Reserve Fund Governance *and* Management Guide

Principles and Procedures for Effective Reserve Fund Stewardship

ILLUSTRATED FLORIDA EDITION

Dwight H. Horch

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Florida statutes, administrative rules, case law, governing documents, reserve-study requirements, building conditions, and association circumstances vary and may change. Requirements may also differ among condominium associations, cooperative associations, and homeowners' associations. Associations and their boards should consult qualified Florida attorneys, accountants, reserve specialists, engineers, architects, insurance professionals, and other advisers before making legal, financial, technical, governance, or reserve-funding decisions.

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Readers should verify current Florida law, administrative requirements, governing documents, and professional guidance before relying on any statutory or regulatory reference. This publication has not been approved, certified, endorsed, or legally validated by the State of Florida, the Florida Department of Business and Professional Regulation, any court, professional organization, reserve-study provider, or community association.

Companion Resources

Companion resources—including the Master Reserve Fund Projects Record workbook, sample Authorization for Expenditure forms, templates, illustrations, and related materials—may be distributed separately from this publication, subject to the same Copyright and Permissions above. The Master Reserve Fund Projects Record and the Authorization for Expenditure (AFE) Project Proposal Form are integral components of this reserve-fund governance and management system. The AFE is the standard Board planning, project-evaluation, authorization, and project-documentation record for each material or nonroutine reserve project. The Association should use the AFE, or an equivalent written project-authorization record where legally sufficient, for each such project.

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Florida Edition

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About the Author

Dwight H. Horch has served his community association for the past ten years as a board member, officer, committee member, and volunteer, gaining extensive experience in reserve planning, financial oversight, governance, and policy development. During his 35-year career at Educational Testing Service, he served as Executive Director for Applications Development and later as Executive Director for IT Governance. His responsibilities included leadership in application-systems development, project management, financial-aid programs, and information-technology governance. He also authored publications concerning the financing of higher education. After retiring from Educational Testing Service, Mr. Horch returned to graduate study at La Salle University in Pennsylvania, where he earned a Master of Arts degree in Clinical Psychological Counseling with a specialization in Marriage and Family Therapy. He later became a Licensed Marriage and Family Therapist and maintained a private practice in Medford, New Jersey, for ten years. This Guide reflects the author's belief that sound reserve fund administration depends not only on accurate reserve studies and responsible financial management, but also on clear procedures, complete documentation, and preserved institutional knowledge. The administrative principles presented are broadly applicable to many common-interest communities.

Acknowledgments

This Guide reflects knowledge accumulated over many years through the guidance, encouragement, and collaboration of many individuals. I am especially grateful to my colleagues at Educational Testing Service, whose commitment to sound systems, program administration, project management, and governance helped shape many of the administrative principles presented here.

I am equally grateful to the community association board members, officers, committee members, and volunteers with whom I have worked and whose service provided invaluable practical experience in community association governance, reserve planning, and fiduciary responsibility. Their perspectives, questions, and commitment to responsible governance significantly enriched my understanding of reserve fund administration.

Any errors, omissions, or opinions expressed in this system remain entirely my own.

This Guide also benefited from modern automation tools that supported research, organization, editing, graphics development, document analysis, formatting, and publication workflows. I am especially grateful for the assistance provided by ChatGPT as a collaborative editorial and production partner, and I acknowledge Microsoft 365, Grammarly, and other digital tools that improved the efficiency and quality of manuscript preparation. These technologies strengthened the production process; all judgments concerning content, interpretation, recommendations, and any remaining errors are solely my own.

Foreword

Managing a reserve fund without a reference document is much like operating a new car, smartphone, or smartwatch without an owner's manual. Experience eventually teaches the essentials, but a reliable reference shortens the learning curve, explains recommended practices, and provides guidance when questions arise.

This Guide presents a practical framework for planning, authorizing, documenting, monitoring, reconciling, and carrying reserve fund activities from one fiscal year to the next while preserving institutional knowledge as boards, managers, and professional advisors change over time.

Like any owner's manual, you may consult this Guide regularly, refer to it only when questions arise, or adapt it to a governing board's needs. It does not replace governing documents, applicable law, professional advice, reserve studies, accounting records, or the Board's judgment. Instead, it brings together administrative practices that promote continuity, transparency, consistency, and sound reserve fund administration.

No two community associations administer their reserve programs in precisely the same way. The procedures and tools presented here are therefore adaptable rather than prescriptive. Boards should modify them as appropriate to reflect their governing documents, operating practices, professional advisors, and statutory requirements.

This Guide has a straightforward purpose: preserve institutional knowledge, promote administrative continuity, improve documentation, and help current and future Boards prudently manage community association reserve funds.

A reserve fund reference document is seldom needed—until it is.

AI Disclosure

Artificial intelligence tools were used in producing this reserve-fund management system. The AI tools used were ChatGPT and Grammarly, which I used much as a systems engineer might use programming and debugging tools. ChatGPT helped develop the text, figures, cover design, and Excel workbook. I drafted or explained the topics to be covered and specified the charts, figures, callouts, and summaries to be included. I recognize that AI tools can make mistakes; ChatGPT is no exception. Responsible use of these tools required critical thinking, careful judgment, and repeated testing to verify that the instructions were accurately reflected in the manuscript, figures, and workbook. The development process involved hundreds of iterations and tests. I made all final decisions on content, interpretation, accuracy, and presentation.

Preface

This Guide began with a practical question: How can a community association board translate a reserve study into a disciplined, understandable, and fully documented system of governance?

This Guide is the principal publication in the Reserve Fund Governance and Management System. The System also includes project proposal forms, a project register, financial-management workbooks, and related procedures.

Reserve studies provide essential technical and financial guidance, but they do not administer themselves. Boards must decide how projected work will be incorporated into annual budgets, how projects will be evaluated and authorized, how expenditures will be monitored, how records will be maintained, and how actual year-end results will be reconciled with reserve-study expectations.

Those responsibilities are often addressed separately, informally, or not at all.

I developed this Guide to bring them together in one coherent framework designed specifically for board members. It treats reserve fund management as a continuous cycle extending from the reserve study through budgeting, project approval, expenditure control, project closeout, year-end reconciliation, and the next planning period.

This Guide is intended to be practical rather than theoretical. Its forms, records, workflows, definitions, and recommended procedures are designed to help boards establish a clear connection among professional recommendations, board decisions, reserve expenditures, and financial results.

The work also reflects a systems-development perspective. A sound reserve program should make it possible to answer several basic questions:

The questions addressed in this Guide apply whether an association uses pooled reserve funding or funds components on a component-by-component basis. Florida condominiums and cooperatives may also need to distinguish Structural Integrity Reserve Study (SIRS) reserves from Traditional Reserves (TRS); the Association's governing documents and applicable Florida law control the classification, funding, use, pooling, and administration of each fund.

This Guide is designed to help Boards answer practical questions such as:

• How much should the Association be setting aside each year for future repairs and replacements?

• Which expenses belong in reserve funds, and which belong in the operating budget?

• Does a reserve study authorize the Board to spend money, or is separate Board action required for each material or nonroutine project or obligation?

• What should the Board do when an urgent or unexpected project arises?

• What engineering, permitting, code-review, inspection, testing, and closeout requirements may apply before work begins?

• How does the Board know when a reserve fund is insufficient and special assessments or other funding measures are needed?

• When should a special assessment or other funding measure be adopted—earlier in the year, or near year-end when actual expenses and project commitments are better known?

• How and when should the Board determine whether the reserve study needs to be updated after the Association's books are closed?

• How can the Association document what was approved, spent, and carried forward for future Boards?

• How can the Association preserve this information when Board members, managers, and professional advisers change?

• Should Boards adopt written policies governing the management and administration of their reserve funds?

When those questions can be answered from organized records, accountability improves, and institutional knowledge is less likely to disappear as board members, managers, and professional advisors change.

This Guide does not prescribe identical decisions for every association. Buildings, governing documents, financial conditions, reserve components, and state laws differ.

Boards must adapt the framework to their circumstances and obtain qualified engineering, reserve-study, accounting, management, or legal advice when appropriate.

The system is not intended to shift responsibility from the board to a form, a spreadsheet, a professional adviser, or technology. Tools can improve analysis, organization, continuity, and documentation, but the board retains fiduciary judgment.

COMPASS—Context, Organization, Memory, Planning, Analysis, Synthesis, and Support—was the project designation I used for the OpenAI language model that served as my collaborator in research, analysis, editing, and systems development. Its broader value lay not simply in producing text but in helping to organize complex material, test consistency, identify omissions, preserve continuity across revisions, and integrate ideas from several professional disciplines.

The resulting Guide is offered as a practical resource for boards seeking to preserve association property, maintain financial stability, improve transparency, and administer reserve funds with greater discipline and continuity.

The balance of this Guide provides practical ways for boards to put those objectives into practice.

Dwight H. Horch

Quick Start for Boards

These practices provide a starting point for responsible reserve-fund governance and project management. Apply them in light of the association's governing documents, applicable law, professional advice, and current reserve information.

☐ **Keep reserve studies current.** Update the study and its assumptions when component conditions, costs, schedules, or funding needs change, and at the intervals required by applicable law.

☐ **Adopt an annual reserve budget.** Identify planned projects, expected costs, timing, and funding sources rather than relying only on total fund amounts.

☐ **Classify each proposed expenditure.** Before making a commitment, determine whether the expense belongs to a designated reserve category or to operating funds.

☐ **Prepare a written project proposal for each material or nonroutine project.** Describe the need, scope, estimated cost, timing, funding source, professional requirements, permits, and other material considerations.

☐ **Obtain professional advice and permits.** Use qualified professionals when the project, law, safety considerations, or permitting requirements call for them.

☐ **Authorize each project before work begins.** Record the project, scope, funding source, authorized amount, and any conditions that must be satisfied before commencement.

☐ **Plan work responsibly.** Review project timing in light of conditions, safety, urgency, available funding, permits, and professional advice. Document changes and emergency actions.

☐ **Plan funding prudently.** Reduce avoidable special assessments and other extraordinary funding measures without deferring necessary work or compromising safety.

☐ **Maintain complete project records.** Keep proposals, bids, contracts, permits, professional reports, invoices, payments, approvals, and completion records in a central repository.

☐ **Monitor and reconcile reserve activity.** Compare actual revenue, interest, transfers, expenditures, project status, and balances with the budget and reserve information; investigate material variances and update plans when necessary.

☐ **Report periodically to owners.** Provide understandable information about reserve-project activity, funding, expenditures, balances, delays, and significant changes in plans.

Section 1. Guiding Policies and Procedures

The following guiding policies and procedures summarize the reserve-fund governance and management practices presented throughout this Guide. The corresponding operational applications appear in the sections identified below.

1. Building and permitting requirements. Before authorizing or commencing construction, repair, demolition, or work affecting a building system, the Board should identify applicable engineering, permitting, code-review, inspection, testing, and closeout requirements and document the determination. This is a Best Practice unless a specific legal or governing-document requirement applies. (See Section 5.)

2. Scheduled reserve projects. The Board should undertake reserve projects when scheduled in the reserve plan unless it documents a sound reason to accelerate, defer, modify, or replace the planned work. (See Section 3.)

3. Component failure. When a reserve component fails before its scheduled replacement date, the Board should repair or replace it as circumstances require and document the reason, scope, funding, and Board action. (See Sections 3 and 5.)

4. Emergency action. When a component failure presents an immediate life-safety or property-protection risk, the Board should take appropriate emergency action and promptly document the action, notice, and any subsequent ratification. (See Section 5.)

5. Project authorization and records. The Board should separately approve each material or nonroutine project or obligation, identifying its purpose, scope, applicable SIRS or TRS funding source, and contract amount or not-to-exceed limit. The Association should maintain a consolidated record of approvals, contracts, expenditures, funding measures, project status, and year-end results. (See Sections 5, 7, and 9.)

6. Reserve-funding adequacy. The Board should compare reserve-fund ending balances with applicable reserve-plan targets. When resources are insufficient, the Board should evaluate and adopt appropriate corrective measures, which may include special assessments, loans, increased contributions, or other legally permissible funding measures. (See Section 6.)

7. Timing of special assessments and other funding measures. When reserve balances and project timing permit, the Board should evaluate and, when appropriate, adopt special assessments or other funding measures near the end of the fiscal year, after actual expenditures, project commitments, and projected year-end balances are reasonably known. Earlier action remains appropriate when necessary to protect life safety, preserve property, satisfy an existing obligation, maintain adequate cash flow, or comply with applicable law or governing documents. (See Sections 6 and 12.)

8. Post-close reserve-study review. Following fiscal-year closeout, the Board should document material differences between actual operational opening resources and the reserve study's beginning resources and determine, with appropriate professional advice, whether a reserve-study update or budget revision is warranted. Any internally adopted percentage comparison is a management tool, not a legal materiality standard. For applicable cooperative budget and reserve requirements, verify the current text of Fla. Stat. §§ 719.106(1)(e)1. and 719.106(1)(j)1. (See Section 6.)

9. Prospective assessment and contribution revisions. If a post-close review changes monthly assessments or reserve contributions, the Board should calculate and apply the change prospectively over the remaining months of the fiscal year, following applicable notice and approval procedures. (See Section 12.)

10. Written governance policies. The Board should consider adopting written policies governing reserve-fund planning, authorization, administration, documentation, reconciliation, and continuity so that the program remains understandable and consistent as Boards, managers, and professional advisers change. This is a Best Practice unless adopted or required under applicable law or the governing documents. (See Sections 8, 10, and 11.)

Section 2. Foundations of Community Association Reserve Fund Administration

Section at a Glance
This chapter establishes the legal, fiduciary, financial, and administrative foundations of reserve fund management. It explains why reserve funds exist, the Board's continuing responsibility for them, the role of professional reserve studies and advisors, Florida's SIRS and Traditional Reserve framework, and the controlling importance of governing documents and applicable law. It also provides the common terminology used throughout the system.

Topics covered in the graphic below include:

- Purpose and objectives of reserve funds
- Fiduciary responsibilities of the Board
- Reserve studies and long-term financial planning
- SIRS reserves and Traditional Reserves (TRS)
- Relationship between governing documents, statutes, and Board discretion
- Key reserve fund terminology used throughout this Guide

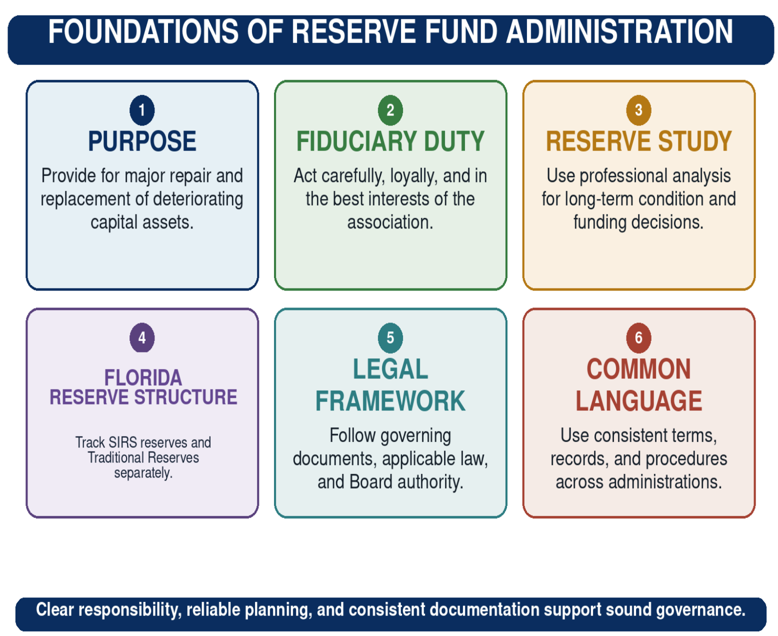

Figure 2-1. Foundations of Community Association Reserve Fund Administration

Description

This figure identifies the legal, fiduciary, financial, and administrative foundations that support effective community association reserve fund management.

Key Takeaway

Sound reserve administration begins with clear Board responsibility, reliable reserve studies, appropriate fund structure, and consistent documentation.

