



WTMC
a Homeowners Association

Board Policies Manual (BPM) for WTMC

Part 1: Introduction and Administration

This Board Policies Manual (BPM) contains all the current standing (ongoing) policies adopted by the board of West Tapps Maintenance since the initial approval of the BPM on 03-08-2023.

- 1.1 **Reasons for Adoption.** The reasons for adopting this BPM include:
 - Efficiency of having all ongoing board policies in one place
 - Ability to quickly orient new board members to current policies.
 - Elimination of redundant or conflicting policies over time
 - Ease of reviewing current policy when considering new issues
 - Providing clear, proactive policies to guide the staff.
 - Modeling an approach to governance that other organizations might use.
- 1.2 **Consistency.** Each policy in this document is expected to be consistent with the law, the articles of incorporation, and the bylaws, all of which have precedence over these board policies. Except for time limited or procedural only board decisions (approving minutes, electing an officer, etc.), which are recorded in regular board minutes, all standing board policies shall be included or referred to in this document. The board is responsible for developing organizational and administrative policies and procedures that are consistent with this BPM.
- 1.3 **Transition.** Whether adopted part by part or as a complete document, as soon as some version of the BPM is voted on as the “one voice” of the board, those policies are deemed to supersede any past policy that might be found in old minutes unless a prior board resolution or contract obligates the organization about a specific matter. If any actual or apparent conflict arises between the BPM and other policies or board resolutions, the matter shall be resolved by the board as may be appropriate.
- 1.4 **Changes.** These policies are meant to be reviewed constantly and are frequently reviewed and refined. The president helps the board formulate new language in the BPM by distributing proposed changes in advance. When language is recommended for deletion, it is shown in ~~strike-through~~ format. Proposed new language is underlined. Each section with a proposed change can be preceded by the # sign to help readers quickly locate proposed changes. Any change to this BPM must be approved by the board. Proposed changes may be submitted by any board member as well as by the president or other officer. Whenever changes are adopted, an updated version is made available to the board and staff. The previous version should be kept for future reference if needed. Board policies should be made available on the official website and in the business office.
- 1.5 **Specificity.** Each new policy will be drafted to fit in the appropriate place within the BPM. Conceptually, policies should be drafted from the “outside in,” i.e., the broadest policy statement should be presented first, then the next broadest, etc., down to the level of detail that the board finds appropriate for board action and below which management is afforded discretion as to how it implements the policies in this BPM.

- 1.6 **Maintenance of Policies.** The secretary shall ensure that staff members record and publish all standing policies correctly. The secretary shall maintain the policies file and provide updated copies to the board whenever the policies change, or upon request. The board will ask that legal counsel review this BPM as needed to ensure compliance with the law. Discrete documents referred to in the BPM will be kept in a three-ring notebook called the Board Reference Book and online.
- 1.7 **Severability Clause.** In case any provision in this manual shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Part 2: Organization Essentials

- 2.1 Our **vision** is an outstanding neighborhood where people enjoy living.
- 2.2 Our **mission** is to provide excellent and efficient management of West Tapps Maintenance Company and promote a safe, positive community environment for our members.
- 2.3 The **values** that guide everything we do are honesty, integrity, excellence.
- 2.4 The primary **strategies** by which we will fulfill our mission include efficient management of our finance's assets, employees, and engagement of our members.

Part 3: Board Structure and Processes

- 3.1 **Governing Style.** The board will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of board and staff roles, and proactivity rather than reactivity. In this spirit, the board will:
- 3.1.1 Enforce upon itself and its members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect for clarified roles, speaking to management and the public with one voice, and self-policing of any tendency to stray from the governance structure and processes adopted in these board policies.
- 3.1.2 Be accountable to the membership for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the board to usurp this role or hinder this commitment.
- 3.1.3 Monitor and regularly discuss the board's own processes and performance, seeking to ensure the continuity of its governance functions by selection of capable officers.
- 3.1.4 Be an initiator of policy, not merely a reactor to staff initiatives. The board, not the staff, will be responsible for board performance.
- 3.2 **Board Job Description.** The job of the board is to lead the organization toward the desired performance and ensure that that performance occurs. The board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. To perform its job, the board shall:
- 3.2.1 Determine the mission, values, strategies, and major goals/outcomes.
- 3.2.2 Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.

