



— TEMPLATE —

# Spending Authorization Policy (Board Resolution)

*Financial Governance*

DOCUMENT	Template
CATEGORY	Financial Governance
EDITION	2026
ISSUER	Common Interest Community Standards Council

TEMPLATE

# Spending Authorization Policy (Board Resolution)

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SECTION 01

## Resolution Of The Board Of Directors

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[ASSOCIATION\_NAME]

SECTION 02

## Spending Authorization Policy

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WHEREAS, the Board of Directors of [ASSOCIATION\_NAME] (the "Association") is charged with the prudent management of Association funds and the maintenance of an internal control environment that protects Association assets; and

WHEREAS, the Board wishes to delegate to management the authority necessary to execute the operating budget and routine expenditures, while retaining board approval over significant expenditures, capital and reserve disbursements, and unbudgeted or above-line spending; and

WHEREAS, the Board has reviewed CICSC governance standards on financial controls, the procurement provisions of applicable state law (including Tex. Prop. Code Section 209.0052 where applicable), and the conflict-of-interest provisions of Fla. Stat. Section 718.3027 and Section 720.3033 where applicable;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the following Spending Authorization Policy, effective

[EFFECTIVE\_DATE]

SECTION 01

## TIERED SPENDING THRESHOLDS

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### Tier 1 Budgeted recurring expenditures

Payments for line items in the adopted budget, within the budgeted amount, for recurring vendors under existing contracts.

Authority: Manager, under the budget the Board has adopted. Threshold: No per-transaction limit; subject to budget line availability. Reporting: Included in the monthly disbursements report.

### Tier 2 Non-recurring expenditures within the budget

One-off purchases, maintenance work, or contracted services that fit within an adopted budget line but are not recurring.

Authority: Manager.

Threshold

*Up to \$[TIER\_2\_LIMIT] per transaction.*

Above threshold but within budget line: Treasurer's prior written approval (email is sufficient).

Tier 3 Unbudgeted or above-line-item expenditures

Expenditures that exceed the adopted budget for a line or that are not in the budget at all.

Authority: Board of Directors, by motion at a properly noticed meeting. Threshold: Any amount.

Exception: Emergency expenditures handled under Tier 5.

Tier 4 Capital and reserve expenditures

Payments from the reserve fund or for capital projects in the reserve study.

Authority: Board of Directors, by motion, with the reserve study and project documentation referenced. Disbursement controls: Follow segregation rules in the Reserve Funding Policy.

Tier 5 Emergency expenditures

Expenditures required to address an immediate health, safety, or property-preservation emergency where convening the Board is impracticable.

Authority: President and Treasurer jointly (or two directors designated by the Board).

Threshold

*Up to \$[EMERGENCY\_LIMIT] per emergency event.*

Notification: All directors notified by email within 24 hours. Ratification: Ratified by the full Board at the next regular meeting.

Examples of qualifying emergencies

- Roof or building envelope failure after a storm - Plumbing or sewer failure threatening property damage - Imminent code violation with safety implications - Casualty loss requiring immediate mitigation

Examples NOT qualifying as emergencies

- Vendor offering a one-time discount - Routine repair the manager wants to expedite - Insurance renewal deadline approaching - Planned project the Board has not yet approved

SECTION 02

## DUAL SIGNATURE REQUIREMENTS

2.1 Single-signature payments Payments up to and including \$[DUAL\_SIG\_THRESHOLD] may be signed by a single authorized signatory.

2.2 Dual-signature payments Payments above \$[DUAL\_SIG\_THRESHOLD] require two authorized signatures.

2.3 Authorized signatories

The following individuals are authorized signatories

- President
- Vice President
- Treasurer

- Secretary
  - Community Manager (under delegated authority below the dual-signature threshold only)
- 2.4 Signature card The bank signature card shall reflect the authorized signatories. The Secretary or Treasurer shall confirm the signature card status annually and after every board turnover. Departed directors shall be removed within 30 days of departure.

