

# Payment Policy of the Mahogany Run Condominium Association

Adopted by the Board of Directors on Thursday, August 11, 2022

## I. Overview

### A. Purpose

The purpose of this Payment Policy (“the policy”) is to ensure cash flow stability for the Mahogany Run Condominium Association (“the Association”).

### B. Why is a policy necessary?

The income of the Association represents the contractual indebtedness of all condo owners, who are solely responsible for the payment of that obligation. Delinquent accounts result in under budget income for the Association as well as reduced availability of services for all owners. This policy sets consistent payment rules, encourages owners to maintain current accounts, and provides clear terms for delinquent accounts. To maintain equitable application of the policy, employees of MRCA do not have the authority to make any exceptions.

## II. Billing and Payment Procedures

### A. Invoices

Invoices are emailed to owners from [accounting@mahoganyruncoa.com](mailto:accounting@mahoganyruncoa.com) on or about the fifth business day of the month. Failure to receive an invoice does not relieve the owner of the obligation to pay the total invoiced amount due by the due date. Owners must maintain a current billing email address at [www.mahoganyruncoa.com/account/my-account](http://www.mahoganyruncoa.com/account/my-account).

### B. Payment Methods

Owners may set up auto-debited bank drafts for the third Wednesday of the month. Owners are strongly encouraged to sign up for ACH bank drafts using the form at [www.mahoganyruncoa.com/policies](http://www.mahoganyruncoa.com/policies). Once authorized by the owner's signature, ACH payments will be drafted from the owner's account monthly until canceled in writing; occasional or “upon approval only” ACH drafts are not permitted. Checks may be dropped off at or mailed to the Association office and are deposited immediately upon receipt. Credit cards are not accepted at this time but may become an available payment option in the future.

### C. Due Date

Payments are due upon receipt of the emailed invoice. Payments are considered timely if received in the office by the due date, as determined by the Board of Directors per the Association Bylaws [Art. IX Sec. 2]. The due date is specifically the end of the business day on the last business day of the month, defined as a weekday that is not a scheduled holiday. For example, if the last day of the month is on a Monday that is a holiday, payments are due by 5:00pm on the preceding Friday. Accounts are considered current if the total invoice balance due is paid by the due date.

## III. Account Fees

### A. Payment Processing

There is no charge for pre-authorized recurrent ACH bank drafts set up through the office nor for timely payments by check. Employees of the Association do not have the authority to waive fees.

## B. Late Payments

Invoiced amounts due that are not paid in full by the due date will result in a \$50 late fee. Balances that remain unpaid longer than one month will incur additional late fees of \$150 per month, plus applicable delinquency actions, until the account is paid in full. It is the owner's responsibility to deliver their payment to the office in a timely manner. Employees of the Association do not have the authority to waive fees.

## C. Returned Payments

Payments returned for lack of funds will result in a \$50 NSF fee plus any applicable late fees or delinquency actions. Owners will be notified immediately of a returned payment. Employees of the Association do not have the authority to waive fees.

## D. Application of Payments

Payments are applied firstly to the current invoiced balance due, secondly to any outstanding fees due, and finally to any other past due amounts on the account. Payments that do not satisfy the total invoiced amount due will be subject to any applicable late fees or delinquency actions. Employees of MRCA do not have the authority to change the order of the application of payments.

# IV. Delinquency Actions

## A. Notice

Per the Association Bylaws [Art. IX Sec. 3], owners whose accounts are more than 30 days past due may receive a written notice of delinquency, a copy of this policy, and an invoice for late fees. Per the Association Declaration [Art. 15(d)], a copy of any delinquency notice sent to an owner may also be sent to the mortgagee, if any.

## B. Discontinuation of Services

### 1. Utilities

Per the Association Bylaws [Art. IX Sec. 4(d)], accounts more than 30 days past due risk the discontinuation of water service.

### 2. Common Areas

Per the Association Bylaws [Art. IX Sec. 4(c)], owners whose accounts are more than 30 days past due risk the suspension of their rights to use any common areas or facilities of the Association, including by their tenants or guests.

### 3. Voting

Per the Association Bylaws [Art. I Sec. 4], owners whose accounts are more than 60 days past due may not vote in an election of the Association.

### 4. Reinstatement

Per the Association Bylaws [Art. IX], owners will have the above services reinstated when their account balance is paid in full. Employees of the Association do not have the authority to grant exceptions to any discontinuation of services.

## C. Collections

Accounts more than 60 days past due are subject to collections action, including but not limited to the foreclosure of a lien on the property, a small claims legal action, reporting to credit bureaus, and/or referral to a collection agency. Per the Association Bylaws [Art. IX Sec. 4(a)], until paid in full or otherwise legally discharged, delinquent accounts continue to accrue common charges, assessments, fees, and any expenses of collection

incurred by the Association, including attorney's fees. Employees of the Association do not have the authority to waive these actions.

## V. Exception Authority

### A. Employees

Employees of the Association do not have the authority to grant exceptions to this policy, unless and only if a fee or delinquency action is the result of a billing error.

### B. Directors

Owners seeking exceptions to this policy should first contact the Treasurer of the Association via email at [treasurer@mahoganyruncoa.com](mailto:treasurer@mahoganyruncoa.com). Only then, the owner may escalate their request by notifying the Secretary of the Association, via email at [secretary@mahoganyruncoa.com](mailto:secretary@mahoganyruncoa.com), that they wish to be heard at the next scheduled meeting of the Board of Directors.

At the discretion of the Treasurer of the Association, a delinquent owner may be offered a written payment plan requiring that the owner pay (1) the current month's invoice, (2) finance charges, and (3) a specified portion of the delinquent balance each month, in order to avoid further delinquency actions. Payment plans are intended to be an exception rather than a rule, will be offered on a limited case-by-case basis, and will be recorded in the Minutes of the Association.

Any other exceptions to this payment policy must be authorized by the Board of Directors, with the recommendation of the Finance Committee, and must be recorded in the Minutes of the Association. Decisions on individual policy exceptions are weighed against the impact to the entire owner community.

## VI. Schedule of Collections

DESCRIPTION	AMOUNT	TIMING
Check payment	\$0	Upon payment
ACH payment, pre-authorized	\$0	Upon payment
Returned payment	\$50	Upon item return
Due date	Total balance due	5pm last business day of each month
Late fee, first	\$50	Due date +1 day
Late fee, subsequent	\$150	First day of each month
Notice of delinquency		Due date +30 days
Discontinuation of services		Due date +30/60 days
Referral to court and/or collections		Due date +60 days