- 3.2.3 Maintain and constantly improve all ongoing policies of the board in this BPM.
- 3.2.4 Ensure financial solvency and integrity through policies and behavior.
- 3.2.5 Require periodic financial and other external audits to ensure compliance with the law and with good practices.
- 3.2.6 Evaluate and constantly improve our board's performance as the governing entity.

3.4 Orientation. Prior to or after election, each nominee shall be given this BPM along with adequate briefings on the role of the board, officers, and staff and an overview of facilities, programs, plans, and finances.

3.5 Roles

3.5.1 President: The President shall preside at all meetings of the trustees and members; he shall sign as President all certificates of membership and all contracts or other instruments in writing authorized by the Board of Trustees; he shall call special meetings of the trustees or of the members whenever he deems it necessary; he shall have and exercise under the direction of the Board of Trustees the general supervision of the affairs of the corporation. The President shall be responsible for enforcing the Articles of Incorporation and By-Laws and any rules and regulations established by the Board of Trustees and levying such penalties as he deems necessary as provided for in Section 4, Article 2, of the By-Laws of the West Tapps Maintenance Co.

- Oversee board meetings.
- Sign all WTMC documents.
- Call special meetings as necessary.
- Operates as Chief Executive Officer of WTMC.
- Acts as a check signer as dictated by organizations financial procedures.
- Casts a second vote on altered board expenditures in case of a tie. (Bylaws Article 2, Section 4)
- Serve as ex-officio member of all committees where allowed by Articles of Incorporation, By-Laws and CCRs.
- Communicates with and meets monthly with office manager to support the work of the organization and the board.
- Work in partnership with the office manager to make sure board resolutions are carried out.
- Assist Secretary in preparing agenda for board meetings.
- Assist office manager in conducting new board member orientation.
- Oversee the search for a new office manager.
- Support office manager's annual performance evaluation along with vice president.
- Acts as the primary spokesperson for the organization.
- Assures that the Board fulfills its responsibilities to the organization.
- Works with the board nomination committee to recruit new board members. Periodically consults with board members on their roles and adherence to the BPM.
- Communicates any concerns management has in regard to the role of the Board or individual board members.

- Maintain an open line of communication with the vice president about the current state of the organization.

3.5.2 Vice President: The Vice-President shall preside at all meetings in the absence of the President, and in case of the absence or disability of the President shall perform all other duties of the President, as listed above, which are incidental to his office.

- In absence of President, coordinates facilitation of board meetings, and assists in the creation of the strategic plan.
- Carry out special assignments as requested by the board.
- Participate as a vital part of the board leadership alongside the president.
- Lead and coordinate office manager's annual performance evaluation along with president.

3.5.3 Secretary: The Secretary shall issue all notices and shall attend and keep minutes of all meetings; he shall have charge of all corporate books, records, and papers; he shall be custodian of the corporate seal, shall attest his signature and impress with the corporate seal all written contracts of the corporation and shall perform all such other duties as are incidental to his office.

- Issue all meetings, special meetings, and annual meeting notices to the board and members in accordance with bylaws and RCWs.
- Acts as a check signer as dictated by organizations financial procedures.
- Assist president in preparing agenda for board meetings.
- Records, keeps, and makes available minutes of all board meetings.
- Assist office manager in maintaining all board records and ensures their accuracy and safety.
- Maintaining board attendance by reminding all board members of meetings and special meetings.
- Assume responsibilities of the president in the absence of the board president and vice president.
- Assist in creating the annual newsletter.

3.5.4 Treasurer: The Treasurer shall keep safely all moneys and securities of the corporation and disburse the same under the direction of the Board of Trustees. He shall cause all funds of the corporation to be deposited in a bank selected by the trustees. At each annual meeting of the members, and at any time directed by the trustees, he shall issue and present a full statement showing in detail the condition of the affairs of the corporation.

