

AMHOA payment process - April 21, 2022

| Types | Steps | Approvers |
|--|---|--|
| <p>Planned Planned expenses are those that have received prior board approval (ex: signs, gates) as well as those that can be traced directly back to the road repair budget AND be less than or equal to the line item on the budget</p> <p><i>The road maintenance / repair budget should have detailed line items which include \$\$ associated with each line and an assigned prioritization number (ex: 1, 2, 3)</i></p> | <p>Prior to work beginning, the treasurer should be provided with a copy of the estimated expenses (ex: quote, purchase order) along with a Certificate of Insurance*</p> <p>Once work has been completed to the satisfaction of the project director, written approval by the director and invoice are forwarded to the treasurer for payment</p> <p><i>The invoice should be specific and include line items such as:</i> <i>**hours worked, hourly rate, materials detail (ex: rip rap, # 4 stone, road bond, weight)</i> <i>**equipment cost (ex: hours rented, kind of equipment)</i> <i>**project number (ex: if it's a road maintenance item the invoice should reference the road budget line item number)</i> * The Certificate of Insurance should be reviewed by the project director to ensure that the amount of coverage is appropriate for the project</p> | <p>Treasurer</p> |
| | <p>Treasurer either writes a check for immediate payment or forwards to bookkeeper (Andrea Blankenship)**</p> | |
| | <p>**Payment is setup in the accounting software program (Quickbooks - QB). QB syncs with Bank of America and in approximately 5 business days the check will be mailed to the payee. (note: USPS can cause delays)</p> | |
| <p>Unplanned Unplanned expenses are items that are not on the approved detailed road repair plan OR expenses that are greater than the road repair line item</p> | <p>Prior to work beginning, the treasurer should be provided with a copy of the estimated expenses (ex: quote, purchase order) along with a Certificate of Insurance*</p> <p>Once work has been completed to the satisfaction of the project director, written approval by the director and invoice are forwarded to the treasurer for payment</p> <p><i>The invoice should be specific and include line items such as:</i> <i>**hours worked, hourly rate, materials detail (ex: rip rap, # 4 stone, road bond, weight)</i> <i>**equipment cost (ex: hours rented, kind of equipment)</i> <i>**project number (ex: if it's a road maintenance item the invoice should reference the road budget line item number)</i> * The Certificate of Insurance should be reviewed by the project director to ensure that the amount of coverage is appropriate for the project</p> | <p>Treasurer AND President</p> |
| | <p>Treasurer forwards receipt / invoice to the board and requests approval to pay from the President</p> | |
| | <p>President approves via email</p> | |

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| | Treasurer will write the check, notify the bookkeeper of the payment and will forward a copy of the invoice to the bookkeeper to keep in our records | |
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| Additional Considerations: Contractors | Unless our contractors are Incorporated (Inc) or Limited Liability Corp (LLC) we will need a completed Employer Identification Number (EIN) form prior to work being started. | |
| | We are required to send 1099 NEC (Non Employee Compensation) to the individuals who have done work for us. (A 1099 NEC is similar to 1099 MISC) | |
| NC Department of Revenue requirements: | Withholding of 4% on payments made over \$1500 to contractors who hold ITINs (ex: Jimenez) | |
| We are required to report payments to the IRS if they meet these conditions: | 1. The payment is made to someone who is not your employee | |
| | 2. The payment is made for services in the course of your trade or business | |
| | 3. The payment is made to an individual, partnership, estate, or corporation | |
| | 4. The payment total is at least \$600 for the year | |