Section 3. The Annual Reserve Planning Process

Section at a Glance
This chapter converts long-range reserve planning into an annual operating process. It covers component inventories, useful-life and cost assumptions, funding methodologies, risk assessment, budget integration, carry-forward balances, and the roles of professional advisors. It then explains how the association evaluates, classifies, authorizes, and documents proposed reserve projects, including using the Authorization for Expenditure form as a supplement to formal Board action.

Effective reserve fund administration begins long before projects are authorized or expenditures are made. Each fiscal year starts with a systematic planning process that evaluates the association's physical assets, projects future repair and replacement needs, estimates funding requirements, and incorporates those projections into the annual reserve budget. The reserve study serves as the primary planning document, but the Board remains responsible for reviewing its assumptions, understanding its recommendations, and adopting an annual reserve budget that reflects the association's legal obligations and financial objectives.

Planning Calendar

An effective reserve program follows a predictable annual calendar. The Board should establish milestones for updating the reserve study, reviewing component conditions, evaluating funding alternatives, preparing the reserve budget, adopting annual contributions, and communicating funding decisions to owners.

Component Inventory

Reserve planning begins with a complete inventory of reserve components. Each component should be identified, assigned a useful life, estimated for replacement cost, and assigned a funding responsibility so that long-term capital obligations are clearly understood.

Funding Methodologies

Boards should understand the principal reserve funding approaches, including baseline, threshold, and full funding. The selected methodology influences annual assessments, projected reserve balances, and long-term financial stability.

Economic Assumptions

Inflation, investment earnings, construction cost escalation, and contingency allowances should be reviewed annually. Even modest changes in these assumptions can materially affect future funding requirements.

Risk Assessment

The planning process should identify projects with significant uncertainty, regulatory implications, or high financial impact. Early identification allows the Board to obtain engineering advice, refine cost estimates, and avoid unexpected special assessments.

Integration with the Budget

The reserve budget should be integrated with and formally adopted at the same time as the Association's annual operating budget so that owners receive a complete picture of anticipated assessments, reserve contributions, and major capital projects for the coming fiscal year. The reserve study provides the planning basis for the reserve budget. Approval or acceptance of the study alone should not be treated as budget adoption unless the Board action expressly adopts or incorporates the applicable budget schedules.

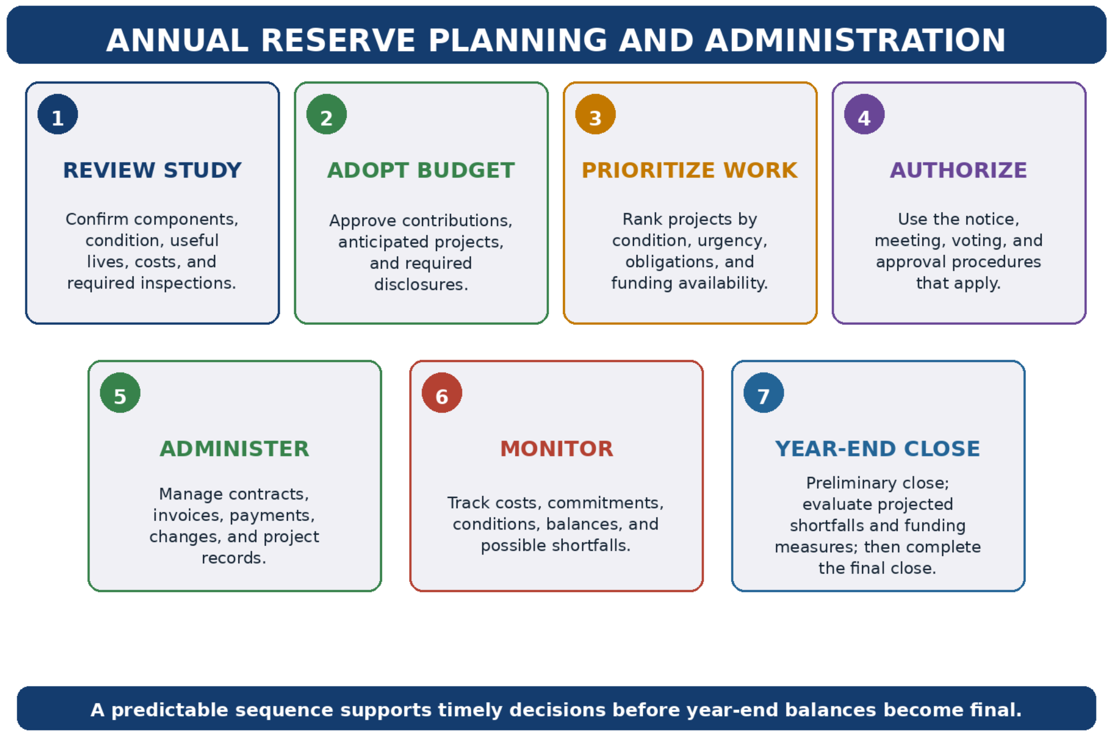

Figure 3-1. Annual Reserve Fund Management Cycle

Description

This figure shows how the annual reserve process begins with the reserve study and budget, continues through project authorization and administration, and concludes with reconciliation and carry-forward balances.

Key Takeaway

A predictable annual calendar helps the Board coordinate reserve decisions and avoid missed planning and reporting milestones.

Objectives of the Annual Planning Process

The annual planning cycle is intended to:

- Evaluate the current condition and remaining useful life of reserve components.
- Estimate future repair and replacement costs.
- Determine recommended annual reserve contributions.
- Establish projected beginning and ending reserve balances.
- Integrate reserve funding into the Association's annual operating budget.
- Provide a financial roadmap for the coming fiscal year.

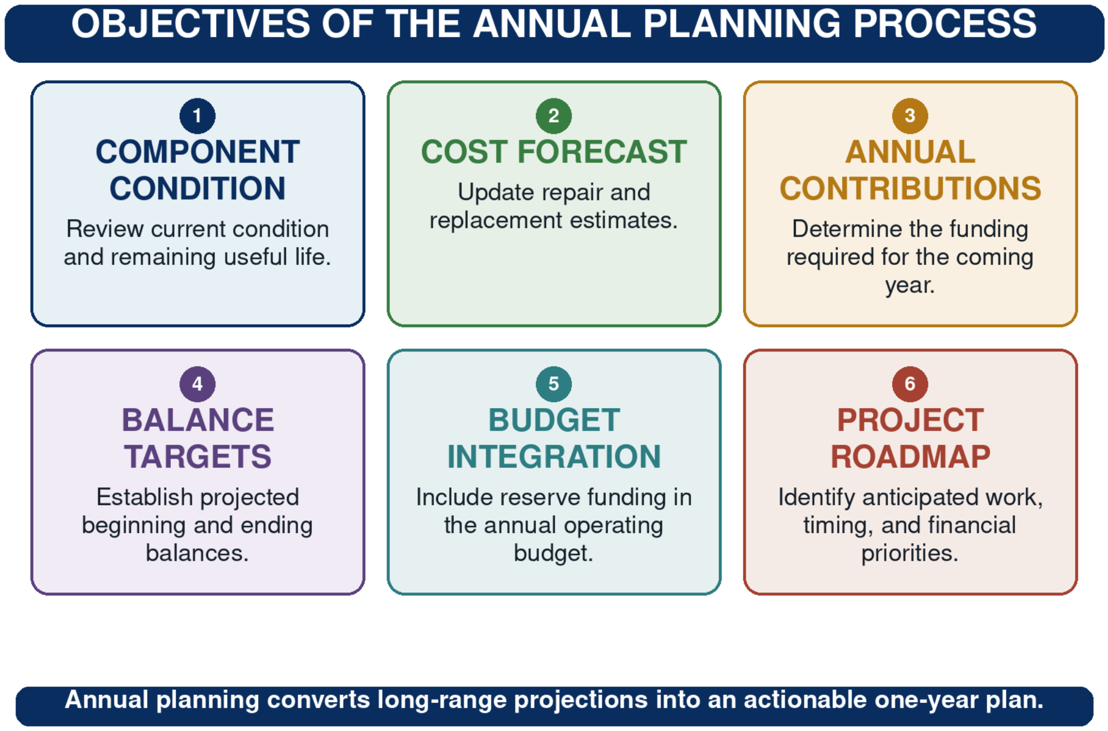

Figure 3-2. Objectives of the Annual Planning Process

Description

This figure summarizes the principal objectives of annual reserve planning, including component review, cost forecasting, contribution planning, project scheduling, and budget integration.

Key Takeaway

Annual planning converts long-range reserve study projections into an actionable financial and project plan for the coming fiscal year.

The Reserve Study

The reserve study is the foundation of long-range reserve planning. It identifies major reserve components, estimates their remaining useful lives, projects future replacement costs, and recommends annual funding levels. Boards should understand that the study is a professional planning tool rather than a self-executing financial plan. Its recommendations should be carefully reviewed in conjunction with the Association's governing documents, statutory requirements, historical expenditures, and current financial condition.

Policy application — Scheduled reserve projects. The Board should follow the reserve plan unless it documents a sound reason to accelerate, defer, modify, or replace scheduled work.

Finding a qualified reserve study provider. Boards may identify candidates through the Community Associations Institute (CAI) Directory of Credentialed Professionals (filter for the Reserve Specialist (RS) credential) and the Association of Professional Reserve Analysts (APRA) Member Directory (look for the Professional Reserve Analyst (PRA) credential). Also seek referrals from managers and comparable communities and obtain multiple proposals. Evaluate credentials, references, sample studies, insurance, independence, relevant property and state-law experience, site-inspection scope, and update terms. Directory inclusion is a screening tool—not an endorsement or a substitute for Board due diligence.

Board Review and Budget Adoption

The Board should review the reserve study with management, accountants, and reserve specialists as appropriate before preparing the proposed annual reserve budget. Questions concerning component lives, inflation assumptions, funding methods, opening balances, pooling schedules, and anticipated projects should be resolved before the proposal is circulated. The Association should then provide the notice required by the applicable Florida statute and governing documents, consider the budget at the noticed meeting, formally adopt it, and retain the proposal, schedules, notice evidence, approving action, and minutes.

Carry-Forward Balances

Beginning reserve balances should reflect the actual carry-forward balances from the preceding fiscal year after all authorized reserve expenditures, transfers, adjustments, and reconciliations have been completed. Accurate carry-forward balances provide continuity from one fiscal year to the next and form the starting point for measuring reserve performance.

Professional Advisors

Reserve specialists, accountants, engineers, attorneys, and property managers each contribute specialized expertise to the planning process. While Boards should rely upon qualified professional advice, responsibility for adopting the reserve budget and administering reserve funds ultimately remains with the Board of Directors.

Reserve Project Proposals, Authorization and Documentation

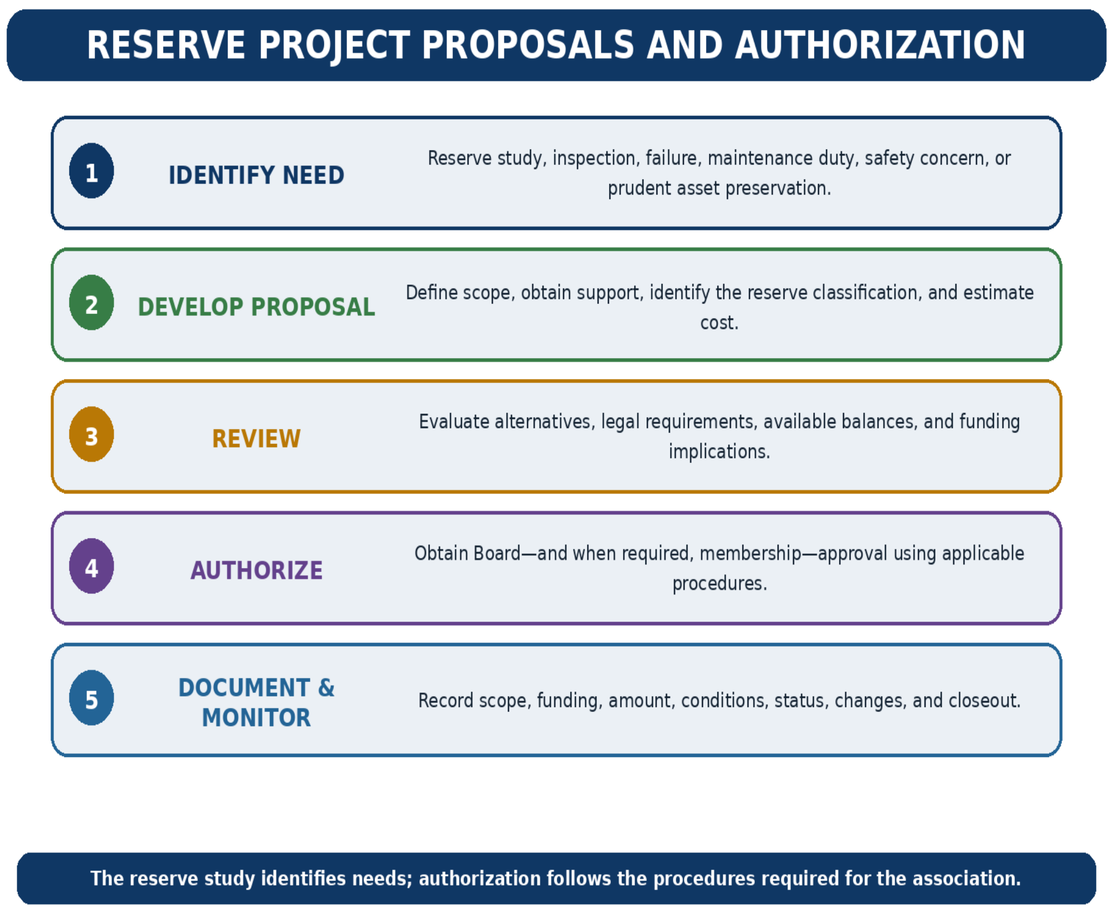

Figure 3-3. Reserve Project Proposals and Authorizations

Description

This figure illustrates the steps used to identify, evaluate, document, and authorize proposed reserve projects after adoption of the annual reserve budget.

Key Takeaway

A reserve study identifies anticipated work, but each material project still requires specific Board review, authorization, and documentation through the AFE Project Proposal Form or an equivalent written project-authorization record where legally sufficient.

Once the annual reserve budget has been adopted, the Association begins the operational phase of reserve fund administration. During this phase, proposed reserve projects are identified, evaluated, authorized, funded, documented, and monitored. Careful documentation at this stage establishes the audit trail needed to demonstrate that reserve expenditures were properly planned, approved, and accounted for.

Although reserve studies identify anticipated projects, they do not by themselves authorize material expenditures. Material reserve expenditures should ordinarily be presented through the AFE Project Proposal Form and authorized by the Board—and, when required, the membership—using the notice, meeting, voting, and approval procedures established by applicable law and the Association's governing documents.

Policy application — Separate project authorization. Each material or nonroutine project or obligation should receive separate Board approval identifying purpose, scope, SIRS or TRS funding source, and contract amount or not-to-exceed limit, except when immediate emergency action is required; document emergency action promptly.