- Chair the budget committee to assist in preparing the annual budget, complete the reserve study, and present the budget and reserve study to the board for approval.
- Works with the third-party reserve study firm to update completed reserve study project annually, then presents the report to the board.
- Annual report on the reserve study and to ensure compliance with current RCWs.
- Works with office manager on scheduling quarterly budget committee meetings.
- Create an investment report to share with the board on an annual basis.

- Quarterly rebalancing of investments when directed by the board.
- Understanding of financial accounting for nonprofit organizations is preferred but not required.
- Manage, with the office manager, the board's review and action related to the board's financial responsibilities.
- Works with the office manager to ensure that accurate financial reports are made available to the board monthly and included as part of the monthly finance report.
- Assume responsibilities of the president in the absence of the board president, vice president, and secretary.
- Works with the office manager and third-party audit firm, once the audit contract is approved by the board, to ensure the annual audit is prepared and completed.

- 3.6 Board Meetings.** Board events often will include time for guest presenters, interaction with staff and beneficiaries, board training, as well as business sessions. Policies that are intended to improve the process for planning and running meetings follow:
- 3.6.1. The schedule for board meetings shall be set one year in advance and posted on the associations website or otherwise be made available to members.
 - 3.6.2. The president and board will work in developing agendas, which, along with background materials for the board and committees, monitoring reports, the board's recommendations for changes in the BPM, previous minutes, and other such materials, should be e-mailed to all board members approximately one to two weeks in advance of board meetings.
 - 3.6.3 Minutes and the updated BPM shall be sent to board members within one to two weeks of board meetings.
 - 3.6.4 Regular board meetings shall be held monthly on the second Wednesday of the month preceded by a reminder notice one to two weeks in advance of the meeting date. The August meeting must include a review of the planning and budgeting for the upcoming year. Special meetings of the board can be called according to the bylaws.
 - 3.6.5 Attendance Policy: Per Article IV, Section 6 of our bylaws, any Board member missing three or more consecutive meetings without prior notification **during a 12-month period** may be removed with a majority vote of the board.

- 3.7 Standing Committees.** Committees help the board be effective and efficient. They speak "to the board" and not "for the board." Unless authorized by the whole board, a committee may not exercise authority that is reserved to the whole board by the bylaws or by the laws of Washington State governing not-for-profit organizations. Unless otherwise specified by the board, all committees are advisory committees.
- 3.7.1 **Park Committee.** This committee shall recommend policies to the board pertaining to management of the parks and is responsible for the day-to-day management of the parks.
 - 3.7.2 **Architectural Committee.** This committee shall review all Architectural Application Forms and approve all structures that meet the Building Regulation standards and the

approval must be done in a timely fashion. Approval requires a majority of committee members or a vote of the board. The committee consists of 2-3 members who are appointed annually by the board and are members in good standing. All approved and disapproved structures will be submitted to the board for their acknowledgement and recording in the minutes. Appeals and requests for variances shall be presented to the board.

3.7.3 **Finance Committee.** Formed per bylaws this is an advisory committee.

3.7.4 **Nomination Committee.** Formed per bylaws this is an advisory committee.

3.7.5 **Other Committees.** Other committees as determined by the board.

3.8 Functions. Required regulatory functions not handled by committee.

3.8.1 **Finance Function.** This function is accomplished by the board with the treasurer and shall develop and recommend those financial principles, plans, and courses of action that provide for mission accomplishment and organizational financial well-being. Consistent with this responsibility, it shall review the annual budget. In addition, this function shall make recommendations with regard to the level and terms of indebtedness, cash management, investment policy, risk management, financial monitoring and reports, employee benefit plans, signatory authority for expenditures, and other policies for inclusion in the BPM that this function determines are advisable for effective financial management. The treasurer should not have write access to the ledger. Any employee who the board decides to make a signer on the accounts (usually the secretary and treasurer) must undergo a background check before assuming control of the accounts.

