

**Approved March 21, 2023**

**HIGH DESERT RESIDENTIAL OWNERS ASSOCIATION**

Policy for Delegation of Authority

This policy is adopted in accordance with:

Section III C, Paragraphs 3.15 and 3.16, of the HDROA By-Laws, which set forth the general powers and duties of the Board of Directors with respect to the administration of the Association's affairs;

Section III Paragraph 3.18 of the HDROA By-Laws, which sets forth the right of the Board to hire a professional management agent to perform such duties and services as the Board shall authorize; and

Section IV Paragraph 4.6 of the HDROA By-Laws, which sets forth the right of an officer of the Board, or other person designated by resolution, to execute all agreements, contracts, deeds, leases, checks and other instruments of the Association.

***Background and Purpose***

In administering the business of the Association, representatives of the Association's Board of Directors and Management Company, from time to time, must sign documents and make verbal commitments obligating the Association. It is prudent and responsible to limit the number of authorized individuals who may do so and to clearly designate the individuals, by role, who can make such obligations. This will help ensure that obligations are taken in compliance with the Declaration of Covenants, Conditions and Restrictions (CC&Rs), as well as adopted policies, Board resolutions, and approved financial budgets.

A common mechanism used in non-profit corporations is to adopt a formal Delegation of Authority for the actions that can be taken. The purpose of this policy is to create the Delegation of Authority for HDROA that specifies the actions that can be taken by certain representatives of the Association. This Delegation of Authority is consistent with prior Board resolutions, which are now superseded by this policy.

***Policy***

The table below identifies the individuals by role title that may take action on behalf of the Association in each listed area of responsibility and authority.

- The Property Manager is the designated Manager under the Association's contract for property management.
  
- The President, Vice President, Secretary and Treasurer are elected officers of the Association's Board of Directors.

Only the designated individuals may take the action indicated. The Delegation of Authority is described per event

<b>Area of Responsibility and Authority</b>	<b>Property Manager</b>	<b>President</b>	<b>Vice President</b>	<b>Treasurer</b>	<b>Secretary</b>
Right to sign contracts obligating operating funds	None	Without limit following approval by Board vote	Without limit following approval by Board vote	Without limit following approval by Board vote	Without limit following approval by Board vote
Right to sign Authorization Letter for annual audit and tax preparation	None	Without limit following approval by Board vote	Without limit following approval by Board vote	Without limit following approval by Board vote	None
For emergencies as defined below, right to sign contracts obligating operating funds	Without limit after approval by either the President or Vice President	Without limit subject to approval by vote at next Board meeting	Without limit subject to approval by vote at next Board meeting	None	None
Right to sign contracts obligating reserve funds	None	Without limit following approval by Board vote	Without limit following approval by Board vote	None	None
Right to authorize purchase obligating operating funds within approved budget limits	Up to \$5000	Up to \$1000	Up to \$1000	None	None
Right to authorize purchase obligating reserve funds	None	Up to \$5000	Up to \$5000	None	None
Right to authorize unbudgeted expenditures obligating operating funds	None	Up to \$1000	Up to \$1000	None	None

Right to decide investment choices for Association cash	None	None	None	Without limit within the Associations Investment policy. Board to be informed at the next Board meeting	None
Right to charge to HDROA credit card	Up to \$5000 credit limit. Single expenditures are allowed up to \$500	None	None	None	None

The Property Manager, President and Vice President are authorized to take actions as indicated above in an emergency to:

1. Protect the health, safety and welfare of persons present on Association property
2. Protect the common areas from imminent danger
3. Avoid suspension of any necessary service or utility

Any expenditure with a single vendor over \$20,000 either in one payment or combined over a fiscal year will have a written agreement or contract that is approved by the Contracts Committee and voted on and approved by the Board.