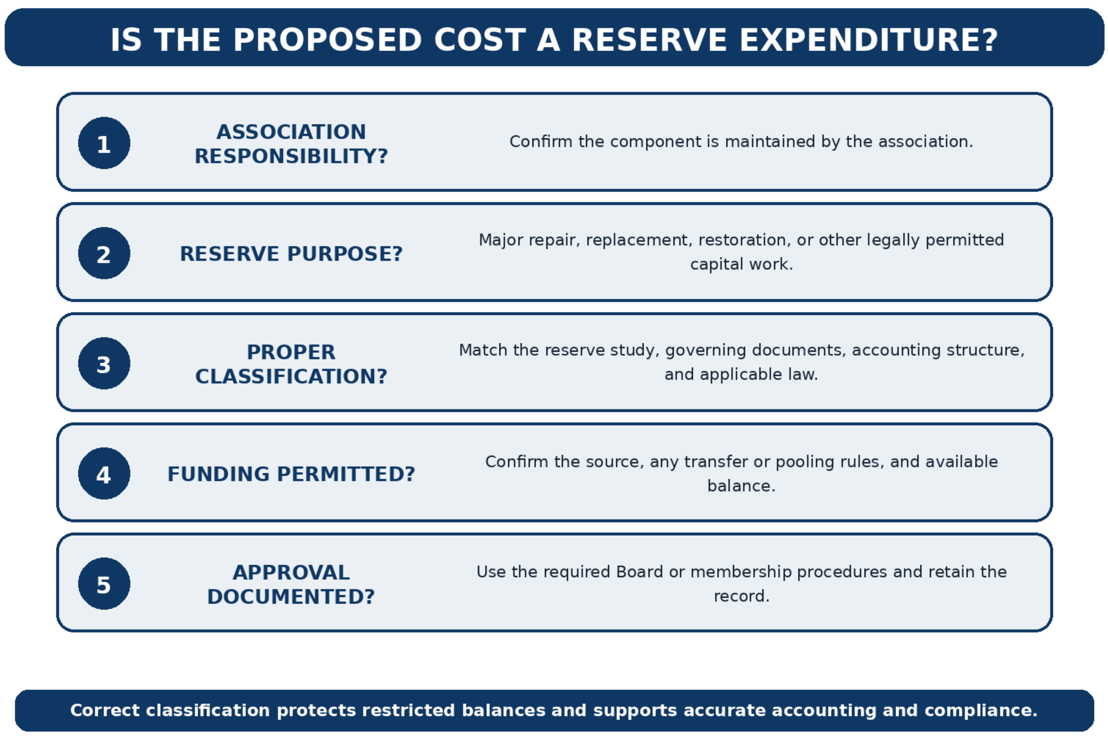

Figure 3-4. What Is a Reserve Project Expenditure?

Description

This figure presents the questions the Board should consider when deciding whether a proposed expenditure belongs in a reserve account or should be treated as an operating expense.

Key Takeaway

Correct classification protects reserve balances and supports accurate budgeting, accounting, and statutory compliance.

Objectives of Project Authorization

- Ensure that proposed work is consistent with the adopted reserve budget.
- Confirm that adequate reserve funds are available.
- Document the purpose, scope, and estimated cost of each project.
- Provide a clear record of Board approval.
- Establish the financial basis for subsequent expenditure tracking and reconciliation.

Required and Elective Project Classification

Each proposed reserve project should be classified on the Authorization for Expenditure (AFE) Project Proposal Form as Required or Elective. REQUIRED — The reserve component is due for repair or replacement under the reserve-study schedule, required by state law or regulation, needed for an emergency repair, or needed to address life-safety. ELECTIVE — The project is not scheduled for the current year and is not structural, life-safety, or emergency work.

Project Proposals

Major reserve projects should ordinarily be supported by written proposals, engineering reports, contractor quotations, or other documentation sufficient to allow the Board to make an informed decision.

Board Authorization

Board minutes should clearly identify the project, funding source, approved amount, and any conditions attached to the authorization. Where appropriate, approvals should establish a not-to-exceed amount.

Authorization for Expenditure Forms

Within this management system, the AFE Project Proposal Form is the standard project-authorization form. It provides a concise administrative record that supplements—but does not replace—the official Board minutes.

Reader note: *The discussion here summarizes the AFE. The complete Authorization for Expenditure (AFE) Project Proposal Form and instructions appear later in Section 13.*

Once an Authorization for Expenditure proposal is approved, the documentation process begins.

Documentation Standards

Supporting documentation may include proposals, contracts, engineering reports, permits, invoices, change orders, photographs, and correspondence. Maintaining complete project files promotes continuity and simplifies future audits, reserve studies, and historical review.

Professional Advisors

Engineers, reserve specialists, attorneys, accountants, and property managers may assist the Board throughout the authorization process. Their recommendations inform Board decisions but do not replace the Board's fiduciary responsibility.

Section 4. Florida Reserve Fund Structure

Section at a Glance
This chapter explains Florida's two-category reserve framework. Structural Integrity Reserve Study (SIRS) reserves apply only to qualifying condominium and cooperative buildings and are governed by current Florida law; Traditional Reserves (TRS) address other major repair and replacement needs under the statute applicable to the association and its governing documents. The chapter emphasizes correct classification, segregation, funding, pooling, transfer, use, and reporting.

For Florida condominiums and cooperatives, the Best Practice framework distinguishes Structural Integrity Reserve Study (SIRS) reserves from Traditional Reserves (TRS). Homeowners' associations should adapt the framework to Chapter 720 and their governing documents.

Structural Integrity Reserve Study (SIRS) reserves. For a Florida residential condominium or cooperative subject to SIRS requirements, these are reserves identified and funded under §718.112(2)(g) or §719.106(1)(k), Florida Statutes. Current law controls required components, funding schedules, permissible uses, pooling, disclosures, and study requirements. The building envelope includes such items as roofs, exterior walls, windows, doors, foundations, balconies, and waterproofing systems.

Traditional Reserves (TRS). In this Guide, TRS is an administrative term for reserves other than SIRS reserves, including reserves for other major repair and replacement components. Florida law and the association's governing documents control the components, funding, waiver or reduction procedures, use, transfer, and accounting treatment of these reserves.

Florida Framework. The SIRS-TRS framework is an administrative model. It does not make SIRS requirements applicable to an exempt building or to a homeowners' association, and it does not replace any classification or procedure required by Chapters 718, 719, or 720, Florida Statutes.

Permitting and technical-review requirements are determined by the scope and location of the work, the Florida Building Code, the local building department or authority having jurisdiction, applicable SIRS or other statutory requirements, and the advice of qualified professionals. A reserve classification alone does not establish that work is exempt from permitting, inspection, testing, or closeout requirements. This paragraph is a Best Practice summary; verify the requirements for the specific project.

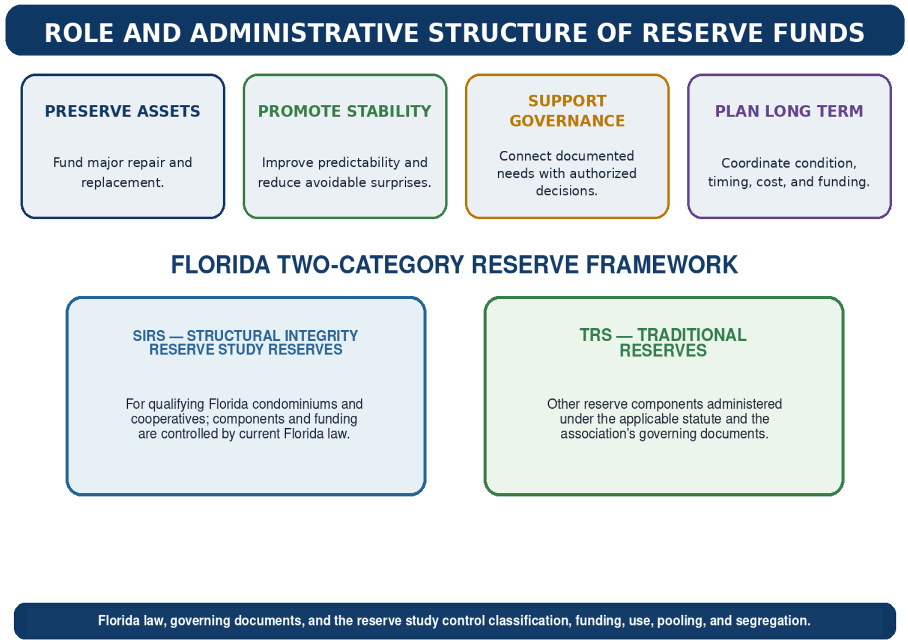

Figure 4-1. The Role of Reserve Funds in Community Association Financial Management

Description

This figure illustrates how reserve funds support asset preservation, financial stability, responsible governance, and long-term planning.

Key Takeaway

Well-managed reserves connect physical asset needs with disciplined financial planning and informed Board decisions.

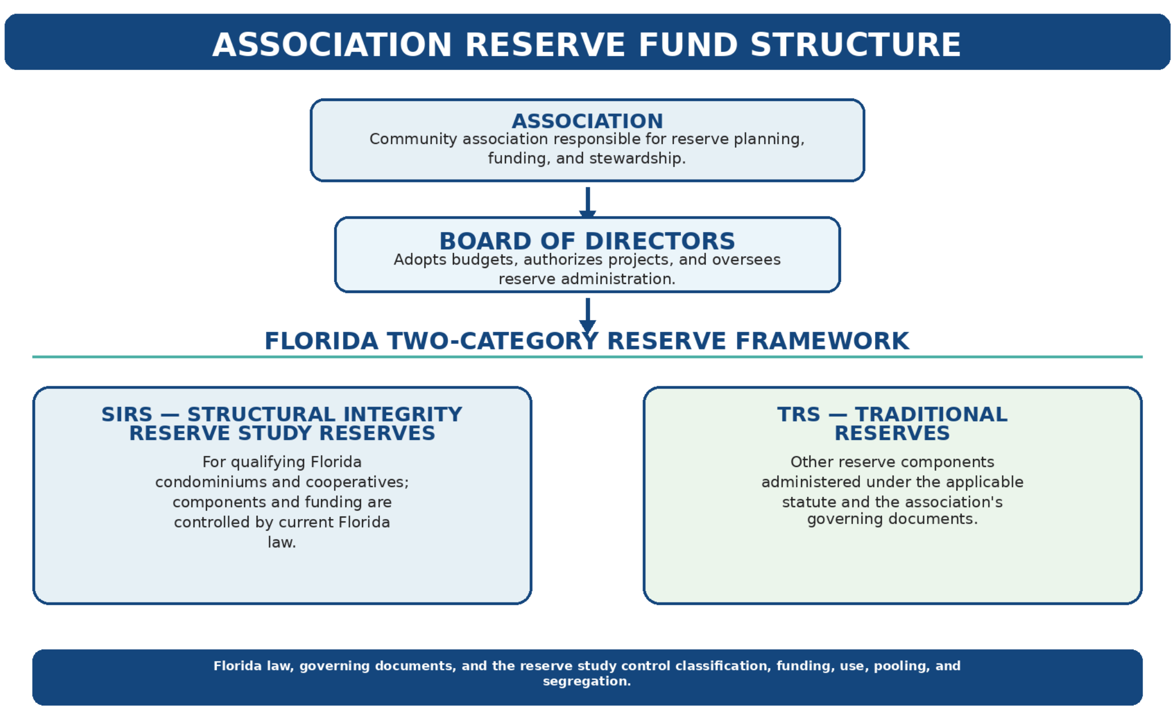

Figure 4-2. Association Reserve Fund Structure

Description

This figure illustrates the relationship between the Association, the Board of Directors, SIRS reserves, and Traditional Reserves (TRS) in a Florida reserve program.

Key Takeaway

SIRS reserves and TRS serve complementary purposes but are legally distinct. Under the applicable Florida reserve statutes, SIRS components may be pooled only with other SIRS components; SIRS amounts therefore should not be pooled with TRS or other non-SIRS components. Pooling occurs within the applicable reserve fund or accounting structure, and the applicable DBPR budget rules require a separate schedule for pooled reserves.

Key Takeaways • SIRS reserves and TRS serve complementary purposes but are not interchangeable. • SIRS requirements apply only when Florida law makes them applicable. • For condominiums and cooperatives, the applicable statutes restrict pooling of SIRS components to other SIRS components. • Current Florida law and the governing documents control classification, funding, use, pooling, waiver, voting, notice, segregation, and account structure.

With an understanding of reserve planning, Boards should recognize how reserve funds themselves are structured before authorizing projects.

Section 5. Reserve Project Administration and Expenditure Management

Section at a Glance
This chapter addresses what happens after a reserve project is authorized. It covers contract administration, invoice review, payment approval, progress and cost monitoring, change orders, budget variances, expenditure tracking, project files, and final closeout. The central objective is to keep every expenditure within the approved scope and funding authority while preserving a complete audit trail for accounting, future reserve studies, Board review, and institutional continuity.

Once the Board authorizes reserve fund projects through a completed AFE Project Proposal Form supported by the related motion, resolution, approved contract, or detailed minutes, attention shifts from planning to administration. During this phase, the Association executes contracts, performs work, reviews invoices, authorizes payments, records expenditures, and maintains project documentation. Proper administration ensures that reserve funds are used only for authorized purposes, that financial records remain accurate, and that sufficient documentation exists to support future audits, reserve studies, financial reporting, and Board decision-making.
Although many administrative responsibilities may be delegated to the property manager, accountant, or other professional advisors, the Board of Directors remains responsible for overseeing reserve expenditures.

Engineering Oversight, Permitting, and Inspection of Florida Reserve Work

A reserve or SIRS classification does not by itself determine whether proposed work requires a building permit, signed and sealed plans, special inspections, testing, or construction-phase observation. Those requirements depend on the scope of work, the applicable Florida Building Code provisions, the local building department or authority having jurisdiction, and the determination of the appropriate licensed professional.

Before authorizing construction, repair, demolition, or work affecting structural integrity, the Board should obtain a written scope and engineering review from a Florida-licensed structural engineer when appropriate. Major plumbing, electrical, fire-protection, building-envelope, or other technical work may require discipline-specific professional review and separate permits.

Policy application — Technical review and permitting. Before authorizing or commencing work, identify the applicable authority and confirm required engineering, permits, inspections, testing, and closeout documents. This is a Best Practice unless a specific legal or governing-document requirement applies.

Use the AFE fields for Building Permit / Code Review and Engineering / Professional Oversight to record the determination. Include required plans, permits, inspections, testing, professional observation, and closeout records in the project scope, schedule, and budget.

Administrative Tools

This Guide includes several administrative tools that Boards may adapt to their own procedures, including project authorization forms, reserve project logs, reconciliation worksheets, and related reference materials. These tools supplement rather than replace official accounting records and Board minutes.

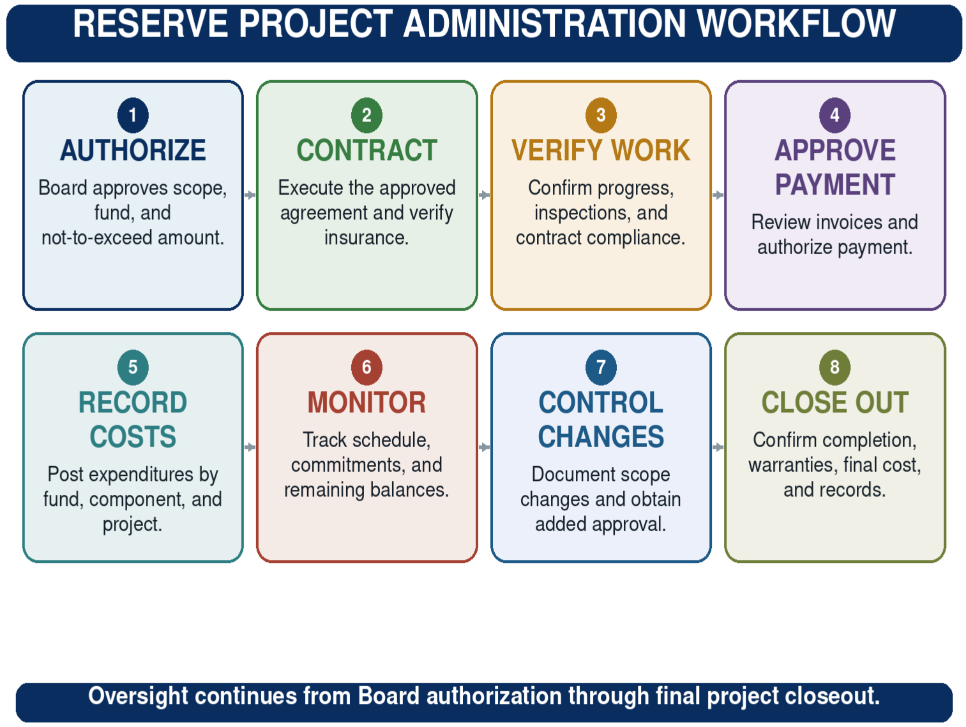

Figure 5-1. Reserve Project Administration Workflow

Description

This figure illustrates the administrative workflow following Board authorization, including contracting, invoice review, payment approval, expenditure tracking, monitoring, documentation, and closeout.

