



PECANWOOD
ESTATE
HOMEOWNERS ASSOCIATION

Pecanwood HOA Stabilisation Levy Fund Policy

PURPOSE

1. The purpose of this policy is to ensure that the funds collected in terms of the Stabilisation Levy Fund are properly administered and reported to the members of the Pecanwood HOA.

DEFINITIONS

2. **Homeowners Association (HOA)** means the Pecanwood Home Owners Association NPC, a Non-Profit Company according to the Companies Act, 71 of 2008, as amended.
3. **Financial Policy** means the Pecanwood Financial Policy (including the Delegation of authority) formally adopted by the Board, as amended from time to time.
4. **FM** means the Financial Manager appointed by Duja Consulting (Pty) Ltd (Duja) in terms of the outsourcing agreement between the HOA and Duja.
5. **Emergency** means an unforeseen event which requires the use of HOA funds to remedy. The Chairperson of the HOA, the applicable Portfolio Director and the Director responsible for Finance must agree whether an unforeseen event constitutes an emergency.
6. Any word used in this document that is defined in the Companies Act, 71 of 2008, as amended, shall have the meaning assigned to it in that Act.

CALCULATION OF LEVY

7. The Levy will be calculated as a percentage of the value of the selling price of all properties excluding VAT, where applicable. The percentage will be as determined by a resolution of the Board according to the needs of the HOA. Any change in the percentage will be ratified at each AGM. The Levy will be payable before any clearance certificate is issued by the Pecanwood Estate Homeowners association.

RING-FENCING OF FUNDS

8. All funds collected in terms of the Stabilisation Fund Levy are to be deposited into a bank account specifically created for this purpose.

USE OF THE FUND

9. The Fund will be used for the following purposes:
 - 9.1. Repairing and maintaining the fixed assets of the HOA,



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- 9.2. Procuring new assets for the HOA to support the functioning of the existing fixed assets of the HOA,
- 9.3. Any other assets or services required in case of an emergency.

ADMINISTRATION OF THE FUND

10. The Funds will be released only if properly authorised in terms of the Financial Policy and Delegation of Authority and if proof of adherence to the Procurement Policy is provided when submitted for payment.
11. Adherence to the Procurement Policy must include, but is not limited to the following:
 - 11.1. The procurement of assets, goods and services of both an operational and project nature will be governed by the Delegation of Authority and Procurement Policy.
 - 11.2. Three (3) written quotes/tenders must be obtained for all assets, goods or services procured with a contract value greater than R25 000 to ensure competitive prices and value for money.
 - 11.3. The following additional criteria must also be considered when goods or services are procured on behalf of the HOA:
 - quality,
 - any conflict of interest,
 - after-sales maintenance and support,
 - preference for local suppliers and BEE compliance.
 - 11.4. Project and asset procurement is governed by the Delegation of Authority.
 - 11.5. No goods or services may be procured from any Board member, Board committee member, staff member or their direct family without written approval by the board and a clear declaration of interest.

CLEARANCE

12. The FM may only issue clearance certificates on behalf of the HOA once the Stabilisation Levy has been paid together with all other levies and costs due as described in the Financial Policy.

REPORTING

13. The Board must report on the Fund at each Annual General Meeting (AGM) as to the quantum of monies received as well as all expenditures in terms of the Fund. The Board may also at its discretion report on the Fund at intervals it deems appropriate.