



HOMEOWNERS ASSOCIATION (HOA)

FINANCE COMMITTEE

Version 1

August 2025

1. ESTABLISHMENT OF THE FINANCE COMMITTEE

- 1.1 The Finance Committee (FinCom) is constituted in terms of paragraph 26.5 of the RLE HOA Constitution.
- 1.2 The elected FinCom shall consist of not less than 2 and not more than 4 members.
- 1.3 HOA Members nominate and elect members to the Finance Committee at every AGM.
- 1.4 Finance Committee members serve a 1 year term of office --- all committee members vacate their positions at the next AGM but remain eligible for re-election.
- 1.5 The duly elected Finance Committee Members shall elect a Chairperson amongst themselves within 7 days after the AGM.

2. STATUS AND OPERATION OF THE FINANCE COMMITTEE

- 2.1 The Chairperson of the Finance Committee is appointed to the RLE HOA Board of Trustees with executive powers and voting rights.
- 2.2 The Chairperson of the Board of Trustees will have permanent seating at FinCom meetings but without voting rights.
- 2.3 Each member (excluding the Board Chairperson) will have one vote and decisions will be passed by majority vote.
- 2.4 The FinCom will meet as their Chairperson determines appropriate from time to time.

3. DUTIES AND RESPONSIBILITIES OF THE FINANCE COMMITTEE

3.1 Daily Activities

The Chairperson of the FinCom, being a trustee of the RLE HOA, shall receive to consider and sign off all invoices (excluding normal monthly levy invoices) before forwarding same to the Board Chairperson for his/her information and to the Estate Administrator for further processing.

3.2 Monthly Activities

3.2.1 Control of Debit Card Transactions

- a. Obtain the record of debit card transactions from the Estate Manager not more than two (2) working days from the end of the month.
- b. Review, Verify & Reconcile the debit card transactions with the Estate Manager and comment as appropriate.
- c. Sign & Send the monthly transaction list to the Board Chairperson for information and Estate Administrator for bookkeeping purposes.

3.2.2 Vehicle Logbook Control

- a. Obtain the log book for the usage of the Estate Bakkie from the Estate Manager not more than two (2) working days from the end of the month.
- b. Review the vehicle usage log and comment to the Board as appropriate.

3.2.3 Review the Municipal Account obtained from RU9

- a. Confirm correctness of allocations of electricity consumption and fixed costs between RLE, JE Park, RU9, Church, Business Zone and Carewell Hospital.

- b. Confirm correctness of allocations of water consumption and fixed costs between the above entities.
- c. Forward the invoice and allocations to the Estate Administrator for payment and further invoicing.

3.2.4 Review all other Creditor Invoices

- a. All monthly creditor and incidental invoices must be sent to the FinCom Chairperson for review.
- b. Confirm correctness of invoicing details (eg date, amount, address) and approve payment.
- c. Forward the approved invoice to the Board Chairman for co-signing and sending to the Estate Administrator for payment.
- d. In the event of a discrepancy, error or query refer the invoice to the Board Chairperson for clarification and approval for payment.
- e. If the matter cannot be resolved as above, return the invoice to the relevant creditor for amendment / correction / explanation.
- f. Once a satisfactory response has been received from the creditor, approve the invoice for payment and forward it to the Estate Administrator for payment.

3.2.5 Scrutinise the monthly management accounts, advising the Board of Trustees on any matter of concern, and implement corrective steps as required.

3.2.6 Review the status of the reserve fund and make recommendations to the Board of Trustees regarding the transfer of the operating surplus to an investment account.

3.3 Half-Yearly

Audit the Assets Register with the assistance of the Estate Manager:

- 3.3.1 Ensure that all new assets have been listed in the assets register within one (1) week of acquisition.
- 3.3.2 Confirm that all items listed in the assets register are present and correct.
- 3.3.3 Any discrepancies or missing items must be formally recorded and investigated and a written report submitted to the Board.
- 3.3.4 Make recommendations to the Board in respect of which assets should be disposed of and written off.

3.4 Yearly

- 3.4.1 Budgets must distinguish between operational, maintenance and capital expenditures, and must be aligned with the Strategic Goals of the and 5-year Maintenance Plan.
- 3.4.2 Prepare the annual budget of income and expenditure two months prior to the commencement of the new Financial Year and present such budget to the Board of Trustees for consideration.
- 3.4.3 Prepare the annual capital expenditure budget two months prior to the commencement of the following Financial Year and present such budget to the Board of Trustees for consideration.

3.5 Other Duties

- 3.5.1 Prepare a quarterly report to HOA Members on the financial position of the Homeowners Association. Reports must include a summary of income, expenditure, reserve status, and any

notable variances from budget. Reports shall be made available via email and the estate portal.

- 3.5.2 Assist the Estate Manager in preparing a 5-year Maintenance Plan, with estimated costs, for submission to the Trustees, and ensure that the Maintenance Plan is revised annually.
- 3.5.3 Review the adequacy of cost estimates and funding availability, and propose adjustments to reserve contributions as needed.

4. NEW CAPITAL PROJECTS

- 4.1 The Chairman of the Finance Committee must co-sign all Capital Project Authorisation Forms before implementation.
- 4.2 Assist the Chairman of the Board of Trustees in regard to new capital projects. Provide inputs to the various aspects of the project as listed but not limited to the following:
- a. Define the scope of the project.
 - b. Ensure that, wherever possible, a minimum of three (3) tenders / quotations are obtained.
 - c. Take part in the tender adjudication process.
 - d. Ensure that the successful tenderer provides a meaningful Service Level Agreement.
- 4.3 No capital project may proceed without a documented cost-benefit analysis and written Board resolution.

5. REVIEW

This document shall be reviewed annually by the Finance Committee and Board of Trustees to ensure relevance, clarity, and legal compliance. Updates shall be recorded with version control and reissued to all FinCom members.

6. CHANGE CONTROL

In order to track changes and to ensure that the most recent version of the document is in use details of all changes are inserted in the table below.

Change Nr	Details of Change	Version Nr	Date of Approval
0	First issue drafted by Shortt, Conradie & Smit	01	27 Aug 2025

7. AUTHORIZATION

Signed at Robertson on **27 August 2025** .

JF van Zyl

DEVELOPER

JD Smit

RLE HOA CHAIRPERSON