



# **The Role of Treasurer**

## **Treasurer's Responsibilities**

**The Treasurer shall have the responsibility for association funds and shall be responsible for keeping and maintaining a complete set of financial and accounting records. He or she shall be responsible for the deposit of monies in the name of the association in such depositories as designated by the Board of Directors, and he or she shall, in general perform all duties incident to the office of Treasurer of a Homeowners Association organized under the laws of the state of Arizona. He or she shall cause an annual audit of the Association's books at the completion of each fiscal year, and the Treasurer shall prepare an annual budget. He or she shall receive no compensation for duties as Treasurer.**

## **Drawbacks to Cash Accounting**

- ❖ Limited accounting information
- ❖ A shortened and limited-use balance sheet
- ❖ An inability to Highlight a weakened financial position

## Ensure the Security of Association Assets

Ask the following questions to ascertain the security of association assets.

- Are the general ledger and subsidiary ledgers balanced and posted monthly?
- Does the management company maintain adequate bonding on employees?
- Does the association maintain its own fidelity bond covering the board, employees and the management agent, including principals?
- Are essential accounting records adequately safe-guarded from destruction or loss by fire?
- Are all checks numbered and accounted for?
- Are all checks manually signed?
- Are invoices and supporting documentation examined by the check signer prior to signature?
- Are checks mailed by someone other than the preparer?
- Is supporting documentation defaced to prevent reuse?
- Are voided checks retained and defaced?
- Do bank reconciliation procedures include the following:
  - Inspection of checks for signatures?
  - Inspection of checks for endorsements?
  - Examination of checks for number, payee, date, and amount?
- Are bank reconciliations prepared promptly at the end of each month?
- If there is a payroll, is a separate payroll bank account used and is it maintained on an imprest basis?
- Are each day's receipts deposited intact and without delay?
- Are banks notified immediately when an authorized check signer leaves the association or resigns from the board?
- Are all investments registered in the association's name?
- Are assessment revenues adequately controlled so that their non-receipt would be noted and investigated?
- Is the practice of drawing checks to cash prohibited?
- Is the practice of using cashiers prohibited or limited?
- Are petty cash funds
  - Kept in a safe place?
  - Reasonable in amount?
  - Controlled by one person?
  - Maintained on an imprest basis?
  - Counted periodically by someone other than the person who controls the fund?
- Are the investments maintained in a safe place?
- Are owner balances aged?
- Are write-offs of owner balances approved by the board of directors?
- Is an inventory of property assets maintained and are the assets identified by a metal tag?
- Are vendor invoices checked regarding quantities, prices, clerical accuracy, and duplication?
- Is a purchase order system used?
- Are major contracts obtained through a bidding process using a prequalified list of contractors?
- Does the board of directors authorize all replacement reserve transactions?
- Are appropriate payroll records maintained that include:
  - Detailed individual employee records?
  - Adequate time records?
  - Proper approval of pay rates and pay rate changes?
  - Proper authorization for payroll deductions?
- Is insurance coverage reviewed annually to ensure that there is appropriate coverage?

### Sample Retention Schedule ABC Association

File Name	Current File	Storage
Annual Reports	2 years	Permanently
Articles of Incorporation	Permanently	
As-Built Specification Plans	Permanently	
Assessment Information	1 year	7 years
Assessment Status	1 year	7 years
Bank Reconciliations	1 year	1 year
Budget	1 year	Permanently
Cancelled Checks and Bank Statements	1 year	7 years
Cash Disbursements Journal	1 year	Permanently
Cash Receipts Journal	1 year	Permanently
Certificates of Insurance	1 year	7 years
Committee Reports	1 year	3 years
Contracts	1 year	7 years
Correspondence: General Matters	1 year	3 years
Correspondence: Legal and Contract	1 year	Permanently
Declaration	Permanently	
Deeds	Permanently	
Duplicate Deposit Tickets	1 year	1 year
Employee Applications	1 year	1 year
Employee Files	1 year	7 years
Federal Income Tax Returns	3 Years	Permanently
Monthly Financial Statements	1 year	7 years
General Ledgers	1 year	Permanently
General Journals	1 year	Permanently
State and Federal Identification Numbers	Permanently	
Insurance Policies	1 year	7 years
Open Insurance Claims	Until Settled	
Settled Insurance Claims	1 year	7 years
Investment Statements and Closed Passbooks	1 year	7 years
Supply Invoices	1 year	7 years
Unexpired Leases		Until Expired
Expired Leases	7 years	
Open Legal Files	Until Closed	
Closed Legal Files	1 year	Permanently
Mailing Lists	1 year	
Management Notices	1 year	3 years
Board Meeting Minutes	1 year	Permanently
Newsletters	1 year	3 years
Payroll Records	1 year	7 years
Plot of Survey	Permanently	
Proposals	1 year	7 years
Purchase Orders	1 year	1 year
Real Estate Taxes	1 year	7 years
Right of First Refusal Letters	1 year	Permanently
Rules and Regulations	Permanently	
State Income Tax Returns	3 years	Permanently
State and Federal Unemployment Taxes	3 years	Permanently
Unexpired Warranties		Until Expired
Expired Warranties	7 years	
State and Federal Withholding Taxes	3 years	Permanently