipt of the CMF Fees may include cash for deposit, funds transfer bank to bank (wire transfer, Zelle, etc.), credit card charge, or other bank acceptable means. Fees and charges associated with any transfer method are the responsibility of the payee.

F. CMF Finance Committee Communications

a. Meeting Minutes of the CMF Finance Committee

- i. An Agenda for the meeting is agreed to by the members of the Finance Committee prior to each meeting.
- ii. Meeting Minutes, with Action Items, are published on the CMF website(s) following each meeting of the Finance Committee.

b. Carmelita Gardens Community Communications

- i. Finance Committee communications with the Carmelita Gardens Owners are conducted via email, town halls, and Zoom meetings.
- ii. Meeting Minutes, where appropriate, are published on the CMF website(s) following each meeting.

Section VII – Appendices

A. Quickbooks Instance

a. Quickbooks Accounting Structure (Chart of Accounts)



CMF Finance
COA.pdf

b. Quickbooks Invoice Format



Invoice Draft .pdf

c. Quickbooks Receipt Format



Receipt_from_Community_Maintenance

d. Quickbooks Monthly Report Format



Monthly CMF
Financials - Novemb

B. Account Audit Materials List

1. Quickbooks Detail Report (or Quickbooks Instance access)
2. Merchants Bank (Quarterly or 3 Monthly) Statement(s)
3. Square (Quarterly or 3 Monthly) Statement(s)
4. Atlantic Bank (Quarterly or 3 Monthly) Statement(s)
5. Invoices Sent/Paid
6. Invoices Received/Paid
7. Consolidated Transaction Reconciliation Spreadsheet
8. Access to Quickbooks Instance Administrator (*Dalia Heaton*)

C. Data Management

a. Quickbooks Data

- Chart of Accounts organized by Lot#
- Lot Owner(s)
- Contact Email
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b. Merchants Bank

- Transaction Data

c. Square

- Transaction Data

d. Atlantic Bank

- Transaction Data

e. Consolidated Transaction Reconciliation Spreadsheet

- *see QB Admin*

D. Developer's CMF Finance Committee Authorization Letter



FC Delegation
Letter_2024.pdf