

MUELLER COMMUNITY ASSOCIATION

INTERIM SPENDING & PROCUREMENT POLICY

The Mueller Master Community Association Board of Directors is responsible for managing the financial affairs of the community in a manner that ensures proper stewardship of its resources. The Board also recognizes the need to formalize the spending and procurement authority of its Executive Director and Community Management Company to ensure clarity, accountability, and efficiency. Although the Finance and Budget Committee is developing a recommendation on spending and procurement for consideration by the board, this interim policy replaces the current Interim Policy on Management Spending Authority and has been updated to include standards for procurement.

Procurement in accordance with Texas Property Code 209.0052

COMMUNITY MANAGEMENT SPENDING AUTHORITY

Expenditures Within the Approved Budget: Expenditures of \$5,000 or Less: The Executive Director or Community Management Company is authorized to approve expenditures of \$5,000 or less that are covered by a named category in the approved budget (and within annual budgeted amounts) without prior approval from the Board President or another designated Officer.

Expenditures Over \$5,000: Any single expenditure exceeding \$5,000 that is covered by a named category in the approved budget (and within annual budgeted amounts) must be approved by the Board President or another designated Officer before proceeding. Once such expenditures are approved, no additional approvals are required for execution.

Expenditures Outside the Approved Budget: Expenditures of \$1,000 or Less: The Executive Director or Community Management Company is authorized to approve expenditures of \$1,000 or less outside the approved budget (either not covered by a named category or exceed the annual budget amount for a named category) without prior approval from the Board President or another designated Officer.

Expenditures Over \$1,000: Any single expenditure exceeding \$1,000 that is outside the approved budget requires prior approval from the Board President or designated Officer.

Emergency Expenditures: Definition of Emergency: Emergency expenditures are defined as those required to prevent significant additional costs, losses to Mueller or member property, or an immediate threat to health or safety. Examples include, but are not limited to, large irrigation leaks, major plumbing failures, and electrical outages.

Authorization: The Executive Director of Community Management Company is authorized to approve emergency expenditures regardless of cost.

Notification Requirements: The Executive Director (or their proxy) shall notify the entire Board of such expenditures within five (5) business days of becoming aware of the emergency, providing

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details of the repair and associated costs and supplementing additional information as it becomes available.

Reserve Fund Expenditures: Expenditures from reserve funds shall comply with the guidelines established in the Reserve Study and approved by the Board of Directors. The Executive Director or Community Management Company may not approve expenditures from reserve funds without prior written authorization from the Board of Directors.

Contingency for Unavailability: In the event that the Board President or designated Officer is unavailable to approve expenditures requiring approval, the Executive Director or Community Management Company shall seek approval from another Board member designated by the Board to act in their absence.

COMMUNITY PROCUREMENT

Procurement Process and Approval Level:

AMOUNT OF PROCUREMENT	MINIMUM # OF BIDS REQUIRED*	AUTHORIZING OFFICIAL(S)
\$0 - \$10,000	No Bids Required	Executive Director
\$10,000.01 - \$25,000	Two Informal Bids	Executive Director
Over \$25k	Three Formal Bids	Board of Directors

* Executive Director may recommend a request for proposal (RFP) process based on the scope and requirements of the specific goods or services

Sole Source Procurement:

- Expenditures Up to \$10,000: May be obtained from a Sole Source provider.
- Expenditures from \$10,000.01 – 25K: May be obtained from a Sole Source provider if it determined by the Executive Director that no other comparable service or product is available.
- Expenditures Above \$25,000: Procurement from a Sole Source provider, or procurement with less than three formal bids, must be justified in writing by the Executive Director and submitted to the Board of Directors for approval. The justification should identify all efforts made by the Executive Director to obtain bids.

Annual Review: This policy shall be reviewed annually by the Board of Directors to ensure it remains effective and aligned with the needs of the Association.

This resolution was adopted by the Board of Directors on the date set forth below and shall remain in effect until amended or rescinded by further action of the Board. The undersigned, hereby certify

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that the foregoing Resolution was duly adopted by the Board of Directors of the Mueller Community Association at a duly noticed meeting held on the ___ day of _____, 2025, with a quorum present.

President, Board of Directors

Name: Karen Sharp

Signature: Karen Sharp

Date: May 22, 2025

Secretary, Board of Directors

Name: Brian DUEZAL

Signature: Brian DUEZAL

Date: 5/22/25