Key Takeaway

Disciplined administration and financial oversight must continue throughout the life of every reserve project.

Objectives of Reserve Project Administration

- Ensure expenditure remains consistent with Board authorizations.
- Verify that reserve expenditures are properly supported by contracts, invoices, and other documentation.
- Maintain accurate financial records throughout the fiscal year.
- Monitor project progress and costs.
- Identify budget variances as they occur.
- Maintain complete project files for future reference.
- Provide reliable information for year-end reconciliation and future reserve studies.

Contract Administration

Following Board authorization, contracts should clearly describe the work to be performed, payment terms, project schedule, insurance requirements, warranties, and other conditions approved by the Board. Associations should retain executed contracts, licenses, insurance certificates, permits, engineering reports, approved change orders, and related documentation.

Invoice Review and Payment Authorization

Reserve expenditures should be supported by vendor invoices and appropriate documentation. Before payment, management should verify completion of the work, consistency with the contract, required inspections, appropriate approvals, and correct reserve component allocation.

Monitoring Project Progress

Management should periodically compare actual progress, expenditures, approved change orders, remaining contract balances, and expected completion dates with the Board's authorization and budget.

Budget Variances

When actual costs differ materially from estimates, the Board should document the reasons, approve any necessary funding changes, and record the anticipated impact on reserve balances.

Change Orders

Change orders should describe the revised scope of work, explain the reason for the change, identify the financial impact, and receive appropriate Board approval whenever practical.

Reserve Expenditure Tracking

Throughout the fiscal year, expenditures should be recorded by reserve component and compared with the adopted reserve budget, authorized project amounts, reserve study projections, and available reserve balances. A reserve project log or reconciliation worksheet may supplement the Association's accounting system.

Project Files

Each reserve project should maintain a file containing Board authorizations, proposals, contracts, correspondence, invoices, payment records, inspection reports, change orders, photographs, warranties, and final acceptance documentation.

Professional Advisors

Property managers, accountants, engineers, reserve specialists, attorneys, contractors, and other consultants provide valuable expertise. Even when these responsibilities are delegated, oversight of reserve expenditures remains with the Board of Directors.

Project administration converts Board authorization into completed reserve improvements while preserving the documentation essential for sound financial management. The next chapter examines financial monitoring and year-end reconciliation.

Section 6. Financial Monitoring and Year-End Reconciliation

Section at a Glance
This chapter explains how Boards monitor reserve performance throughout the fiscal year and complete the year-end close. It addresses periodic financial review, comparison of actual and projected activity, preliminary closeout, evaluation of projected target shortfalls before final close, lawful funding measures and adjustments, final reconciliation to closed-book balances, and establishment of accurate carry-forward amounts. Timely monitoring is essential because some corrective actions cannot be taken after the books are closed.

Reserve Fund Financial Monitoring and Year-End Reconciliation

Throughout the fiscal year, management should monitor reserve activity to ensure actual financial results remain consistent with the Board's adopted reserve plan. Financial monitoring provides early warning of cost overruns, project delays, funding shortfalls, and other conditions that may require Board action. At fiscal year-end, management should prepare a preliminary close and compare projected reserve balances with applicable reserve-study targets. Before the books are finally closed, the Board should evaluate material shortfalls and consider lawful funding measures. After authorized transactions and adjustments are recorded, final reconciliation establishes reliable ending and carry-forward balances.

Policy application — Reserve-funding adequacy. The Board should compare actual or projected ending balances with applicable reserve-plan targets and evaluate corrective funding measures when resources are insufficient.

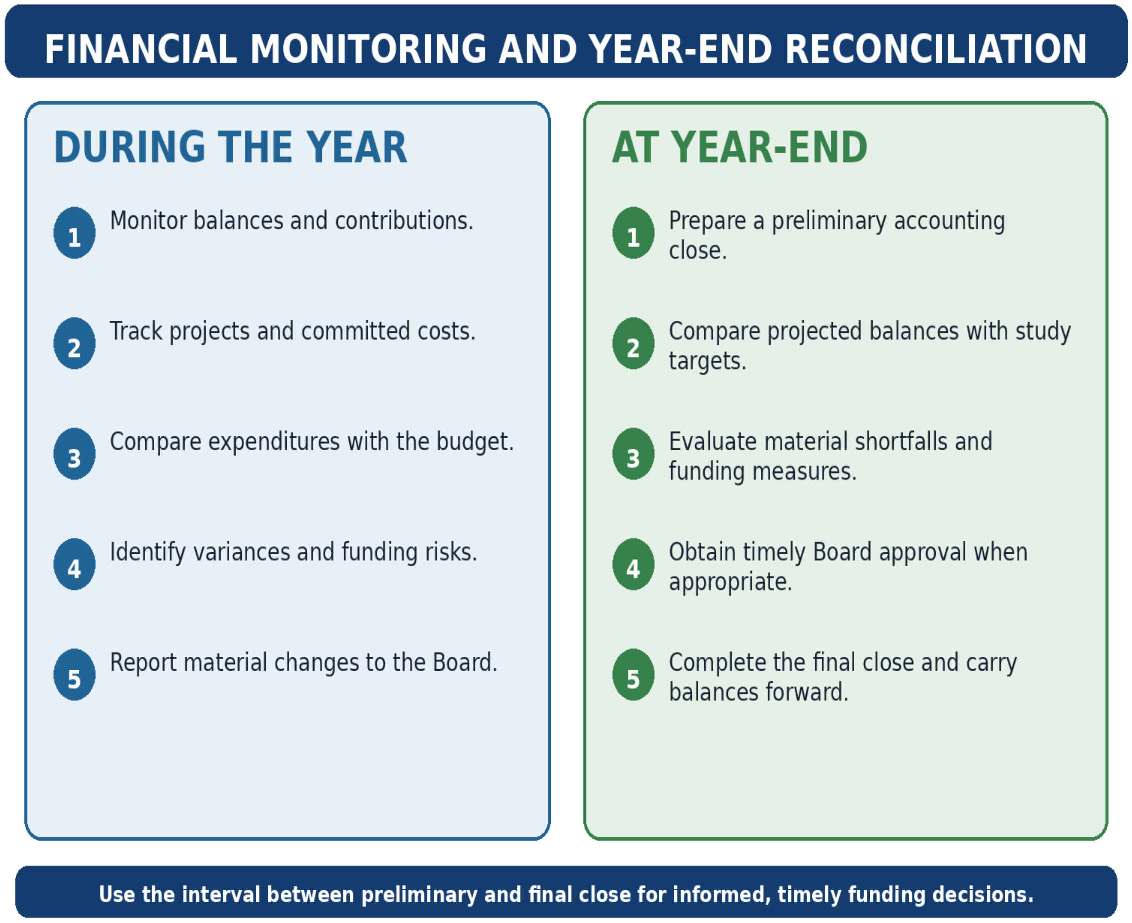

Figure 6-1. Financial Monitoring and Year-End Reconciliation

Description

This figure summarizes in-year monitoring and the year-end sequence from preliminary close, through evaluation of projected shortfalls and funding measures, to final close and carry-forward.

Key Takeaway

Regular monitoring identifies variances early; the interval between preliminary and final close provides the Board an opportunity to address material shortfalls before balances become final.

Objectives of Financial Monitoring

Compare actual reserve expenditures with the adopted reserve budget.

Monitor reserve fund balances throughout the fiscal year.

Identify significant budget variances and document their causes.

Reconcile authorized projects with actual expenditures.

Establish accurate year-end reserve balances.

Provide reliable beginning balances for the next fiscal year.

Support financial reporting, reserve studies, and future Board decisions.

Periodic Financial Review

At regular intervals, management and the Board should review reserve fund activity, including beginning balances, contributions, investment earnings, authorized expenditures, transfers, and projected ending balances. Significant deviations from the reserve plan should be identified and discussed promptly. At year-end, the same monitoring information should support a preliminary close and a timely comparison with reserve-study targets.

Reserve Balance Reconciliation

Year-end reconciliation begins with a preliminary accounting close. Projected reserve balances are compared with applicable reserve-study targets, material differences are explained, and the Board evaluates lawful funding measures before the final close. Once authorized transactions and adjustments are recorded, final reconciliation establishes actual closed-book and carry-forward balances.

Policy application — Timing of funding measures. When timing permits, the Board should evaluate special assessments or other funding measures near year-end, after actual expenditures and commitments are better known; earlier action remains appropriate when necessary.

Policy application — Post-close reserve-study review. After the books close, the Board should document material differences from reserve-study beginning resources and determine, with appropriate advice, whether a reserve-study update or budget revision is warranted.

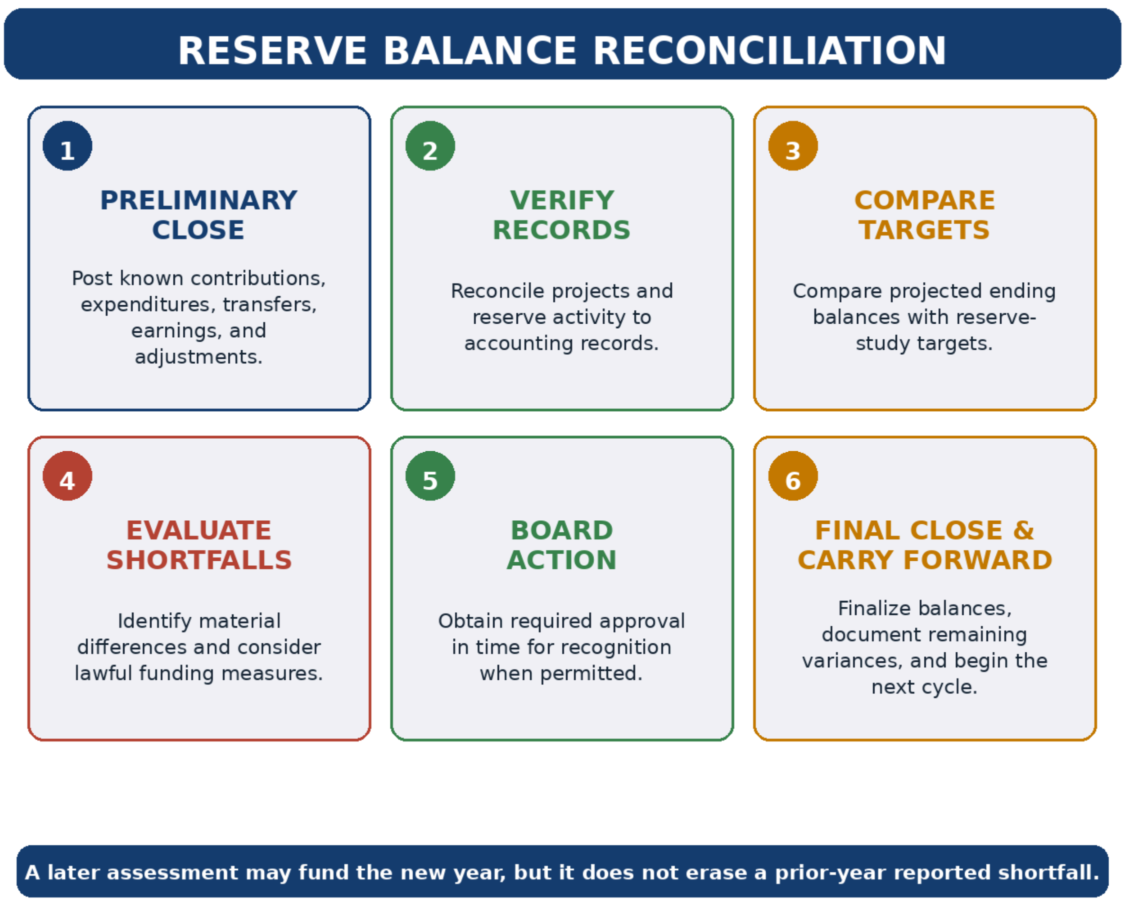

Figure 6-2. Reserve Balance Reconciliation Process

Description

This figure shows the recommended year-end sequence: preliminary close, record verification, target comparison, shortfall evaluation, timely Board action when appropriate, and final close.

Key Takeaway

If projected year-end balances fall materially below applicable reserve-study targets, the Board should evaluate special assessments or other lawful funding measures after the preliminary close and before the final close. A funding measure approved after final close may support the new fiscal year, but it ordinarily does not eliminate the shortfall reported for the closed year. Any remaining variance should be documented and incorporated into the next budget and reserve-study update.

Carry-Forward Balances

The reconciled ending balance for each reserve category becomes the beginning carry-forward balance for the next fiscal year. Accurate carry-forward balances preserve continuity from one reserve study cycle to the next and improve the reliability of future funding projections.

Transfers and Adjustments

When permitted by applicable law and the Association's governing documents, transfers between reserve categories or other adjustments should be properly authorized, clearly documented, and reflected in the year-end reconciliation.

Administrative Tools

Many associations find it useful to maintain a reserve balance reconciliation worksheet that summarizes beginning balances, annual contributions, authorized expenditures, transfers, investment income, adjustments, and projected ending balances. Such worksheets supplement the accounting system and provide a concise management reference.

Professional Advisors

Accountants, reserve specialists, property managers, and auditors contribute to the reconciliation process by verifying financial records and assisting with reporting. Responsibility for reviewing the results and accepting the reconciled balances remains with the Board of Directors.

Financial monitoring and year-end reconciliation provide the essential bridge from one fiscal year to the next. Once reserve balances have been reconciled and carry-forward amounts established, the Association is prepared to begin the next annual planning cycle using accurate financial information. The following chapter examines recommended administrative records, reporting practices, and reference tools that support long-term reserve fund management.

Section 7. Administrative Records, Reporting, and Reference Tools

Section at a Glance

This chapter identifies the records and reports that create a reliable audit trail and preserve institutional knowledge. It explains how the workbook's two front-matter tabs and ten numbered administrative tabs connect SIRS and TRS annual budgets with project activity, funding measures, two-stage year-end reconciliation, opening-balance and account-location controls, final-balance audit checks, cross-year documentation, and fund-level financial reports. It also addresses management reports, supporting project files, retention practices, and professional advisors.

Effective reserve fund administration depends not only on sound financial decisions but also on maintaining well-organized records that preserve the history and rationale of those decisions. As board members, officers, property managers, accountants, and reserve specialists change over time, complete administrative records promote continuity, improve transparency, and reduce the need to reconstruct past actions.

Policy application — Project records. The Association should maintain a consolidated record connecting Board approvals, authorized amounts, contracts, expenditures, funding measures, project status, and year-end results.

While the Association's accounting system serves as the official financial record, many Boards find it useful to supplement those records with concise administrative tools that organize reserve information in a format designed specifically for management and governance purposes.

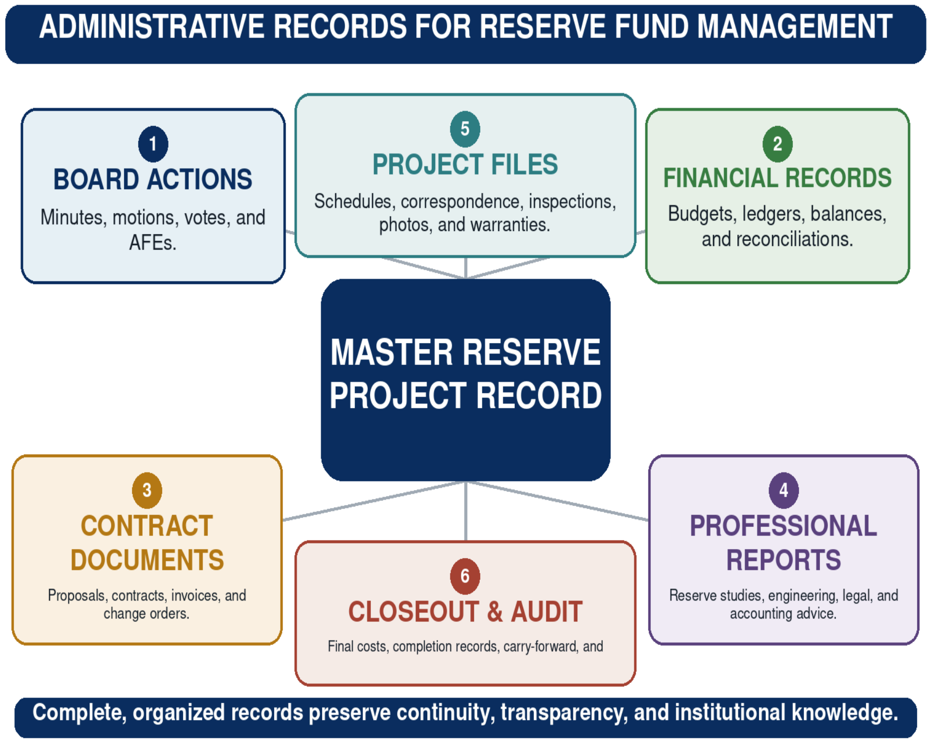

Figure 7-1. Administrative Records for Reserve Fund Management

Description

This figure identifies the principal records used to document reserve planning, Board approvals, project activity, financial results, and year-end reconciliation.