3.8.2 **Audit and Compliance Function.** This function is also accomplished by the board with the treasurer and shall oversee the organization's internal accounting controls; recommend external auditors for board approval; review the external auditors' annual audit plan; and review the annual report, the management letter, and the results of the external audit. The function, or its delegate, shall have an annual private conversation with the auditor. In addition, the function shall be responsible for oversight of regulatory compliance, policies and practices regarding corporate responsibility, and ethics and business conduct-related activities, including compliance with all federal, state, and local laws governing tax-exempt entities. The function shall also oversee written conflict of interest policies and procedures for directors and officers.

3.9 Advisory Groups, Councils, and Task Forces. To increase its knowledge base and depth of available expertise, as well as complete special projects, the board supports the use of groups, councils, and task forces of qualified advisers. The term "task force" refers to any group appointed by the president and ratified by the board to assist in carrying out various time-limited goals and responsibilities. Any group created by this policy will automatically be dissolved once the defined goals have been met.

3.9.1 LTCC Appointment: The WTMC shall appoint a representative to the Lake Tapps Community Council every two years in October. The appointee shall be a WTMC Member in

good standing. The LTCC Representative shall be appointed to or removed from the appointment by a majority vote of the WTMC board. In the event the LTCC representative resigns, the WTMC board will appoint an interim representative to fill the original term. The LTCC Representative shall submit, at a minimum, quarterly reports to the WTMC Secretary to be included in reports of the next board meeting. The LTCC Representative shall sign and abide by the WTMC Code of Conduct. WTMC Board communications to the LTCC representative must be sent from the President or from the majority of the Board. In the event LTCC declines the WTMC nominee, the WTMC board will follow the same process to make a different appointment.

3.10 Board Members' Code of Conduct. The board expects of itself and its members ethical and businesslike conduct. Each board member is expected to complete and sign the West Tapps Maintenance Company Code of Conduct, which covers for example, board conflicts of interest, in accordance with the laws of the state governing not-for-profit organizations, and other expectations of board members.

- Consider myself a trustee of this organization and do my best to ensure that it is well maintained, financially secure, growing, and always operating within the best interest of those we serve.
- Maintain the confidentiality of Board information and discussions as appropriate.
- Focus my efforts on the West Tapps Maintenance Company and not my personal goals.
- Actively participate in WTMC business and decision-making, initiate or assist with projects, and serve on or lead committees as needed.
- Exercise authority as a Board member as appropriate to your assigned role and/or as agreed to by the Board.
- Refrain from using my service on this Board for my own personal advantage or for the advantage of my friends, neighbors, or associates.
- Respect and support the majority decisions of the Board.
- Immediately disclose to the Board any perceived or real conflict of interest as soon as I have knowledge of the potential conflict.
- Approach all Board issues with an open mind, provide constructive input and recommendations, and be prepared to make the best decisions for the association.
- Do nothing to violate the trust of those who elected or appointed me to the Board or of those we serve.
- Demonstrate professionalism and diplomacy in all communications and interactions.
- Maintain a good standing as a West Tapps Maintenance Company property owner and member.

3.11 Account Access. Anyone who has signing access to any financial account be they member, board member, staff, or third-party contractor must go through an all-state and federal background check and have the results shared with the board prior to the board approving signing access. This policy will not apply to dual control approvers.

