

Line-Item-Authority

rev. 11/24/19

If you're not familiar with our practice of getting approval from individuals with "line item authority" for common expenses, please take a few minutes to read this.

On spending our collective cash, which of course is accumulated through collection of our assessments, it's important that we take care not to go over our budget. When any one of us spends in excess of our budget, everyone contributes to making up the difference in the subsequent year. Our assessments will increase year to year but how much the assessments increase depends on how smart or careless we are in managing our money.

The teams do not have budgets. Individual owners, following on approval by the community, have line item authority – that is, only they can approve purchases charged to 'their' budget line.

These individuals have agreed to be accountable for monitoring specific line items. These people then have "line item authority". They are accountable to all of us, approving or disapproving spending requests with the goal of keeping our expenditures within the annual budget while still taking care of essential needs.

The process: if you and the team members you are working with agree we must have this or that item or service provided, first 1) find out the total cost of acquiring this or that item or service and then 2) take that information to the person with LIA for that line item and 3) ask for authority to purchase that item or service 4) BEFORE purchasing the item or service.

If the item or service doesn't fall under one of the listed categories, then as the Treasurer, I can review to approve the expenditure.

If the person with line item authority or I disagree with you/your team, not approving the expense, and you are not satisfied with the response, then simply request to have the proposed expenditure reconsidered at a community meeting. It doesn't need to be a formal proposal – just a request for review with all the reasons why.

All of our past and current financial reports are in the office in that free standing cabinet to your right, as you go in. The list of those with line item authority is on the inside cover of that binder as well as posted on our website.

We are in excellent financial shape with sufficient reserves and operating cash but of course, we can always do better at managing our money. With appreciation to all of those of you who've accepted line-item authority!

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