

Turtle Rock Community Association

Disaster Recovery or Emergency Fund Usage Policy

Last updated - October 2025

Purpose

The Disaster Recovery & Emergency Fund (“Fund”) was established by the Board of Governors in 2025 to ensure immediate access to operating funds in the event of a disaster or emergency. The Fund is designed to cover urgent costs that cannot wait for the normal budgeting or purchasing approval processes, are not typically covered by insurance, or fall below insurance deductibles. If insurance proceeds are received later, reimbursements will be returned to the Fund.

1. Funding & Accounting

- The Fund shall be maintained in the **Annual Operating Budget** with a minimum of **\$200,000** each fiscal year.
 - Funds are to be set aside on the balance sheet in a dedicated liability account, reconciled monthly.
 - If the full balance is not used, it will roll over to the next year, and only a supplemental contribution will be required to restore it to \$200,000 when provided for in the Board-approved budget for the next fiscal year.
 - The Fund may not be used for routine Operating or Capital expenses ordinarily covered by Turtle Rock’s operating budget or reserves.
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2. Disasters and Emergencies Covered

- **Natural Disasters:** hurricanes, tornadoes, floods, wildfires, earthquakes, or other severe weather events causing damage to common property.
 - **Infrastructure Emergencies:** major failures to roofs, utilities, drainage systems, stormwater, roads, or essential common area assets.
 - **Public Safety Emergencies:** fire, hazardous materials, or other incidents posing imminent risk to residents or Turtle Rock common property.
 - **Urgent Damage Prevention:** situations where immediate action is required to prevent further harm (e.g., tree removal, downed power lines, flooding, lightning strikes).
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3. Authority & Approval Procedures

- **Community Association Manager (CAM)** may immediately contract with vendors for urgent onsite work required to prevent further damage.
 - Normal CAM spending authority is \$1,000, but in emergencies, this limit may be exceeded if immediate approval is obtained by a majority of the Board of Governors (BOG) via email or written consent.
 - The Board must be notified **immediately by email** when such emergency expenditures are authorized.
 - **Authorizations:**
 - **The Board President and Treasurer must jointly authorize disbursements.**
 - **Emergency expenditures of a Capital Reserve Nature** will be funded by Capital Reserves to the extent capital reserves have been set side, rather than the emergency fund, which must then be reviewed and endorsed by the FIRRM, and upon recommendation, approved by the Board. If capital reserves are not available, disaster recovery funds may be deployed temporarily until capital reserves have accumulated to cover the capital expense and reimburse the disaster fund.
 - **All proposed Expenditures and Contracts in excess of \$1,000** require majority Board approval.
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4. Timing of Fund Use

- **Emergency use of these special reserves** should be approved and disbursed **within 24–48 hours** of identifying the event or as close as possible to the named event.
 - **Documentation** (receipts, contracts, invoices) must be maintained for all expenditures.
 - **Must be identified within one year of event:** the need for expenditures that were not identified within one year of the “named” event, may not be covered by this fund, and shall, instead, require approval procedures to be followed for use of normal operating budgetary funding.
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5. Replenishment

- The Fund must be restored to the \$200,000 minimum balance annually through insurance recoveries, special assessments, or future budget allocations.
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6. Reporting

- The Treasurer will provide a full accounting of Fund activity at the next regular Board meeting.
 - A summary of Fund expenditures and status will be included in the Association's annual financial report.
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7. Review

- This policy will be reviewed annually by the FIRRM Committee and Board of Governors to confirm adequacy of funding and procedures.

ADOPTED this 20 day of November, 2025,
by the Board of Governors of Turtle Rock Community Association



President



Secretary