Key Takeaway

Complete, organized records preserve institutional knowledge and support continuity, transparency, audits, and future reserve studies.

Objectives of Administrative Records

Preserve institutional knowledge regarding reserve decisions.
Provide a centralized record of reserve projects and Board actions.
Support financial reporting and future reserve studies.
Facilitate audits and historical research.
Assist newly elected directors and future volunteers.
Improve continuity from one fiscal year to the next.

Core Administrative Records

Associations should maintain organized files containing reserve studies, adopted reserve budgets, Board resolutions and minutes, contracts, invoices, project files, engineering reports, reserve reconciliations, and other documents that explain how reserve decisions were made.

Reserve Projects Record

The ten numbered tabs of the Master Reserve Fund Projects Record connect the adopted SIRS and TRS annual budgets with project activity, funding measures, year-end reconciliation, audit review, and fund-level financial reports; separate About and Copyright tabs provide front matter and use guidance. Two additional EOY summary tabs generate narrative fund summaries after the Treasurer marks Step 2 complete. The project tabs summarize each project's classification, authorization, reserve-study budget, Board-authorized amount, projected and actual or committed cost, variance, funding method, status, and notes.

Reserve Balance Reconciliation Record

The Year-End Reconciliation tab uses two closeout stages plus opening-resource and Step 2 completion controls. After the books close, the Treasurer identifies actual reserve-account balances and separately held reserve project cash. The optional internal 1% trigger compares total operational opening resources with the following reserve study's beginning estimate. Specialist-review, adjustment, and budget-revision fields are completed only when those actions actually occur. The Step 2 YES/NO controls govern both EOY narrative tabs. In the legacy illustrative figures in this edition, 'AFE Approved Cost' means Board-authorized cost limit; the AFE Project Proposal Form is the standard project-level authorization record within this system, and any illustrated review or re-adoption date is hypothetical only.

Management Reports

Periodic management reports should enable the Board to compare budgeted and recorded or approved funding, review line-item budgets and actual or committed project expenditures, evaluate reserve-fund positions, identify significant variances, and monitor project status. The SIRS and TRS Financial Report tabs provide this consolidated management view. The EOY SIRS Summary and EOY TRS Summary then convert the completed closeout into controlled narrative form while remaining subordinate to the Association's official records.

Document Retention

Reserve records should be retained in accordance with applicable law, the Association's document retention policies, and sound administrative practice. Electronic document management systems can improve accessibility while preserving historical records.

Comprehensive administrative records provide institutional memory, allowing reserve fund management to remain consistent despite changes in Board membership and professional advisors. The final chapter presents implementation guidance, recommended governance practices, and suggestions for periodically reviewing and updating this Guide.

Professional Advisors

Property managers, accountants, reserve specialists, engineers, attorneys, and auditors each contribute to maintaining complete reserve documentation. Responsibility for preserving the Association's official records, however, ultimately rests with the Board of Directors.

Section 8. Implementation, Governance, and Continuous Improvement

Section at a Glance
This chapter provides a practical path for putting the system's framework into use. It addresses Board adoption or informal use, assignment of responsibilities, orientation of new officers and directors, coordination with professional advisors, periodic revision of procedures and tools, and continuous improvement based on operating experience. The objective is not rigid uniformity, but a sustainable administrative system that remains legally compliant, understandable, and useful as leadership and circumstances change.

A reserve fund management system is effective only if it is consistently applied. The guiding principles, procedures, administrative practices, and reference tools presented throughout this Guide are intended to support—not replace—the Board's fiduciary judgment and statutory responsibilities. Their greatest value lies in promoting consistency, preserving institutional knowledge, and providing future Boards with a documented administrative framework that can be understood, maintained, and improved over time.

Policy application — Written governance policies. Written policies can make reserve administration more consistent, transparent, and sustainable as Board members, managers, and advisers change. This is a Best Practice unless adopted or required under applicable law or the governing documents.

Reserve fund administration is not a one-time exercise. It is a continuous process that extends from one fiscal year to the next as reserve studies are updated, projects are authorized, expenditures are monitored, balances are reconciled, and new Boards assume responsibility for continuing the Association's long-term financial planning.

Objectives of Implementation

Promote consistent reserve fund administration.

Preserve institutional knowledge despite changes in Board membership.

Improve continuity between successive reserve studies.

Encourage transparent documentation of reserve decisions.

Support informed Board decision-making.

Reduce reliance on individual institutional memory.

Provide future Boards with a practical administrative reference.

Adoption and Use

This Guide is intended to function as a reference document rather than as a governing document or formal policy document. Boards may adopt it in whole or in part, modify its procedures, or use it solely as an administrative reference. Because every association differs, the guidance should be adapted as appropriate.

Board Orientation and Succession Planning

Associations should provide newly elected directors with the current reserve study, adopted reserve budget, reconciliation reports, active reserve project files, and this Guide. Doing so preserves institutional knowledge and shortens the learning curve for future volunteers.

Periodic Review of the Guide

The Board should periodically review this Guide following significant statutory changes, major reserve projects, changes in accounting procedures or management, or recommendations from professional advisors to ensure the system remains current and useful for its purposes.

Relationship to Professional Advisors

Reserve specialists, engineers, accountants, attorneys, auditors, contractors, and property managers provide valuable expertise. Responsibility for reserve fund administration, however, ultimately remains with the Board of Directors.

Continuous Improvement

Incremental improvements implemented over time often produce significant long-term benefits while preserving administrative continuity.

Final Thoughts

Community association reserve funds represent a long-term commitment to preserving the Association's physical assets. Effective administration requires planning, documentation, oversight, and continuity. This system is intended to provide a practical framework that Boards may adapt to strengthen governance and preserve institutional knowledge for future generations.

Section 9. The Master Reserve Fund Projects Record

Section at a Glance

This chapter explains the Master Reserve Fund Projects Record as a fourteen-worksheet system: About and Copyright front matter, ten numbered administrative tabs, and two EOY narrative summary tabs. The workbook is the central bridge among annual reserve budgets, Board authorizations, project activity, supplemental funding, reserve balances, year-end closeout, opening-resource controls, financial reporting, narrative summaries, and the next fiscal year. The record documents decisions and financial effects but does not replace the accounting system, reserve study, Board minutes, governing documents, or current Florida law.

The Master Reserve Fund Projects Record serves as the central administrative record for reserve budgeting, reserve-funded projects, related funding decisions, and year-end results. While the Association's accounting system remains the official financial record, the workbook uses two front-matter tabs, ten numbered administrative tabs, and two EOY narrative summary tabs to follow SIRS and TRS activity from annual budget adoption through project administration, funding measures, reconciliation, audit review, reporting, and narrative closeout.

Maintaining a single, organized record improves continuity, promotes transparency, and preserves institutional knowledge as Board members, managers, accountants, and reserve specialists change.

Figure 9-1. Master Reserve Fund Projects Record

Description

This figure illustrates the workbook's two front-matter tabs and ten numbered administrative tabs. Two controlled EOY summary tabs follow the numbered workflow and generate narrative SIRS and TRS closeout summaries after Step 2 is marked complete.

Key Takeaway

A single, consistently maintained record gives the Board a practical administrative reference while complementing the Association's official accounting records.

Reader note: Figure 9-1 provides an overview of the revised Master Reserve Fund Projects Record. The completed SIRS-01 AFE example appears in Section 13, and the corresponding Roof Membrane

Replacement project appears as the first SIRS project in the worksheets and step-by-step instructions in Section 14.

Objectives

- Provide a centralized record of all reserve projects.
- Track project status from authorization through completion.
- Document funding sources, approvals, and expenditures.
- Support year-end reconciliation and future reserve studies.
- Facilitate audits and historical research.

Organization of the Master Projects Record

The workbook is organized into fourteen worksheets: two front-matter tabs—About and Copyright; ten numbered administrative tabs: 1 — SIRS Annual Budget; 2 — TRS Annual Budget; 3 — SIRS Projects; 4 — SIRS Funding Measures; 5 — TRS Projects; 6 — TRS Funding Measures; 7 — Year-End Reconciliation; 8 — Projects Record Audit; 9 — SIRS Financial Report; and 10 — TRS Financial Report; plus EOY SIRS Summary and EOY TRS Summary narrative tabs controlled by the Treasurer's Step 2 completion entries.

Project Information

Each project entry should identify the project, project type, reserve category and component, Action classification, status, Board approval date, reserve-study cost or budget, Board-authorized amount, projected cost, actual completed cost when known, funding method, and explanatory notes. The workbook calculates Actual/Committed Costs and project variance. Contracts, invoices, completion records, and other detailed support remain in the project file.

Policy application — Project-record continuity. The Master Reserve Fund Projects Record should preserve the link between the approved plan, Board authorization, project activity, funding, and closeout.

Transition

With project information organized in a consistent administrative record, the Board is prepared to perform financial monitoring, year-end reconciliation, and audit support activities. These procedures are examined below in this section.

Year-End Reconciliation, Audit, and Financial Closeout

By the conclusion of the fiscal year, reserve projects should be substantially complete or their financial status clearly documented. Before the next reserve funding cycle begins, the Association should reconcile reserve activity, verify project expenditures, document any approved transfers or adjustments, and establish accurate carry-forward balances for the succeeding fiscal year. This closeout process provides the financial bridge between reserve study cycles.

Year-end reconciliation confirms that Board authorizations, accounting records, project documentation, and reserve study assumptions remain internally consistent. It also provides auditors, accountants, reserve specialists, and future Boards with a complete administrative record explaining how reserve funds were used during the fiscal year.

Objectives

- Verify that all authorized reserve expenditures have been properly recorded.
- Reconcile project records with the Association's accounting records.
- Document approved transfers, adjustments, and special assessments.
- Establish accurate carry-forward balances for the next fiscal year.

- Prepare supporting documentation for audit and future reserve studies.

Financial Closeout

Before final reconciliation, all known reserve invoices, retainage, change orders, transfers, investment activity, and authorized funding measures should be posted to the accounting records. Projects that remain open should be identified separately from completed projects. Management and the Board should use the preliminary closeout to evaluate positive shortfalls before balances become final.

Transfers and Adjustments

All transfers, pooling decisions, reclassifications, or adjustments should be documented, properly approved, and reconciled to the accounting records. SIRS reserves may be used, pooled, transferred, and reported only as permitted by current Florida law. TRS transactions must comply with the statute applicable to the association and its governing documents; legal and accounting advice should be obtained when authority is uncertain.

The ten numbered Master Reserve Fund Projects Record worksheets and detailed instructions for their use appear in Section 14. The separate About and Copyright tabs provide use guidance, permissions, disclaimers, and edition information. The EOY SIRS Summary and EOY TRS Summary tabs generate controlled narratives after Step 2 is complete.

Description

The revised workbook reconciles authorized projects and accounting records, establishes dependable carry-forward balances, identifies where opening reserve resources are held, documents cross-fiscal-year project cash, and supports audit review at project and fiscal-year closeout.

Key Takeaway

Closeout converts project activity into verified financial results and dependable beginning balances for the next reserve cycle.

Professional Advisors

Accountants, auditors, reserve specialists, and property managers each contribute to the reconciliation process. Responsibility for reviewing and accepting the final results remains with the Board of Directors.

Transition

With financial records reconciled and carry-forward balances established, the Association is prepared to evaluate its reserve administration process and identify opportunities for continuous improvement. Section 10 examines governance review, program evaluation, and continuous improvement.

Section 10. Governance Review, Program Evaluation, and Continuous Improvement

Section at a Glance
This chapter establishes an annual governance review of the reserve program. The Board evaluates whether planning, authorization, documentation, monitoring, reporting, reconciliation, and carry-forward procedures worked as intended; whether legal and professional requirements changed; and whether forms, reports, responsibilities, or controls should be revised. The review is a forward-looking quality-control process designed to strengthen the next annual cycle rather than assign blame for past variances.

Reserve fund administration does not end when the books are closed. Effective Boards periodically evaluate the effectiveness of their reserve governance processes, identify opportunities for improvement, and incorporate lessons learned into the next planning cycle. Continuous improvement strengthens financial stewardship, preserves institutional knowledge, and increases confidence in the Association's reserve program.

An annual governance review provides an opportunity to evaluate not only financial performance but also the effectiveness of administrative procedures, Board decision-making, documentation practices, communication, and coordination among management and professional advisors.

Objectives

- Evaluate the effectiveness of reserve-fund guiding principles and administrative procedures.
- Identify opportunities to improve transparency, documentation, and accountability.
- Assess the quality of reserve planning, project administration, and financial reporting.
- Incorporate lessons learned into future reserve studies and budgets.
- Promote continuity despite changes in Board membership and professional advisors.

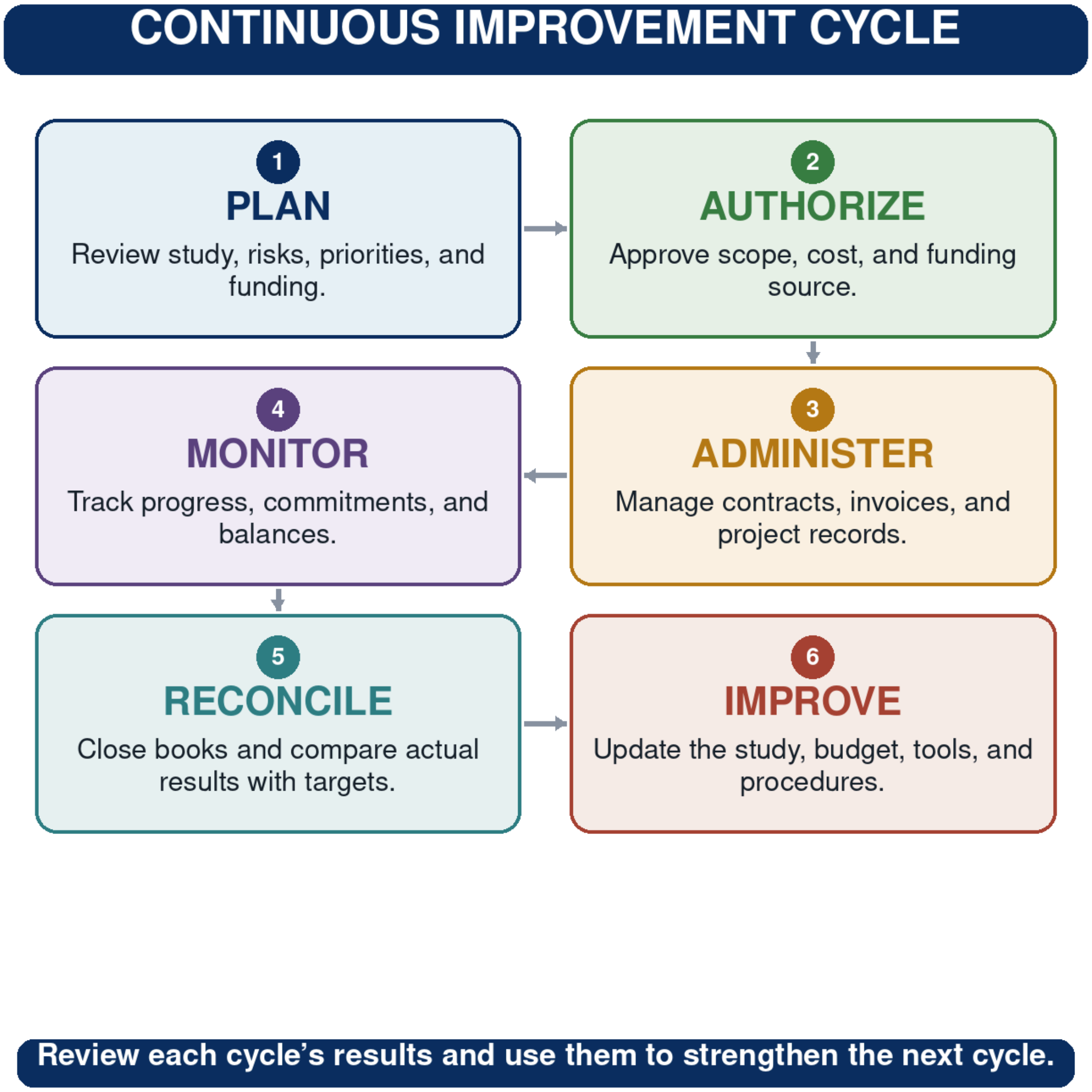

Figure 10-1. Continuous Improvement Cycle

Description

This figure shows how planning, authorization, project administration, reconciliation, governance review, and process improvements feed into the next annual reserve cycle.