Part 4: Board/Staff Relationship

Work in Progress

Part 5: Executive Parameters

- 5.1 General Guidance.** The purpose of the remainder of the BPM is to detail those executive parameters that will guide the board and the staff as they accomplish the mission.
- 5.2 Finance Parameters.** The board must ensure that the financial integrity of the organization is always maintained; that proper care is exercised in the receiving, processing, and disbursing of funds; and those financial and nonfinancial assets are appropriately protected.
- 5.2.1 Budgeting.** The budget during any fiscal period shall not (a) deviate materially from the board's goals and priorities listed in Part 2, (b) risk fiscal jeopardy, or (c) fail to show a generally acceptable level of foresight. Accordingly, the board may not cause or allow budgeting that:
- 5.2.1.1 Contains too little detail to (a) enable accurate projection of revenues and expenses, (b) separate capital items (expenses of \$2500.00 or more that go to Repair & Maintenance (R&M) or long-term improvements) from operational items, (c) monitor cash flow and subsequent audit trails, and (d) disclose planning assumptions.
 - 5.2.1.2 Anticipates the expenditures of WTMC's ordinary expenses in any fiscal year of more funds than are conservatively projected to be received in that period.
- 5.2.2 Financial Controls.** The board must exercise care in accounting for and protecting the financial assets of the organization. To this end, the board is expected to incorporate generally accepted accounting principles and internal controls in the financial systems that are employed in the organization in accordance with all laws. In addition, the board may not:
- 5.2.2.1 Receive, process, or disburse funds under controls insufficient to meet the board appointed auditor's standards.
 - 5.2.2.2 A committee has the authority to spend up to the level they have in their budgeted line item for that item at their discretion without the approval of the full board.
 - 5.2.2.3 Any contracts and any improvement contract more than \$2,500 should have 3 competitive bids for board consideration and approval.
- 5.2.3 Asset Protection.** The board may not allow assets to be unprotected, inadequately maintained, or unnecessarily risked.
- 5.2.4 Investment Principles.** Investment accounts and operating accounts shall be clearly segregated. The board may not invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in noninterest-bearing accounts, except where necessary to facilitate operational transactions. Operating accounts shall not hold funds more than one year's operating expenses.

5.2.5 Emergency Expenditures: The President or Vice President of the WTMC is authorized to make financial decisions without WTMC board approval upon a declaration of emergency. The hierarchy of emergency approval is President, Vice-President, Treasurer, Secretary, then Office Manager. Denial of an emergency response at any level stops the process, until an emergency meeting is called, and a majority vote is made.

5.2.5.1 Emergencies shall be defined as events requiring immediate action to mitigate dangerous situations or prevent significant financial loss from being incurred by the WTMC. Qualifying events may include, but are not limited to, facility failures, hazardous conditions that threaten life-safety or imminent property damage to WTMC maintained properties.

5.2.5.2 In the event of an emergency, the NTE (Not to exceed) shall be \$3500, without additional board approval. All monies will be allocated from a source decided by the board at the next scheduled board meeting. If there is no consensus it will come out of savings. No other monies shall be utilized without a majority vote from the WTMC board of directors.

5.2.5.3 The authorizing party shall be responsible for delivering all documentation regarding the emergency repair. The documentation will be delivered to the WTMC office by the next business day. These may include, but not be limited to: Work order requests, Issued P.O.'s, any written or texted communications between the vendor and the authorizing party, all signed agreements, and receipts.

5.2.5.4 The authorizing party must notify the WTMC Board of directors of the expenditure via email within the next 24-hour cycle. Failure to do so may incur legal action. Additional communication is optional at the discretion of the authorizing party.

5.2.5.5 At the next scheduled WTMC Board meeting, the emergency expenditure shall be included in the financial report and read into the record.

5.3 Fund-Raising Strategy. The primary fund raising is through the collection of dues. However, additional fundraising may be undertaken to offset expenses to hopefully avoid any unnecessary increases in dues. A current example of this is using sponsors for member events.

5.4 Communications.

5.4.1 Media: Only the board president or other individual(s) designated by the board are authorized to speak with the media. The board president and the board designate (if one) shall collaborate on message development and coordinate who will handle which press inquiries.

Employees, board members (other than the president) and members acting in a capacity within a committee, or a caucus shall not make statements, provide information for distribution, or provide background information unless specifically directed to do so by the president and/or the board.

Provided that they have prior permission to do so from the president or the board, employees, board members, and members acting in a capacity with a committee, or a caucus shall speak publicly on behalf of WTMC only in accordance with established public speaking procedures.

