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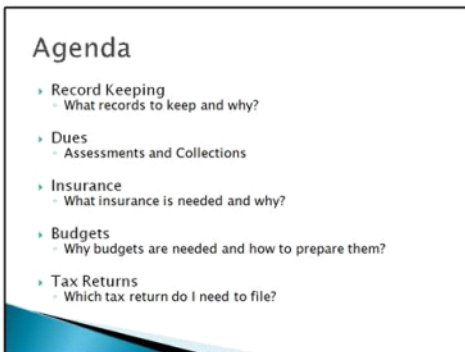
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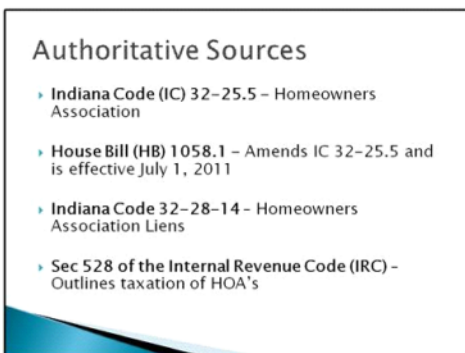
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### Record Keeping

- ▶ What records shall be retained & maintained?
  - Articles of Incorporation and Bylaws
  - Current roster of all members
    - Including address and legal description
    - Contact information
  - Board Meetings
    - Minutes or a summary of the meeting should be retained and maintained
    - Special Meeting information
    - Contractual agreements that increase assessments by more than \$500
    - Borrowing funds
    - Suspension of voting rights
  - Collection of dues, Accounting records

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### Dues

- ▶ Assessments
  - Dues for Common Expenses
  - Extraordinary Expenses
- ▶ Collection
  - In-house
  - Third party
  - Internal Controls
- ▶ Liens

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### Insurance

- ▶ Why should my HOA obtain insurance?
- ▶ Various types
  - Property
  - Commercial General Liability
  - Automobile
  - Director's and Officer's
  - Fidelity Bond
  - Comprehensive Equipment Coverage Insurance
  - Workers Compensation
  - Umbrella Liability

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## Budgets

- Required by IC 32-25.5-3-3 to prepare annual budget
- Contents
  - Estimated Revenues and Expenditures for the budget year
  - Estimated Surplus or deficit at the end of the current budget year
- Distribution or Notice
  - Each Member
- Approval
  - Majority at meeting
  - Quorum, or lack thereof
- Examples

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## Tax Returns

- Associations are considered a Corporation for Federal Tax Purposes,
- Form 1120-H
  - 60% exempt-function income requirement
  - 90% association related expense requirement
  - 30% and 32% Tax Rates
  - Due by the 15<sup>th</sup> day of the 3<sup>rd</sup> month after HOA tax year end
- Form 1120
  - Why file form 1120, rather than 1120-H?

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## Conclusion

- Questions? Comments?
- Contact information
  - Nick Jordan 260-449-7230
  - nick.jordan@allencounty.us

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