Key Takeaway

Annual review turns experience into better procedures, stronger documentation, and more reliable future reserve decisions.

Annual Program Review

Following completion of the annual reconciliation, the Board should review the reserve program with management and professional advisors. The review should consider project outcomes, funding assumptions, documentation quality, reserve study accuracy, compliance with governing documents, and recommendations for improving future administrative practices.

Governance Checklist

- Were all material reserve expenditures approved by the Board?
- Were project records complete and up to date?
- Were funding transfers properly documented and authorized?
- Were the reserve balances accurately reconciled?
- Should the Board adopt guidance in this Guide to reflect its practical experience, or to reflect improved practices or statutory changes?

Professional Advisors

Reserve specialists, accountants, auditors, engineers, attorneys, and property managers can provide valuable recommendations during the annual review. Responsibility for evaluating those recommendations and directing future improvements remains with the Board of Directors.

Final Thoughts

Strong reserve fund administration is built on disciplined planning, sound governance, accurate documentation, and a commitment to continuous improvement. Associations that periodically review and refine their administrative processes are better positioned to preserve their physical assets, maintain financial stability, and pass institutional knowledge to future Boards.

Section 11. Sustaining an Effective Reserve Fund Administration Program

Section at a Glance
This chapter focuses on the durable practices that keep reserve administration effective amid changes in Boards, officers, managers, and advisors. It addresses annual administrative review, assigned responsibility, training and orientation, reliable records, preservation of project history and assumptions, and the governance layers that sustain continuity. The objective is an administrative system that outlasts individual volunteers and supports long-term financial stewardship.

Reserve fund administration is ultimately measured not by the quality of a single reserve study, a successful construction project, or a balanced year-end reconciliation. Rather, its success is demonstrated by an association's ability to maintain consistent financial stewardship over many years despite changes in Board membership, management companies, reserve specialists, accountants, and professional advisors.

Associations that consistently maintain well-funded reserves generally have one characteristic in common: they have established administrative systems that outlast individual volunteers. Sound governance depends less upon individual personalities than upon documented procedures, reliable records, disciplined decision-making, and a commitment to preserving institutional knowledge.

The Reserve Fund Governance and Management Guide: Florida Edition is intended to become one element of that long-term administrative framework.

Objectives

- Promote continuity despite changes in Board membership.
- Preserve institutional knowledge for future volunteers.
- Encourage consistent reserve governance from year to year.
- Strengthen transparency and accountability.
- Improve communication among Boards, management, and professional advisors.
- Reduce the likelihood of avoidable special assessments resulting from poor administration.
- Support informed long-term financial planning.

Figure 11-1. Characteristics of Well-Managed Reserve Funds

Description

This figure summarizes the governance, funding, documentation, monitoring, and continuity practices commonly found in effective reserve programs.

Key Takeaway

Well-managed reserve funds result from a durable administrative system, not from any single study, project, or Board member.

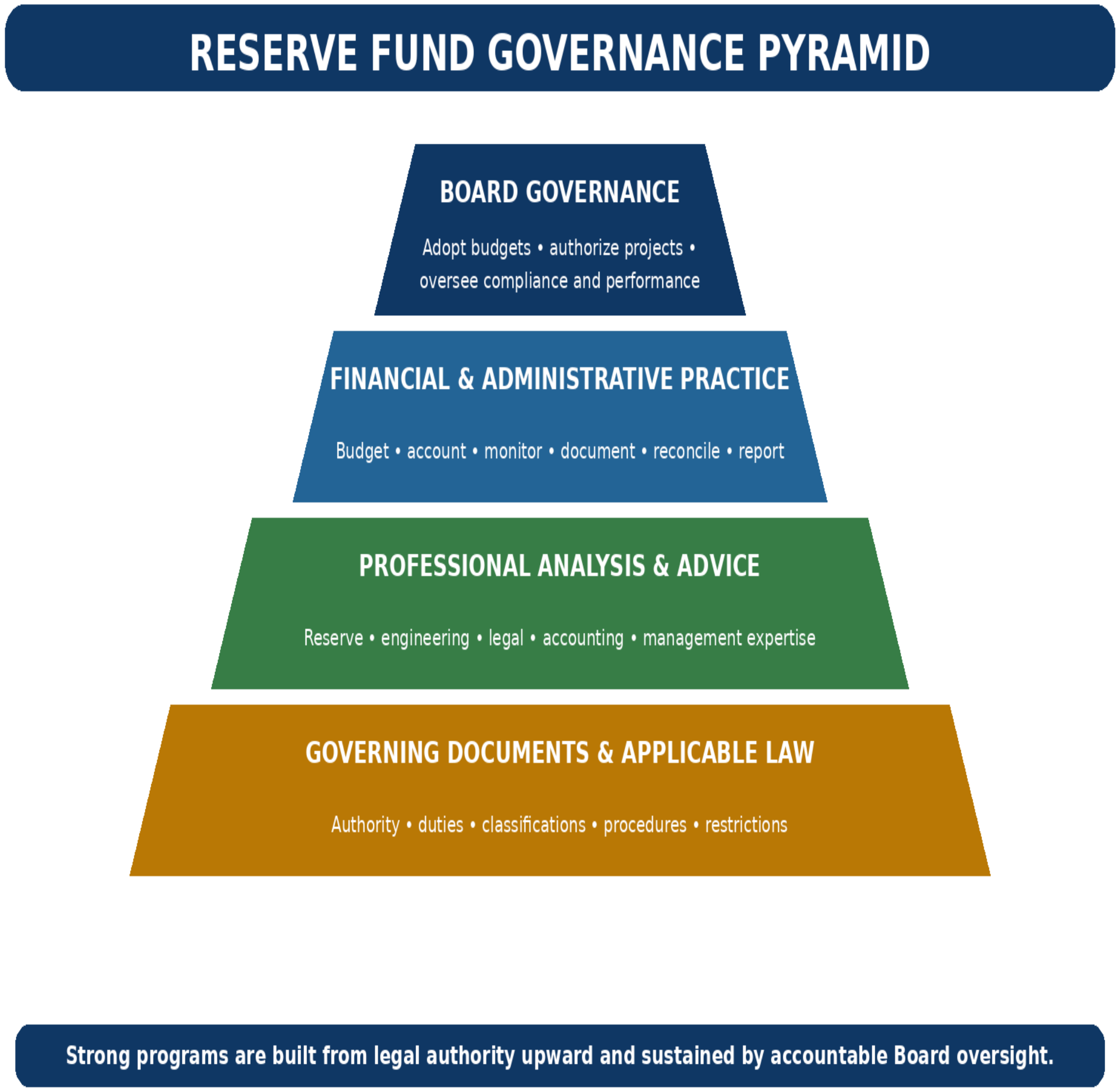

Figure 11-2. Reserve Fund Governance Pyramid

Description

This figure illustrates how successful reserve administration is built upon statutory authority, governing documents, professional advice, Board governance, sound financial management, and consistent administrative practice.

Key Takeaway

Strong reserve programs are built from the foundation upward, with every layer working together.

Annual Administrative Review

At least once each fiscal year, the Board should evaluate the effectiveness of its reserve administration program by asking:

- Were projects completed within approved budgets?
- Were reserve expenditures properly authorized?
- Were project records complete?
- Were financial reports understandable?
- Were carry-forward balances accurately established?
- Were reserve study assumptions reasonable?
- Did administrative procedures work as intended?
- Should any forms, reports, or procedures be improved before the next fiscal year?

The purpose of this review is not to assign blame but to identify opportunities for strengthening future administration.

Preserving Institutional Knowledge

One of the greatest challenges facing community associations is the continual turnover of volunteer leadership. Associations can reduce the loss of experience by maintaining organized administrative records, preserving project histories, documenting significant Board decisions, and providing new directors with an orientation that includes current reserve studies, financial reports, active project information, and this Guide.

Conclusion: Preserving Institutional Knowledge and Administrative Continuity

Reserve funds represent one of the Association's largest financial responsibilities. Their successful administration requires disciplined planning, informed governance, complete documentation, thoughtful financial management, and a continuing commitment to transparency.

The procedures presented throughout this Guide are intended to provide a practical administrative framework that Boards may adapt to their own governing documents, professional advisors, and operating practices.

No system can replace sound judgment. However, sound judgment is strengthened when supported by accurate information, organized records, documented procedures, and a commitment to continuous improvement.

Ultimately, successful reserve fund administration is not simply about preserving buildings. It is about preserving the Association’s long-term financial health, governance integrity, and institutional knowledge. Boards, managers, accountants, reserve specialists, and volunteers will change; a disciplined administrative framework allows sound decisions, complete records, and reliable financial information to endure. The annual cycle then begins again—using the reconciled results of the year just closed as the factual starting point for the year ahead.

Section 12 – Preparing the Annual Reserve Budget

Florida Edition - SIRS / TRS

A Florida reserve study supplies estimates and a recommended funding plan. It does not itself constitute the Association's adopted annual budget. The Association should translate the current study into the proposed annual budget, reconcile actual balances and project changes, include the required reserve and pooled-funding schedules, provide the required notice, and obtain formal Board adoption.

Policy application — Prospective revisions. If a post-close review changes monthly assessments or reserve contributions, the Board should calculate and apply the change prospectively over the remaining fiscal year, following applicable notice and approval procedures.

For an Association subject to structural-integrity-reserve-study requirements, the budgeted reserve amounts and funding method must reflect the current study and the requirements then in effect. SIRS and TRS should be identified and presented separately; SIRS components may be pooled only with other SIRS components under the applicable condominium or cooperative statute. Recheck every publication and adoption draft against current Florida law, the governing documents, and professional advice.

FLORIDA PRINCIPLE	***Determine SIRS applicability first, separate SIRS from TRS, and confirm that the proposed budget's SIRS funding aligns with the most recent SIRS funding plan before adoption.***

From Reserve Study to Adopted Reserve Budget—Florida Requirements

- The proposed annual budget should be sufficiently detailed to show amounts by account and expense classification, including the reserve information required for the Association type.
- The budget package should include the reserve schedules required by the applicable statute and rules. If pooling is used, the supporting pooled-funding schedule and methodology should identify the covered components and demonstrate how projected expenses will be met.
- For required SIRS items, use the most recent SIRS as the budget basis and confirm that the proposed funding amounts and methods align with its funding plan or schedule, subject to the current statute.
- Provide the required owner notice and proposed budget, conduct Board consideration and adoption through the applicable meeting process, record the approving action in the minutes, and retain the notice evidence, adopted budget, schedules, and supporting records.

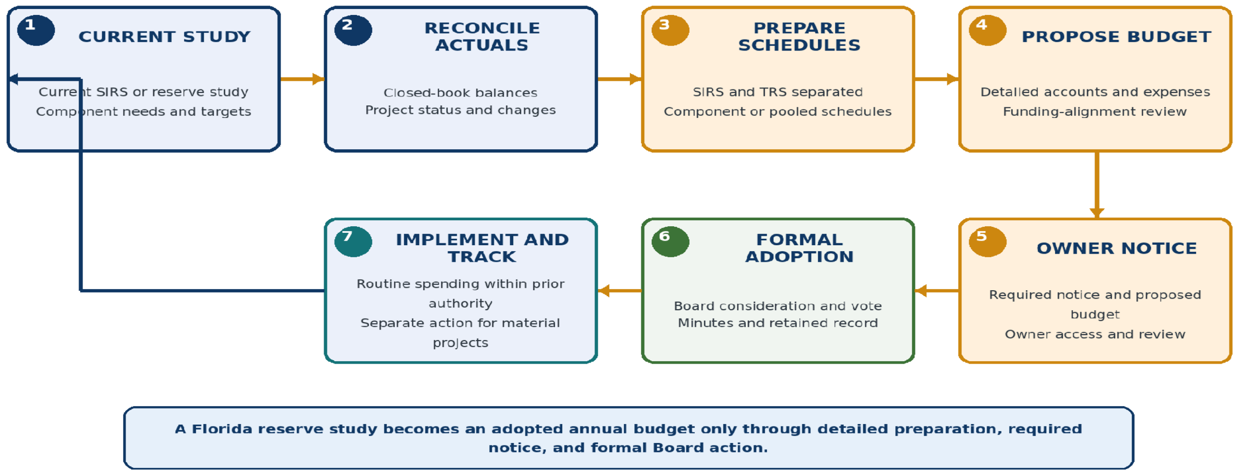

Figure 12-1. Florida Reserve Study-to-Budget, Notice, Adoption, and Authorization Process

Description. The figure separates the current study, reconciliation, detailed schedules, proposed annual budget, required owner notice, formal Board adoption, and implementation controls. Routine spending stays within prior authority; material or nonroutine projects receive separate action.

Risks of Missing or Incomplete Florida Reserve-Budget Documentation

- Compliance and documentation risk. The record may not demonstrate that the Association prepared, noticed, considered, and adopted the budget and required schedules through the correct process.
- Pooling risk. An incomplete pooled-reserve schedule can obscure whether eligible components, required classifications, and projected expenses were handled consistently with current law.
- Budget-control risk. Management, directors, accountants, and auditors may lack a reliable benchmark for budget-to-actual review and variance analysis.
- Spending-authority risk. The record may not show whether an expenditure fell within prior budget, project, contract, or program authority or required additional Board action.
- Transparency risk. Owners and successor Boards may not be able to understand what was proposed, noticed, adopted, funded, deferred, or changed.
- Funding risk. Shortfalls, changed project timing, cost escalation, and departures from the current study may be detected or addressed too late.

Qualifications and Limits

- The legal effect of a missing or incomplete budget record depends on the applicable statute, administrative rules, governing documents, facts, and professional advice. This system does not state that every expenditure under an incomplete budget is automatically invalid.
- The adopted budget is a financial plan, authorization framework, and control benchmark—not an instruction to spend every listed amount.
- Florida law does not require this particular AFE form for every payment. Within this management system, however, each material or nonroutine reserve project should ordinarily be presented through the AFE Project Proposal Form before Board authorization. A motion, resolution, approved contract, or sufficiently detailed minutes may serve as an equivalent written authorization record where legally sufficient, and routine payments under valid prior authority do not require a separate AFE for each payment.

- A routine expenditure is a payment or purchase made in the ordinary implementation of an already approved budget, project, contract, or recurring program, and within its approved purpose, scope, funding source, and spending limit. Routine describes the existence and limits of prior authorization—not merely the dollar amount.
- An expenditure is not routine when it creates a new material project or obligation; serves an unbudgeted purpose; materially changes the approved scope, schedule, funding source, or cost; exceeds an approved limit; or makes a transfer or reallocation for which the governing documents, applicable law, or Board policy require further action.
- Separate approval for material or nonroutine projects is a governance and internal-control practice. This system uses the AFE Project Proposal Form as the standard project-level authorization record; it does not claim that Florida law prescribes this particular form for every reserve expenditure.
- The workbook's 1% difference test is an optional internal review trigger, not a Florida statutory materiality standard and not an automatic requirement to revise or re-adopt a budget.