2.5 Wire transfers and ACH Wire transfers and outbound ACH from Association accounts

shall

(a) be initiated only for vendors whose banking information has been verified by phone using a number obtained independently (not from the email or other communication requesting the change); (b) be approved by the Treasurer or President in writing prior to initiation; (c) require dual approval for amounts above \$[WIRE\_DUAL\_THRESHOLD]; and (d) be reported in the monthly disbursements report.

### SECTION 03

## PROCUREMENT AND VENDOR AUTHORIZATION

3.1 Competitive bidding threshold For contracts and purchases above \$[BID\_THRESHOLD], the manager shall obtain at least three written bids and present them to the Board for review and award.

3.2 Texas procurement framework (Where applicable.) The Association shall comply with Tex. Prop. Code Section 209.0052 procurement and contract considerations.

3.3 Contract execution Contracts approved by the Board shall be executed by the President or Secretary, or another director designated by the Board. The manager may execute contracts within Tier 1 and Tier 2 authority.

3.4 Long-term contracts Contracts with a term exceeding one year, auto-renewing provisions, or total value exceeding \$[LONG\_TERM\_THRESHOLD] require two director signatures on execution.

3.5 Conflict-of-interest screening Before a vendor is engaged, the manager shall screen the vendor for director or director-family-member interests. Any such interest shall be disclosed to the Board prior

to engagement and recorded in the meeting minutes per

(a) Tex. Prop. Code Section 209.0052 (Texas HOAs); (b) Fla. Stat. Section 718.3027 (Florida condominiums); (c) Fla. Stat. Section 720.3033 (Florida HOAs).

### SECTION 04

## REPORTING AND REVIEW

4.1 Monthly disbursements report The manager shall produce a monthly disbursements report covering every payment made during the period, including check number or ACH reference, payee, amount, GL coding, and the authority tier under which the payment was made.

4.2 Independent monthly review The Treasurer (or another director independent of the payment preparer) shall review the monthly disbursements report against the bank statement and against the supporting invoices. The review shall be noted in the minutes of the next regular Board meeting.

4.3 Significant transactions Each transaction above \$[REPORT\_THRESHOLD] shall be reported individually in the monthly board packet, with the supporting documentation referenced.

4.4 Annual review The Board shall review this policy at the budget adoption meeting each year and re-adopt with any amendments by written resolution.

SECTION 05

## INTERNAL CONTROL ENVIRONMENT

5.1 Segregation of duties To the extent practicable, the parties who prepare payments, authorize payments, and reconcile bank accounts shall not be the same individuals.

5.2 Bank reconciliation Bank accounts shall be reconciled monthly. The reconciliation shall be reviewed and signed by a party independent of the preparer.

5.3 New vendor verification New vendor information, including banking details for ACH or wire payment, shall be verified by phone using a number obtained independently. Changes to existing vendor banking details require the same verification.

5.4 Fidelity insurance The Association shall maintain fidelity (employee- dishonesty) insurance covering the manager and any directors with check-signing or banking authority, in an amount not less than three months of regular operating expenses or the maximum balance held in operating and reserve accounts at any time during the year, whichever is greater.

SECTION 06

## ADOPTION

The foregoing Spending Authorization Policy is adopted by the Board of Directors at a properly noticed open meeting on [ADOPTION\_DATE].

Motion by \_\_\_\_\_ [DIRECTOR\_NAME]

Second by \_\_\_\_\_ [DIRECTOR\_NAME]

Vote For: \_\_\_ Against: \_\_\_ Abstain: \_\_\_ Recused: \_\_\_

President signature \_\_\_\_\_  
[PRESIDENT\_NAME]

Date \_\_\_\_\_ [DATE]

Secretary signature \_\_\_\_\_  
[SECRETARY\_NAME]

Date \_\_\_\_\_ [DATE]

