

Valley Bookkeeping Services Notice to SMSA HOA
11/14/2020

Hello Sundance Mountain South Homeowners Association Members and Board of Directors!

"First, I'd like to Thank You for giving us the opportunity to provide bookkeeping services for you! We have been in business over 31 years here in Timberville. I have had past experience in helping the Virginia State Police and Internal Revenue Service, (for example, investigations, embezzlement cases, etc), along with providing Bookkeeping services to an extended clientele in the Shenandoah area.

As the Bookkeeper for ALL of our other clients, if there is ever anything I feel should be brought to the client's attention or, needs to be done differently - I will tell them.

Therefore, I would like to share a few issues and ask that this be discussed and ideally, a resolution enabled at the Annual Member Meeting.

1). **Payment Approval Practices:** For all bills to be paid on behalf of SMSA HOA on a timely manner, they are to be emailed to vllybk@comcast.net or mailed to SMSA, PO Box 628, Timberville, VA 22853-0628. We, (VBS) will then scan, email or USPS mail a copy to (2) board appointed Members for their approval to pay. **VBS will not pay bills until (2) approved members have Authorized payment.** *VBS actually suggests that 2 to 3 members be appointed as designated bill approvers, and this is recorded in the Meeting minutes.* Names and contact information of these approvers shall be provided to VBS within seven (7) days after the meeting.

2). **Invoicing Procedures:** The current processing procedure for well repairs, road maintenance, materials, etc.: upon receiving the original bill, VBS immediately makes copies and mails to the appointed SMSA point of contact (currently Steve Smith, Tom Turner), to validate charges as well as to indicate on the face of the bill if the charge is a direct bill to and individual or, shared between HOA members. The Roads and or Wells Point[s] of Contact (R&W POC) will return the invoices to VBS for processing. VBS will then obtain approvals to pay, after which, payment will be issued.

3). **Sound Business Billing Practices:** **Since taking on SMSA HOA bookkeeping, there was a bill situation that came up that does not follow good accounting and bookkeeping practices. The SMSA HOA should be aware of it and should document the decision for VBS's future handling of these situations.**

VBS recently received a well repair bill and followed procedures for approval, etc. It was approved that the HOA pay for the bill and then, collect from the individual homeowner for that particular bill, (it was designated as repairs for the homeowner). For VBS documentation, it was ascertained that this was common practice and, has been followed for several years, (to bill the HOA for individual SMSA resident's water line damage repairs as opposed to well line repairs. Well line repairs are shared expenses. Transcript of the conversation is provided at the end of this notice).

Please discuss, document, and let VBS know how we are to support SMSA HOA in these situations.

It is VBS's strongest recommendation that charges for work completed that is the responsibility of the SMSA homeowner be directly billed by the provider of the service, (for example, Fizz's Plumbing). This not only keeps the HOA & VBS out of personal financial matters but, supports the sound financial infrastructure for the HOA.

4). **Financial Reports:** VBS will email/mail end of the month (EOM) reports on a quarterly basis, (sooner if needed), to all SMSA HOA board members and to any SMSA HOA member requesting. EOM reports will consist of bank statement, bank reconciliation, check register and Profit & Loss Report showing the past month and Year-To-Date Totals.

Last, please supply VBS a copy of all meeting minutes so we will be updated accordingly.

Finally, I want to Thank Michele Thomas for all her help in setting up your accounting. She has been thorough and very dedicated in getting SMSA HOA back on proper grounds supporting legal business procedures, bookkeeping and documentation.

Thank you for your time and patience during this transition.
Take care and please be safe.

Patsy Evans
Valley Bookkeeping Services

Transcript:

Patsy:

*What I need to do is to clarify if this bill for \$184.00 was for the homeowner.
I was told that the HOA was to pay it and then collect from the homeowner.*

Yvonne:

When we are called by Steve to check out a problem (like in this case)-say no water to multiple homes- and we determine that the problem was on one home- say a running toilet- we bill the association. We bill the homeowner directly only if they call us for work in on their property only that isn't tied to something connected to others. It was set up that way several years ago to avoid us having unpaid bills from many people as the association is in a better place to push the homeowner to pay when it's determined to be an individual home issue. I hope that helps. If Dillon has other insight I'll let you know. Yvonne

Patsy:

*Okay. I did not know how that was setup in the past.
This is what I needed to hear from you all.*

*Let me make sure I'm clear... If the bill is determined by Steve that it is a single homeowner's responsibility, HOA has still paid that bill and then HOA bills the homeowner to be reimbursed fully?
(I sure hope that hasn't been the case much.)*

Thank you for letting me know.

*Take care,
Patsy*

Yvonne:

Yes that is correct, and no it doesn't happen often. It is mainly done so as to get others on the same well back in operation to have water. It is usually a fairly small bill similar to this one. Then, if there is more work to be done in a specific home we would work directly with the homeowner for anything else that needs to be/they want done and bill them personally for that.