

BOXWOOD GREEN HOME OWNERS ASSOCIATION
INTERNAL CONTROL POLICY

Purpose of Policies. Internal Control policies are designed to protect the assets of the Boxwood Green Home Owners Association and to establish an audit trail for review during audits.

Internal Control Audit Policies.

The following internal control policies are established by the Board of Directors:

Record Maintenance. The financial records of the Boxwood Green Home Owners Association, including its water company will be maintained on QuickBooks Financial Software for Small Business in a current condition. Financial Statements will be prepared monthly for distribution to the Board and annually for distribution to members at the Membership Annual Meeting and at Year End. Additionally, financial reports will be made available, as required by the Code of Virginia, to all property owners selling their property or homes in the community in the Home Owner's Disclosure Packet.

Backup copies of financial records will be made monthly and kept in an off-site location.

Receipt and Deposit of Funds. All receipts will be deposited in the Home Owner's Money Market Account to take advantage of an interest bearing account. Deposits will be made within three 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 \$500 must have dual signatures.
- d. Checks to one of the authorized signators must be signed by one of the other signators.
- e. All disbursements must be documented with sales slips, vouchers, or receipts evidencing the amount of the disbursement.

Approved January 17, 2006