



**FOUNTAIN OF THE SUN ASSOCIATION**

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**FOUNTAIN OF THE SUN CLUB POLICY**

**5/19/2021**

**AMENDMENT #1**

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# FOUNTAIN OF THE SUN ASSOCIATION

## FOUNTAIN OF THE SUN (FOS) CLUB POLICY

### **PURPOSE**

The purpose of this policy, as amended, is to provide direction and structure to the FOS Club Organizations, enabling residents and non-residents who have paid a fee to participate in these activities and have equitable access to common area facilities and programs.

### **SCOPE**

This policy, as amended, describes the procedures for establishing a FOS Club, membership requirements, club operations, financial and accounting procedures, fees/charges and a set of forms to be used by FOS Clubs (Documents listed in the appendix).

### **DEFINITIONS**

- Governing Documents: The Covenants, Conditions and Restrictions together with all Supplemental Declarations, the Articles, 1983 Agreement, Bylaws, Rules & Regulations.
- Board: Fountain of the Sun Association Board of Directors.
- Association: Fountain of the Sun Association (FOSA).
- Association Management: General Manager and Activity Manager.
- FOS Club: A FOS Club is a group which has been recognized by the FOSA Board to enjoy certain privileges and is required to follow published rules.
- Club Bylaws: The Bylaws/written rules of a FOS Club, as may be amended from time to time.
- Club Officers: Leaders elected by the club membership.
- Club Member: Any FOS resident owner/renter (in good standing) or non-resident who has paid a fee to participate and has completed the FOSA Waiver Form.
- FOSA Accounting Process: The recording of ticket sales and event revenue for scheduled community fundraisers that are held in FOSA common area facilities.

### **RESPONSIBILITY**

The Activity Manager is responsible for administration of this policy, for review, updating and recommending changes to Association Management. The Activity Manager or other Association staff designee is responsible for implementing and enforcing this policy.

## THE POLICY

### ESTABLISHING A CLUB

Any group of residents interested in pursuing a particular hobby, recreational, social, or field of interest may join together and submit a completed FOS Club application for approval. FOS Clubs are an important part of the Association's programming and provide both structure and guidance to community life. Proper coordination between the Association and prospective clubs will ensure that club requirements have been satisfied and that common space is available and adequate to support the club function.

### GUIDELINES FOR APPROVAL

Prospective clubs must submit a **FOS Club Application** to the Activity Manager, stating the purpose and function of the club for consideration (Document listed in the appendix). Approved application documents become the FOS Club's official file and will be retained by the Association. In case of conflict between the FOS Club and the Association, the official file

will take precedence. The Board of Directors will act on all approvals or appeals concerning the FOS Club.

A FOS Club must function within their stated purpose and not duplicate any other club's purpose. Board approval shall not be granted to groups whose purpose is similar to existing clubs or groups.

### OPERATIONS

**CLUB OFFICERS/ELECTIONS/MEETINGS:** Clubs shall be organized with a minimum of the following three officers who are residents of FOS and serve without salary or compensation: President, Vice President and Secretary/Treasurer or equivalent. A club may create other offices it deems necessary to conduct club activities. Refer to the adopted **General Guidelines for All FOSA Committees 06.19.2019** for specific guidelines relating to composition, conduct, qualifications, membership and operations (Document listed in the appendix).

In order that the Association maintains current records, clubs must annually file the following information with the Activity Manager by May 31<sup>st</sup>.

- Electronic list of elected club officers with name, address, phone number & email contacts. Update any changes within 30 days of occurrence.
- **Annual Financial Report** (Document listed in the appendix). Association Management will review these annual reports as required in FOSA Bylaws 5.3.3 *"All clubs and organizations designated by the Board, shall maintain an annual record of income and expenditures. Such reports shall be provided to the Manager(s) in a timely manner. These accountings are required to maintain Association financial records, to file reporting obligations and to complete the annual audit documents".*

## **FINANCIAL PROCEDURES**

FOS Clubs shall be financially self-sufficient for day-to-day operations. No club shall use the FOSA Tax I.D. Number to open their own account. Club's must present an annual financial report to their membership and forward an Annual Financial Report with the Activity Manager by May 31<sup>st</sup>. Failure to provide records to FOSA management in a timely and consistent manner may result in revocation of the club's status.

## **DUES, PLEDGES AND FUNDING RESPONSIBILITES**

**DUES AND PLEDGES:** FOS Clubs may charge membership dues to cover the general operating expenses of the club and may collect voluntary pledges to help offset Association expenses.

Funding responsibilities are addressed in one of four categories:

### **1. General Operating Income and Expenses**

The next section, paragraph 1, provides details regarding the understanding of the accounting procedures for tracking Club income and expenses. The payment of all expenses directly related to basic club operations (e.g., printing, office supplies, paper, event signage, uniforms, league fees, tournament expenses, trophy cases, scoreboards, specific tools, pickleball balls) will be the financial responsibility of each FOS club.