Florida Authority Note—Keep Condominium and Cooperative References Separate

Condominiums. Section 718.112, Florida Statutes, addresses annual budgets, reserves, SIRS, funding methods, pooling, use restrictions, and related procedures for condominium associations. The condominium budget and reserve rules are Rules 61B-22.003 and 61B-22.005, Florida Administrative Code.

Cooperatives. Section 719.106, Florida Statutes, separately addresses notice, annual budgets, reserves, SIRS, funding methods, pooling, use restrictions, and related procedures for cooperative associations. The cooperative budget and reserve rules are Rules 61B-76.003 and 61B-76.005, Florida Administrative Code.

DBPR guidance. Condominium and Cooperative FAQs provide official explanatory material. Guidance assists with research but does not replace the controlling statute, final adopted rules, governing documents, or legal and accounting advice.

Current-law check. As of August 31, 2026, the Florida Administrative Code pages list rulemaking activity affecting the condominium and cooperative reserve rules. Confirm whether proposed changes have become effective before relying on a rule summary. Reverify SIRS applicability, deadlines, funding and waiver restrictions, inflation-adjusted thresholds, pooling, notice, transition provisions, and official links with Florida counsel and the Association's accounting professionals.

Annual Budget Development Procedure

Step	Board action
1	Determine the applicable framework. Confirm whether the association and each building are subject to SIRS requirements and identify the governing statute, declaration, bylaws, and other controlling documents.
2	Assemble the current planning record. Use the most recent SIRS, the current reserve study or other TRS planning schedule, prior-year closed-book balances, project records, engineering information, and Board-approved funding measures.
3	Separate SIRS and TRS. Classify each component, contribution, funding measure, expenditure, and balance in the correct fund. Do not treat the administrative SIRS/TRS framework as changing the requirements of Chapters 718, 719, or 720.
4	Establish beginning balances. Use actual reconciled carry-forward balances when available and explain any difference from the beginning balances assumed in the SIRS or other reserve plan.
5	Identify projects and funding. Extract the coming-year SIRS and TRS projects, recommended annual reserve amounts, scheduled expenditures, and target ending balances. Update documented estimates for completed, accelerated, deferred, emergency, or newly identified work.
6	Perform the SIRS funding-alignment review. Compare regular assessments, special assessments, lines of credit, loans, and other planned funding methods with the most recent SIRS funding plan. Obtain an updated SIRS before adopting a nonaligned budget when required by current law.
7	Prepare and adopt the budget. Present SIRS and TRS separately; show beginning balances, each funding source, itemized planned project expenditures, projected ending balances, and comparison with the applicable study targets. Follow all statutory, governing-document, notice, voting, and disclosure requirements.
8	Authorize, track, and reconcile. Continue project-specific Board approval through the AFE Project Proposal Form as the standard project-level authorization record, supported by the related motion, resolution, approved contract, or detailed minutes. Use reserve funds only for authorized purposes, maintain the Projects Record, and reconcile actual results to the adopted budget and study targets at year-end.

Illustrative Florida Annual Reserve Budget

This table is an administrative illustration only. The association should replace the sample amounts and line items with its own legally reviewed budget, current SIRS funding plan, TRS reserve plan, accounting structure, and governing-document requirements. The sample amounts and scheduled project lines are harmonized with the revised illustrative Projects Record in Section 14; unscheduled elective examples shown on the project tabs are not included in the adopted scheduled-project totals.

Budget line	SIRS	TRS	Total	Basis/note
Beginning reserve balance	$300,000	$180,000	$480,000	Section 14 prior-year actual total reserve resources from opening-balance reconciliation
Regular reserve contributions	$60,000	$36,000	$96,000	Board-adopted illustrative contributions
Loan or line-of-credit proceeds	$0	$0	$0	No loan or credit proceeds in the illustrative figures
Interest / investment income	$6,000	$3,600	$9,600	Board-approved illustrative estimates
Funds available	**$366,000**	**$219,600**	**$585,600**	**Beginning resources plus planned inflows**
Total scheduled project expenditures	($175,000)	($134,000)	($309,000)	Total from the itemized scheduled-project table
Projected ending balance	**$191,000**	**$85,600**	**$276,600**	**Funds available less scheduled project expenditures**
Applicable reserve-plan target ending balance	$191,000	$85,600	$276,600	Current illustrative reserve-plan targets

Scheduled Project Expenditures

The eight scheduled Section 14 projects are itemized below. Each appears on a separate line, with the applicable fund shown on the horizontal axis. The project tabs also demonstrate one unscheduled elective example in each fund; those zero-budget examples are excluded from the scheduled-project totals.

Project / component	SIRS	TRS	Total	Basis/note
Project #1: Roof Membrane Replacement	$80,000	$0	$80,000	Illustrative scheduled reserve-study line item.
Project #2: Elevator Controls Modernization	$45,000	$0	$45,000	Illustrative scheduled reserve-study line item.
Project #3: Fire-Alarm Control Panel	$30,000	$0	$30,000	Illustrative scheduled reserve-study line item.
Project #4: Exterior Waterproofing	$20,000	$0	$20,000	Illustrative scheduled reserve-study line item.
Project #5: Pool Resurfacing	$0	$55,000	$55,000	Illustrative scheduled reserve-study line item.
Project #6: Parking-Area Paving	$0	$40,000	$40,000	Illustrative scheduled reserve-study line item.
Project #7: Clubhouse HVAC Replacement	$0	$24,000	$24,000	Illustrative cross-fiscal-year scheduled line item.
Project #8: Seawall Engineering and Design	$0	$15,000	$15,000	Illustrative scheduled reserve-study line item.
Total scheduled project expenditures	**$175,000**	**$134,000**	**$309,000**	**Totals carried to the annual reserve budget above.**

Florida Board Review Checklist

☑ SIRS applicability has been confirmed for the association and affected buildings.

☑ **SIRS and TRS components, balances, contributions, funding measures, expenditures, and interest are separately identified, with any required fund, accounting, or depository-account segregation maintained.**

☑ The proposed SIRS funding methods and amounts have been compared with the most recent SIRS funding plan.

☑ An updated SIRS will be obtained before adoption whenever the proposed funding does not align and current law requires an update.

☑ **Any pooled reserve budget is supported by the applicable pooled-reserve schedule, and SIRS components are pooled only with other SIRS components.**

☑ The proposed annual budget and supporting reserve schedules have been delivered with the notice and within the time required for the Association type, and proof of notice will be retained in the official records.

☑ The Board will formally consider and adopt the annual budget at the required meeting, and the minutes or resolution will identify the adopted budget and schedules.

☑ Project-specific approval, lawful use restrictions, documentation, and year-end reconciliation remain in place after budget adoption.

KEY TAKEAWAY	***The annual Florida reserve budget should make the SIRS funding plan visible, keep SIRS and TRS distinct, and show owners how study recommendations become the coming year's funding and project plan.***

Section 13 – Authorization for Expenditure (AFE) Project Proposal Form

About This Section
This section provides a standardized form for presenting a proposed reserve project to the Board and a completed illustrative example for SIRS-01, Roof Membrane Replacement. It captures the project purpose, reserve classification, action classification, scope, supporting documentation, estimated and authorized amounts, funding method, Board action, and project closeout. The example corresponds to the first SIRS project in Section 14. The form creates a concise project record but does not itself authorize an expenditure or replace properly adopted Board minutes, contracts, accounting records, or required approvals.

Purpose

The Authorization for Expenditure (AFE) Project Proposal Form provides a standardized method for presenting proposed reserve projects to the Board before authorization. It documents the project, the estimated cost, the proposed funding method, and other information the Board may consider before approving reserve expenditures. The revised illustrative example uses SIRS-01, Roof Membrane Replacement, and corresponds to the first SIRS project in Section 14.

Administrative Guidance

The Board should separately review and authorize material or nonroutine reserve projects at a properly noticed meeting. Routine expenditures may proceed within valid prior authorization, subject to applicable law, governing documents, contracts, policies, and internal controls.

The AFE Project Proposal Form is an integral component of this reserve-fund governance and management system and the Association's standard Board planning, project-evaluation, authorization, and project-documentation record for each material or nonroutine reserve project. No particular AFE form is mandated by statute unless applicable law or the governing documents provide otherwise. Within this system, the Association should use this form—or an equivalent written project-authorization record where legally sufficient—for each material or nonroutine reserve project. The AFE documents the proposed project; Board authorization is established when the Board acts through the AFE and the related motion, resolution, approved contract, or sufficiently detailed Board minutes. A separate AFE is not required for each routine payment made under valid prior authority.

The AFE documents the proposed project; it does not constitute Board approval until the Board acts on it.

The authorized amount approved by the Board may be revised subsequently if project conditions materially change.

Approved projects are then entered into the Master Reserve Fund Projects Record for ongoing documentation and monitoring.

Administrative Notes

Reserve funding methods may include expenditures from the applicable reserve fund account, reserve transfers, special assessments, financing, increased reserve contributions, phased implementation, project deferrals, or other lawful funding methods approved by the Board.

The AFE Project Proposal Form supplements—but does not replace—Board minutes, contracts, accounting records, reserve studies, or other official Association records.

The form may be used, modified, or discontinued by the Board as circumstances warrant.

Illustrative Completed Example. The three pages that follow show SIRS-01, Roof Membrane Replacement, from proposal and Board authorization through project closeout. All names, dates, vendors, and amounts are hypothetical and are provided solely to demonstrate completion of the form.

Reserve Fund Projects Workbook — Florida Edition

AFE Project Proposal Form

ILLUSTRATIVE COMPLETED EXAMPLE — PROJECT SIRS-01

Project Information	
Project ID	SIRS-01
Project Name	Roof Membrane Replacement
Project Type	Scheduled replacement
Reserve Category	Roofing
Reserve Component	Main Building Roof
Action Classification	REQUIRED
Status	Completed
Board Approval Date	June 10, 2027

Reserve Classification	
Fund	SIRS — Structural Integrity Reserve Study reserves
Study Line / Basis	Roof membrane replacement scheduled in the current SIRS
Reserve-Study Cost / Budget	$60,000
Funding Method	SIRS cash management
Classification Review	Illustrative classification only; current Florida law and the Association’s current SIRS control.

Project Description and Purpose	
Condition / Need	The main-building roof membrane had reached the scheduled replacement cycle and showed recurring seam and flashing deterioration.
Proposed Scope	Remove the failed membrane areas; repair substrate as needed; install the replacement roof system; complete flashing, drainage, testing, and warranty documentation.
Project Objective	Restore a watertight roofing assembly and preserve the building envelope.

All association names, dates, vendors, and amounts are fictional dummy data supplied solely to illustrate completion of the form.

Reserve Fund Projects Workbook — Florida Edition

AFE Project Proposal Form

AFE Project Proposal Form — Project SIRS-01

Project Proposal and Funding	
Association	Sample Shores Community Association (fictional)
Project	SIRS-01 — Roof Membrane Replacement
Authorization Requested	Authorize the roof-membrane replacement within a not-to-exceed amount of $62,000, subject to contract review and permit requirements.
Proposed Start	July 1, 2027
Proposed Completion	August 31, 2027

Illustrative Cost Detail	
Roof membrane and installation	$53,500
Substrate repairs allowance	$2,500
Engineering / permit / testing	$2,000
Contingency	$4,000
Reserve-Study Cost / Budget	$60,000
Proposed AFE Not-to-Exceed	$62,000

Board Action	
Action	Approved
Meeting Date	June 10, 2027
Authorized Amount	$62,000 not to exceed
Funding	SIRS cash management
Minutes Reference	Illustrative Resolution 2027-06; approval recorded in fictional minutes.

The AFE records the proposed project and Board action. It supplements—but does not replace—properly adopted minutes, contracts, accounting records, statutory procedures, or professional review.

Reserve Fund Projects Workbook — Florida Edition

AFE Project Proposal Form

AFE Project Proposal Form — Project SIRS-01

Board Action Confirmation	
Board Action	Approved within the not-to-exceed amount
Board Meeting	June 10, 2027
Contract Authorization	Illustrative contract executed after Board approval
Authorized Amount	$62,000
Required Records	Minutes, executed contract, permit record, invoices, inspection / testing records, warranty, and closeout documentation

Project Closeout — Illustrative Follow-Through	
Project Start	July 1, 2027
Completion Date	August 18, 2027
Actual Completed Project Cost	$61,500
Variance from Reserve-Study Budget	($1,500) unfavorable
Variance from AFE Amount	$500 favorable
Status	Completed
Closeout Note	Final invoice, completion documentation, and warranty recorded in the illustrative project file.

Administrative Notes	
1	The approved AFE amount is the Board-authorized not-to-exceed amount; it is not itself an invoice or accounting entry.
2	The actual completed cost is entered on the SIRS Projects tab only after the final cost is supported by the Association's records.
3	The project appears as Project 1 on the SIRS Projects tab and flows to the SIRS Financial Report.
4	All values are fictional dummy data and demonstrate completion of the form only.

Section 14 – User Guide for the Master Reserve Fund Projects Record

Section at a Glance

This section provides step-by-step guidance for the revised

fourteen-worksheet Florida workbook: About and Copyright front matter, ten numbered administrative tabs, and two EOY narrative summary tabs. It explains how the SIRS and TRS annual budgets establish the fiscal-year plan; how project and funding-measure tabs document Board actions and current costs; how reconciliation and audit tabs complete year-end closeout, opening-resource review, and cross-year controls; how the two financial-report tabs consolidate funding, line-item expenditures, fund position, and closeout results; and how the EOY tabs generate controlled narrative summaries after Step 2 is complete. The workbook is an administrative management tool and does not replace official or professional records and advice.

Workbook at a Glance

The Master Reserve Fund Projects Record is organized as fourteen coordinated worksheets: About and Copyright front matter, ten numbered administrative tabs, and two EOY narrative summary tabs. The annual budget tabs establish the fiscal-year plan; project and funding-measure tabs document implementation; reconciliation and audit tabs support closeout and opening-resource controls; financial-report tabs consolidate the principal information; and the EOY tabs present controlled narrative summaries. The companion workbook is a blank reusable template; the populated figures in this section use illustrative dummy data.

Front Matter	About and Copyright tabs: workbook purpose, numbered-tab guide, annual workflow, use controls, permissions, limitations, disclaimers, statutory-reference notice, companion resources, and edition information.	Orient users to the workbook sequence and controls, state permitted use and limitations, and direct verification of current law, governing documents, and professional guidance.
1 SIRS Annual Budget	Annual financial plan for Structural Integrity Reserve Study reserves, including the beginning balance, planned contributions and other inflows, scheduled project expenditures, projected ending balance, and applicable reserve-plan target.	Establish the Board-approved SIRS financial framework for the fiscal year and preserve alignment with the current SIRS funding plan and applicable Florida requirements.

2 TRS Annual Budget	Annual financial plan for Traditional Reserves, including the beginning balance, planned contributions and other inflows, scheduled project expenditures, projected ending balance, and applicable reserve-plan target.	Establish the Board-approved TRS financial framework for the fiscal year and identify the projects and funding assumptions incorporated into the budget.
3 SIRS Projects	Detailed records for SIRS projects, including reserve-study budget, Board-authorized amount, projected and actual or committed costs, variance, action classification, status, funding method, and notes.	Track each SIRS project from planning and authorization through expenditure monitoring, completion, closeout, and historical documentation.
4 SIRS Funding Measures	Record of SIRS special assessments, additional contributions, lawful transfers, and related Board approvals, together with calculations comparing funding measures and project variances.	Document supplemental SIRS funding actions and determine whether approved funding measures offset unfavorable project variances or other reserve needs.
5 TRS Projects	Detailed records for TRS projects, including reserve-study budget, Board-authorized amount, projected and actual or committed costs, variance, action classification, status, funding method, and notes.	Track each TRS project from planning and authorization through expenditure monitoring, completion, closeout, and historical documentation.
6 TRS Funding Measures	Record of TRS special assessments, additional contributions, lawful transfers, and related Board approvals, together with calculations comparing funding measures and project variances.	Document supplemental TRS funding actions and determine whether approved funding measures offset unfavorable project variances or other reserve needs.
7 Year-End Reconciliation	Two-stage closeout plus opening-balance reconciliation, account-location reporting, and cross-fiscal-year carryforward fields.	Identify projected and final shortfalls or excesses, establish dependable opening resources, document separately held project cash, and connect the closed year to the next reserve-study cycle.