5.4.2 Social Media Guidelines: The West Tapps Maintenance social media sites are *moderated* to keep messages on topic and to limit list traffic to a reasonable amount. Messages must be about WTMC, including its events, policies, and facilities. The general rule is that messages that are not related to WTMC may be rejected by the moderators. Harsh, offensive, or ill-formed messages may also be rejected.

Political or Commercial Messages: Specifically, not allowed are commercial solicitations or political campaigning: no selling telephone time or investment opportunities, and no soliciting of campaign contributions or volunteers.

It is okay to announce candidate forums, but not okay to promote an event on behalf of a single candidate.

5.4.3 Public Affairs. The board shall exercise care in representing that we are a not for profit, mission-centered, listening organization and shall develop policies and procedures for communicating with primary stakeholders and the public at large in a way that reinforces that image.

5.4.4 Member Communications: No member of the board can speak for the board or association without prior approval of the board. Any communications not authorized by the board must be clearly stated as your opinion, so it is clear that you are speaking for yourself and not for the board or WTMC. Be careful that what you say can't potentially expose WTMC to liability or litigation.

5.4.5 Attorney Communications: Legal counsel maintained by the West Tapps Maintenance Company shall be consulted only at the discretion of the President, or Vice-President in the President's absence, the Office Manager while performing collections related duties, or by the Board of Trustees following a majority vote.

5.4.5.1 The president or board, by majority, may delegate communication to legal counsel of approved matters to the Office Manager if required.

5.4.5.b Any board members engaging legal counsel without prior approval shall be responsible for any and all costs accrued in relation to said engagement.

5.5 Audit and Compliance Parameters. The board shall take the necessary steps to ensure the

integrity of our systems and procedures; to see that they comply with all pertinent legal, regulatory, and professional requirements; and any board member to report to the board any material variations or violations.

5.5.1 Annual External Audit. An independent auditor will be hired and work in collaboration with the Treasurer. The board shall work with the auditor with the goal of achieving an unqualified opinion on the annual financial statements and respond in detail to items in the auditor's management letter concerning opportunities to improve systems and procedures related to financial controls.

5.5.2 Internal Compliance. The board shall strive to comply with federal, state, or local laws and regulations.

5.5.3 Reserve account and study.

(1) An association is required to establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of reserve components, including limited common elements that will require major maintenance, repair, or replacement within thirty years. The Board of Trustees is responsible for administering the reserve account.

(2) Unless doing so would impose an unreasonable hardship, the association shall update the reserve study annually. At least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional.

(3) The decisions relating to the preparation and updating of a reserve study must be made by the board of directors in the exercise of the reasonable discretion of the board. The decisions must include whether a reserve study will be prepared or updated, and whether the assistance of a reserve study professional will be utilized.

5.6 Building Regulations. All building within West Tapps Maintenance Company must be approved by the Architectural Committee prior to commencement of construction and acknowledged by the board.

5.7 Late Fee and Collection Policy for Membership:

The board along with the assistant treasurer shall take the necessary steps to collect all outstanding assessments and charges owed by members of WTMC, as permitted by the bylaws and current RCW's. Current policy is as stated below effective January 1st, 2023:

5.7.1 Late fee is \$50.00 at one month late, a one-time, yearly charge.

5.7.2 Interest of 1% per month (12% per year), will be charged to all accounts past due one month.

5.7.3 Liens will be placed on Member's properties at one year past due.

5.7.4 Members will be sent a Notification of Delinquency at 2 years past due. This is the first step in the Foreclosure process:

Member will be sent a Notification of Delinquency (per RCW 64.38.100). If Member responds and account is paid off, no more action is taken. If Member does not respond to notification, account is turned over to association's Attorney and Foreclosure proceedings are continued.

5.8 Procedure for levying fines for members who violate the Rules & Regs.:

Work in Progress

Change Log

Date	Author	Sections	Description	Approval Date
09/18/2023	Kit Bourn	3.5	Added section 3.5 and subsections.	09/13/2023
10/26/2023	Kit Bourn	3.5.1 3.11	Clarified President Role ffor Committee Chairs Added signer background check policy	10/25/2023