### **2. Facility Maintenance**

The Association will maintain existing buildings and equipment, which includes routine repair/maintenance and cost of utilities. ***FOSA will cover these expenses through the established annual operating budget process.*** For additional information regarding facility maintenance, see the next section, paragraph 2a.

### **3. Common Area Amenities or Facility Enhancements**

New improvements or equipment that would provide an added value specific to a club's amenities or facilities (not replacement or maintenance of existing equipment), such as new chairs, cabinets and fencing will be requested through the FOSA annual budgeting process. For additional information regarding common area amenities or facility enhancements, see the next section, paragraph 2 and 3a.

### **4. Capital Additions**

For capital additions (amenities or facilities), refer to the next section paragraph 3.

## **UNDERSTANDING FOSA ACCOUNTING PROCESSES AND PROCEDURES**

This section provides FOS Clubs' guidance and understanding of the FOS accounting processes and procedures.

1. Association Management will report all club operating income and expense detail within FOSA monthly financials. Year-end club net income (expense) will be reported as retained earnings. The individual club retained earnings will be under the supervision of Association Management and will be accessible to the respective clubs. For any club that has a negative retained earnings balance (prior year retained earnings plus current year net income (expense)), it is the responsibility of the club to add additional funds so there is a positive or zero retained earnings within 60 days of the negative balance being reported. All club balances must be positive or zero retained earnings by the end of the fiscal year.
2. Understanding Procedures for Funding **Existing** Amenities and Facilities.
  - a. Remodeling/Renovation/Maintenance of an Existing Asset: The Association will maintain existing buildings and amenities which includes equipment, repair (e.g., pickleball court resurfacing) and cost of materials at no expense to FOS clubs using these assets. FOSA will cover these expenses through the established annual budget process.
  - b. Replacement Assets: The Association will replace existing assets (e.g., billiard hall tables, pianos, choir risers, swimming pool tables/chairs/umbrellas, pickleball tables/chairs/umbrellas, Fitness Center equipment) at the Association's expense. FOSA will cover these expenses through the established annual budget process.
  - c. Ownership of Existing Amenities and Facilities: The Association will fully own all existing amenities and facilities.
3. Understanding of Procedures and Definitions for Implementing and Funding **New** Amenities and Facilities.
  - a. Procedure for Implementing New or Expanded Amenities: The Association will pay all of the costs associated with new or expanded amenities. These costs include all infrastructure expenses to prepare the site for these amenity improvements (e.g., excavation, grading, retaining walls, sidewalks), the cost of the amenity and any cost related to the design and planning provided by professional consultants. FOS clubs **may** financially participate in the development of new or expanded amenities on a **voluntary basis (good will in support of the Community Association) to help defray some of the costs associated with the project.**
  - b. New or Expanded Facilities: The Association is one hundred percent (100%) responsible for any cost relating to new buildings or additions to existing buildings.
  - c. Ownership of New or Expanded Amenities and Facilities: The Association will fully own all new or expanded amenities and facilities.

## **COMMUNITY FUNDRAISING**

Clubs are encouraged to stage fundraisers. Club community fundraising activities will be designed to create funding sources that would support both community improvement projects and to defray club operating expenses. A detailed fundraising event schedule/plan must be submitted to the Activity Manager prior to approval of the event if it utilizes common area amenities or facilities. A fundraiser financial report will be provided to the Activity Manager within 30 days following the event. All Community fundraising event income and expenses are to be accounted for through the Activities Office and recorded in Association financial reports. For excess funds, follow the procedures outlined in "UNDERSTANDING FOSA ACCOUNTING PROCESSES AND PROCEDURES," paragraph 1 (page 5).

## **PROPERTY, EQUIPMENT AND MANAGEMENT OF EXISTING AMENITIES**

1. Facilities and amenities shall mean and refer to all real and personal property owned by the Association for the common use and enjoyment of the residents. No club shall lend any real or personal property owned by the Association to a person or entity outside of the Association unless approved by the Activity Manager. Any equipment borrowed or rented from an outside source by a club is done solely at the club's expense.
2. Management of Existing Amenities: Clubs using existing amenities will be responsible for managing those amenities under the direction of the Activity Manager, including scheduling for both club members and non-members.

## **SAFETY**

Clubs are responsible to monitor the operational safety, proper care and use of all equipment and facilities. All clubs must adhere to health, fire and safety rules and regulations established by FOSA and governmental agencies, including posted room occupancy numbers. A club shall report any potential unsafe conditions in writing to the Activity Manager (Document listed in the appendix).

