



## **Annual Dues Policy for Payment and Collection**

### **Timeline**

Fall of the year:

- SCA BOD approves budget and sets annual dues amounts for the common area and pool/clubhouse dues assessment for upcoming year.
- Information is communicated to residents in newsletters.

Last Week of December:

- Property manager produces invoices for each homeowner's account with target date of 01/02 for mailing.
- Letter is produced to be mailed with invoice to communicate entire dues process.
- Information is communicated to residents in newsletters.

January/February:

- Payments received are booked to resident accounts and deposited into the correct operations accounts at the bank.
- February 15: Late fees for first installment delinquencies are added to accounts
- February 16: Outstanding statements are printed and mailed with letter explaining dues process

March/April:

- Payments received are booked to resident accounts and deposited into the correct operations accounts
- April 15: Late fees for second installment delinquencies are added to accounts
- April 16: Statements are printed and mailed with letter explaining dues process (This letter will give warning of date delinquent account is to be turned over to attorney for collection.)

May/June

- May 15: List turned over to attorney for all those who will need a collection letter from the attorney
- June 15: List turned over to attorney for all those who will need a lien filed on their property.

### **Brief Overview**

- First of the year: Resident is billed for entire annual amount with the explanation that at least 50% of this fee is due on or before February 1<sup>st</sup>. And , that the second half is due by April 1<sup>st</sup>. The explanation will include that the resident may pay either the full amount or 50% of the dues by 4/1/11. Explanation of late fee process to be communicated to resident through newsletter articles and letter sent with invoice.
- February 15<sup>th</sup>: 10% late fee is added to delinquent accounts (those person's accounts who chose not to pay the first 50%--Late fee is only applied to first 50%) New statement is printed and mailed to resident with letter.
- April 15<sup>th</sup>: 10% late fee is added to last half of unpaid amount. Statements are printed and sent to residents with letter.
- May 15<sup>th</sup>: list is turned over to association's attorney for legal letter to be sent to all residents who have not paid. (Finance Committee/ board to decide on amount of unpaid balance to trigger collection letter.) All legal costs are to be added to resident accounts.
- June 15<sup>th</sup>: list is turned over to association's attorney for a lien to be filed against all properties with outstanding balance. (Finance Committee/board to decide on amount of unpaid balance to trigger lien.) All legal costs added to resident's account.

Example:
----------

John Doe:

1/1/11: Billed \$555 (common area) and \$320 (pool) Total of \$875. (Annual amount to be determined by board )

No payment made by 2/15/11.

2/15/11: Late fee of \$27.75 added to common area account  
 Late fee of \$16.00 added to pool account (Total of \$43.75 in late fees added)  
 Resident's new balance: common area: \$582.75; pool: \$336.00; (Total: \$918.75)

Still no amounts paid on 4/15/11.

4/15/11: Late fee of \$27.75 added to common area account  
 Late fee of \$16.00 added to pool acct. (Total of \$87.50 in late fees added for the calendar year)  
 Resident's new balance: common area: \$610.50; pool: \$352.00; (Total: \$962.50)

Still no amounts paid.

5/15 account turned over to attorney, additional \$70 for legal letter. (New balance: \$1,032.50)

Still no amounts paid on 6/15/11.

6/15 Account turned over to attorney for filing of lien, additional \$166 added for legal fees.  
 (New balance: \$1,198.50)

(Approved and Adopted by the Springhurst Community Association Board on June 20, 2011)