## **CLUB COMMUNICATION**

All club matters requiring Association Management action must be communicated by the Club President or their designated representative. Communication may be electronic or written. In-person visits must be scheduled by appointment with the Activity Manager.

## **FACILITY USE**

Regularly scheduled club activities and meeting space is provided on the basis of availability, at no charge, with the completion of an Internal Room Use Request (Document listed in the appendix). Additionally, FOS Clubs are provided common area space for the use of facilities during community fundraisers and given limited Association Management technical assistance in the administration of both club activities and fundraising events. Facility rates will be free for all FOS Club fundraisers. FOSA Facility Use guidelines

prioritize all room reservations - refer to Facility Use Reservation Priority Order (03.10.2020) (Document listed in the appendix).

### **Scheduling Procedures for Room Usage:**

- Complete a signed Internal Room Use Request form. The reservation may be made up to 12 months in advance of the requested date. Recurring events must submit requests prior to May 31<sup>st</sup> for the subsequent program year.
- Primary responsibility for the scheduling of Association facilities and coordination of events is with the Activity Manager. Approval of event requests is at the discretion of the Activity Manager and Board of Directors according to the adopted facility use rules.
- Once facility reservation requests are confirmed, weekly staffing work orders are issued to ensure event requirements are scheduled for completion in a timely manner. Security personnel will also be notified.
- Club officers are responsible to ensure that all facility use rules as listed on the reservation form are followed and enforced. Failure to do so could result in the suspension of FOS Club status.
- Allocation of facility use. Refer to the **Facility Use Reservation Priority Order: 03.10.2020** (Document listed in the appendix).
- Room use by others must not conflict with times and/or dates of sponsored events.

***FOS Club activities in the Common Areas and Facilities of FOS are insured under the Association's General Liability Insurance Policy.***

### **FOSA ADMINISTRATIVE SUPPORT**

Clubs are provided Staff support that is limited to the administration of club documents, facility use and scheduling, fundraiser sales and access to communication sources (e.g., activity calendar, room use calendars, weekly email blast, monthly Sun Times newspaper, and electronic reader boards). The Staff support is managed by the Activity Manager.

A listing of available office services and fees is at the FOSA office.

### **DISPUTES**

Proper conduct and decorum are essential to preserve the active adult lifestyle that has been created within our age-restricted FOS community. FOS Club members who become abusive or who blatantly create turmoil, disruption or dissension among club members, other clubs or the Association in general may have their club membership suspended. A club member(s) who has a grievance against FOS Club policies, procedures, or actions, should submit the grievance(s) in writing to the Club Officers. All FOS Club bylaws must contain grievance procedures. The Club Officers will then meet with the complainant(s). Suspension of a club members privileges may be appealed to the Club Officers within 10 days of the written notice to suspend. The FOSA Board is not obligated to involve itself in

any club issue unless the Association Management has duly reviewed the action and recommends such review.

### **REVOCATION OF FOS CLUB'S STATUS**

The Board of Directors has the authority to revoke any FOS Club's status. Reasons for revocation include, but are not limited to:

- Club violation of FOSA Governing documents
- An irreconcilable conflict within the club membership
- A situation occurring that places the FOS Club or FOSA in an unfavorable position
- Club violation of federal, state, or local government laws, regulations, or ordinances

All FOS Club officers are liable for any outstanding debts incurred by the club and must satisfy these debts upon revocation. FOSA will not assume responsibility for any debts incurred by any club. In the event a club's status is revoked with outstanding club debts, FOSA reserves the right, but not the obligation, to pay any club's outstanding debts and assess the amount paid to those club officers included on the most recent club officer form provided to FOSA During the period leading to and including revocation, the duties of the President and all elected officers remain in accordance with the Policy.

### **DISSOLUTION OF THE CLUB**

Thirty (30) days advance notice to club membership is required prior to club members voting on dissolution. Such dissolution requests require a 51% majority of those members voting. Upon voting, a request to dissolve shall be forwarded to the Activity Manager for recommendation to the Board. If the club membership fails to approve dissolution, new officer elections will be held in accordance with club bylaws and the club will continue to operate as stated herein. Club dissolution requires final approval of the Board.

### **POLICY EFFECTIVE DATE:**

Date \_\_\_\_\_

*FOSA Secretary* *dated*

*ACTIVITY Manager* *dated:*

## APPENDIX A

### **FOS Club Application Packet**

\*Upon approval these forms constitute the Official Club file

- FOS Club Application
- FOS Club Officer List
- FOS Club Bylaws
- Meeting Minutes Establishing a FOS Club

### **Association Forms**

- Annual Club Update Form
- Annual FOS Club Financial Report
- Annual Budget Request Form
- Community Project Plan
- Community Event Report Form
- Incident/Accident Report form
- Internal Room Use Request
- Maintenance Request Form
- FOSA Waiver Form
- Grievance Form