8 Projects Record Audit	Final-balance comparison plus opening-account and cross-year controls, including documentation and no-double-counting checks.	Test workbook completeness and internal consistency and direct follow-up to unexplained closeout differences, missing documentation, or possible duplicate recognition.
9 SIRS Financial Report	Calculated management report combining SIRS funding and resources, line-item project expenses, variances, fund position, and year-end reconciliation information.	Provide a consolidated SIRS budget-to-actual and closeout report for Board and management oversight without duplicating the Association's official accounting records.
10 TRS Financial Report	Calculated TRS management report combining funding, project expenses, variances, fund position, reconciliation, and optional cross-fiscal-year project controls.	Provide consolidated TRS oversight while preserving visibility into carried project cash and prior- and current-year project expenditures.

How the tabs work together. About explains workflow and controls, while Copyright provides permissions and disclaimers. Tabs 1 and 2 establish the plan; Tabs 3 through 6 document projects and funding measures; Tab 7 performs preliminary and final reconciliation, opening-resource review, the 1% material-difference test, and Step 2 completion; Tab 8 provides closeout controls; Tabs 9 and 10 provide the financial reports; and the two EOY tabs translate the completed results into narrative form.

Important. The workbook is an administrative and management tool. Its Financial Report and EOY Summary tabs do not replace the Association's general ledger, formal financial statements, accountant-prepared reports, reserve study, Board records, or other official records. All names, dates, amounts, projects, approvals, and reconciliation results shown in the Section 14 illustrations are hypothetical. Enter and verify the Association's information in the blank companion template before operational use.

Purpose

The Master Reserve Fund Projects Record is a fourteen-worksheet annual administrative workbook—two front-matter tabs, ten numbered operating tabs, and two controlled EOY summary tabs—that connects SIRS and TRS budgets with project authorization and cost tracking, Board-approved funding measures, preliminary and final reconciliation, opening-resource and cross-year controls, the 1% beginning-balance test, closeout review, financial reports, and narrative year-end summaries.

About and Copyright provide orientation and use controls. Tabs 1 and 2 establish the annual budget framework. Tabs 3 through 6 document project and funding activity. Tabs 7 and 8 complete reconciliation and internal review. Tabs 9 and 10 consolidate the information into SIRS and TRS reports. The EOY SIRS Summary and EOY TRS

Summary remain controlled by the Treasurer's Step 2 YES/NO entries. All prefilled entries shown in the figures are hypothetical illustrations, not the records of any association; the companion workbook is supplied as a blank reusable template.

The workbook supplements—but does not replace—the Association's accounting records, financial statements, reserve studies, governing documents, Board minutes, contracts, bank reconciliations, current Florida legal requirements, or professional advice. Enter data only in the intended input cells. Calculated and cross-tab reference cells should not be overwritten. When the workbook is adapted, all formulas and report links should be retested before use.

Workbook Organization

- Tab 1 — SIRS Annual Budget. Establishes the SIRS beginning balance, planned contributions and other budgeted inflows, scheduled line-item projects, projected ending balance, applicable reserve-plan target, and Board approval record.
- Tab 2 — TRS Annual Budget. Provides the same annual budget structure for Traditional Reserves.
- Tab 3 — SIRS Projects. Provides stacked records for up to ten SIRS projects and calculates project-level and portfolio totals and variances.
- Tab 4 — SIRS Funding Measures. Records SIRS special assessments, supplemental contributions, transfers, approval dates, and notes separately from project costs.
- Tab 5 — TRS Projects. Provides the same ten-project capacity and project calculations for Traditional Reserves.
- Tab 6 — TRS Funding Measures. Records TRS special assessments, supplemental contributions, transfers, approval dates, and notes.
- Tab 7 — Year-End Reconciliation. Performs preliminary closeout before the books close, final reconciliation after the books close, and opening-balance reconciliation with account-location and cross-fiscal-year carryforward controls.
- Tab 8 — Projects Record Audit. Compares actual closed-books balances with revised estimated ending balances and applies the worksheet's positive-difference review threshold, then checks cross-year cash documentation and possible double counting.
- Tab 9 — SIRS Financial Report. Consolidates SIRS funding and resources, line-item project expenditures, fund position, and reconciliation results.
- Tab 10 — TRS Financial Report. Provides the same consolidated management report for Traditional Reserves.
- EOY SIRS Summary. Generates a controlled SIRS narrative after the Treasurer marks Step 2 complete.
- EOY TRS Summary. Generates a controlled TRS narrative after the Treasurer marks Step 2 complete.

Data Flow and Workbook Controls

- The annual budget tabs provide planned funding, scheduled-project budgets, projected ending balances, and applicable reserve-plan targets.
- The project tabs provide line-item budgets, approved and projected costs, actual completed costs, actual or committed costs, variances, status, and notes.
- The funding-measure tabs provide Board-approved supplemental resources and bring forward the net project variance for each reserve category.
- The reconciliation tab uses Treasurer-entered preliminary and final balances; approved funding entered at preliminary closeout is reconciled with the applicable funding-measure tab. It separately identifies reserve-account balances and reserve project cash held elsewhere, compares total operational opening resources with the following reserve study, and applies an optional internal 1% review trigger. The threshold is not a legal materiality standard. Any specialist review, adjustment, or budget revision is recorded only if it actually occurs.
- The audit tab draws from the reconciliation tab and adds account-location and cross-year controls. The financial-report tabs draw from the annual-budget, project, funding-measure, reconciliation, and audit tabs. Correct source data rather than typing over report formulas.
- Maintain consistent fiscal-year labels and reserve classifications across all tabs. Blank project slots remain available for later projects and do not appear as populated lines in the financial reports.
- SIRS and TRS classifications, funding, use, pooling, transfers, interest treatment, and reporting must remain consistent with current Florida law, the Association's governing documents, the applicable reserve study, and professional accounting advice.

Tab 1 — SIRS Annual Budget

Use this tab to prepare and adopt the annual SIRS budget. In the blank companion template, enter the fiscal year and the Association's approved amounts; the figure below shows a populated illustration. The beginning reserve balance is linked from the Prior Fiscal-Year Actual Total Reserve Resources entered in the opening-balance section of Tab 7. Enter the planned regular reserve contribution, any permitted and approved loan or line-of-credit proceeds included in the funding plan, and the Board-approved estimate of interest or investment income. The worksheet calculates Funds Available.

List each scheduled SIRS project separately with its line-item budget and basis. The illustrated worksheet contains four scheduled projects; the blank companion template provides six scheduled-project lines that may be completed or revised while preserving the total and projected-ending-balance formulas. Total Scheduled Project Expenditures is deducted from Funds Available to calculate the Projected Ending Balance. Enter the applicable SIRS or reserve-plan target ending balance so the Board can see whether the adopted plan is expected to meet the target.

Complete the Board Approval section and align budget project names with the SIRS Projects tab. In the illustrative data, SIRS begins at $300,000, receives $60,000 of contributions and $6,000 of interest, schedules $175,000 of projects, and ends with a projected and target balance of $191,000. The fields and amounts are dummy data and must be replaced before use.

SIRS Annual Reserve Budget — Illustrative Example

Fiscal Year	2025–2026

Enter the fiscal year and adopted budget values from the current reserve study. Record project activity on the related Projects and Funding Measures tabs.

SIRS Annual Reserve Budget

Budget line	SIRS Amount	Calculation / Use
Beginning reserve balance	$300,000	*Opening reserve resources carried forward from the prior fiscal year.*
Regular reserve contributions	$60,000	*Enter the Board-adopted regular reserve contribution.*
Loan or line-of-credit proceeds	-	*Enter planned loan or line-of-credit proceeds, if any.*
Interest / investment income	$6,000	*Enter projected interest or investment income.*
Funds available	$366,000	*Beginning balance plus planned inflows.*
Total scheduled project expenditures	$175,000	*Total from the itemized project schedule below.*
Projected ending balance	$191,000	*Funds available less planned project expenditures.*
SIRS / reserve-study target ending balance	$191,000	*Enter the current reserve study's target ending balance.*

Scheduled Project Expenditures

Project / component	SIRS Budget	Basis / note
Roof membrane replacement	$80,000	*Current reserve study; scheduled replacement*
Elevator controls modernization	$45,000	*Current reserve study; scheduled modernization*
Fire-alarm control panel	$30,000	*Current reserve study; life-safety component*
Exterior waterproofing	$20,000	*Current reserve study; scheduled restoration*
Total scheduled project expenditures	$175,000	Total carried to the annual reserve budget above.

Board Approval

Motion / resolution	Motion 2025-04-15-03 adopting the SIRS budget	*Record the approving motion or resolution.*
Meeting date	15-Jan-25	*Date the Board adopted the budget.*
Authorized by	Alex Morgan, President	*Name and office of the authorized Board representative.*
Secretary certification	Certified in Board minutes by Jamie Lee, Secretary	*Certification or minutes reference.*

Figure 14-1. SIRS Annual Budget tab

Tab 2 — TRS Annual Budget

Use this tab in the same manner as the SIRS Annual Budget tab. The TRS beginning balance is linked from the Prior Fiscal-Year Actual Total Reserve Resources entered in Tab 7. Enter planned regular contributions, any permitted and approved loan or line-of-credit proceeds included in the plan, estimated interest or investment income, scheduled line-item project budgets, and the applicable reserve-plan target ending balance. The worksheet calculates funds available, total scheduled expenditures, and the projected ending balance.

Complete the Board Approval section and align scheduled projects with the TRS Projects tab. The illustrative TRS budget begins at $180,000, adds $36,000 of contributions and $3,600 of interest, schedules $134,000 of projects, and produces an $85,600 projected and target ending balance. These values are hypothetical.

TRS Annual Reserve Budget — Illustrative Example

Fiscal Year	2025-2026

Enter the fiscal year and adopted budget values from the current reserve study. Record project activity on the related Projects and Funding Measures tabs.

TRS Annual Reserve Budget		
Budget line	**TRS Amount**	**Calculation / Use**
Beginning reserve balance	$180,000	*Opening reserve resources carried forward from the prior fiscal year.*
Regular reserve contributions	$36,000	*Enter the Board-adopted regular reserve contribution.*
Loan or line-of-credit proceeds	-	*Enter planned loan or line-of-credit proceeds, if any.*
Interest / investment income	$3,600	*Enter projected interest or investment income.*
Funds available	$219,600	*Beginning balance plus planned inflows.*
Total scheduled project expenditures	$134,000	*Total from the itemized project schedule below.*
Projected ending balance	$85,600	*Funds available less planned project expenditures.*
TRS / reserve-plan target ending balance	$85,600	*Enter the current reserve study's target ending balance.*

Scheduled Project Expenditures		
Project / component	**TRS Budget**	**Basis / note**
Pool resurfacing	$55,000	*Current reserve study; scheduled renewal*
Parking-area paving	$40,000	*Current reserve study; scheduled replacement*
Clubhouse HVAC replacement	$24,000	*Current reserve study; scheduled replacement*
Seawall engineering and design	$15,000	*Current reserve study; preliminary phase*
Total scheduled project expenditures	**$134,000**	**Total carried to the annual reserve budget above.**

Board Approval		
Motion / resolution	Motion 2025-04-15-04 adopting the TRS budget	*Record the approving motion or resolution.*
Meeting date	15-Jan-25	*Date the Board adopted the budget.*
Authorized by	Alex Morgan, President	*Name and office of the authorized Board representative.*
Secretary certification	Certified in Board minutes by Jamie Lee, Secretary	*Certification or minutes reference.*

Figure 14-2. TRS Annual Budget tab

Tab 3 — SIRS Projects

This stacked worksheet supports up to 10 SIRS projects. The Portfolio Summary at the top totals the reserve-study budgets, Board-authorized amounts, projected costs, actual completed costs, actual or committed costs, and net project variance for all populated project records.

For each project, enter the project name, type, reserve category and component, REQUIRED or ELECTIVE Action classification, status, Board approval date, reserve-study cost or budget, Board-authorized cost limit, actual completed project cost when available, funding method, and notes. The calculated Projected Cost uses the Board-authorized amount when entered; otherwise it uses the reserve-study cost or budget. Actual/Committed Costs uses actual completed cost when available; otherwise it uses projected cost.

Project Variance equals the reserve-study budget minus Actual/Committed Costs. A positive amount is favorable to the budget; a negative amount is unfavorable. If a project is unscheduled or has no reserve-study budget, the variance reflects the cost without an offsetting scheduled budget. Preserve the Board approval and closeout documentation that supports every entry.

The illustrative SIRS portfolio contains five projects and totals $175,000 of reserve-study budget, $170,000 of Board-approved cost limits, $190,000 of projected cost, $137,700 of completed cost, and $189,200 of actual or committed cost, producing a favorable $5,800 net project variance. Project 1, Roof Membrane Replacement, corresponds to the recommended completed AFE example in Section 13; unused slots remain blank.

SIRS Master Projects Record — Illustrative Example

Fiscal Year	2025–2026

Reusable fiscal-year project record; formulas and calculations are preconfigured.

SIRS Portfolio Summary — 10 Project Capacity

Item	SIRS Total	Calculation / Use
Reserve Study Cost/Budget	$175,000	*Sum of current reserve-study budgets for all entered projects.*
AFE Approved Cost	$170,000	*Sum of Board-approved AFE amounts.*
Projected Cost	$190,000	*Sum of calculated projected costs.*
Actual Completed Project Cost	$137,700	*Sum of entered completed-project costs.*
Actual/Committed Costs	$189,200	*Sum used for current project tracking and closeout.*
Net Project Variance — See Note 1	$5,800	*Budget minus actual/committed costs; positive is favorable.*

Project 1 — Roof membrane replacement

Project Name	Roof membrane replacement	*Brief descriptive project title.*
Project Type	Replacement	*Describe the work (repair, replacement, upgrade, restoration, etc.).*
Reserve Category	Building envelope	*Reserve classification or asset group.*
Reserve Component	Main roof membrane	*Reserve-study component name.*
Action	REQUIRED	*Select REQUIRED or ELECTIVE; see Note 3.*
Status	Completed	*Select the current approval or completion status.*
Board Approval Date	05/06/2025	*Date approved by the Board.*
Reserve Study Cost/Budget	$80,000	*Scheduled cost or budget in the current reserve study.*
AFE Approved Cost	$82,000	*Board-approved not-to-exceed amount.*
Projected Cost	$82,000	*CALCULATED — AFE approved amount, otherwise reserve-study cost/budget.*
Actual Completed Project Cost	$81,500	*Enter the final project cost after completion.*
Actual/Committed Costs	$81,500	*CALCULATED — Actual completed cost, otherwise projected cost.*
Project Variance — See Note 1	($1,500)	*CALCULATED — Reserve-study budget minus actual/committed cost.*
Funding Method	SIRS Reserves	*Select the funding source or method.*
Notes		*Record relevant scope, contract, approval, and closeout information.*

Figure 14-3. SIRS Projects tab — enlarged portfolio summary and representative project record

Tab 4 — SIRS Funding Measures

Record each Board-approved SIRS special assessment, supplemental contribution, and transfer with its amount, approval date, and explanatory note. Use the first section for special assessments and other supplemental contributions and the second section for transfers. Enter only measures that are lawful, properly approved, and consistent with the Association's governing documents and accounting treatment.

The illustrative SIRS Funding Measures tab records a $5,000 transfer of prior-year operating surplus. Combined with the $5,800 favorable net project variance, it produces a $10,800 favorable net reserve variance. Retain the supporting resolution, minutes, transfer authorization, and accounting record for every real entry.

SIRS Reserve Funding Measures — Illustrative Example

Fiscal Year	2025-2026		
Record Board-approved funding measures, approval dates, and explanatory notes for the fiscal year.			
Special Assessments	**Amount**	**Board Approval Date**	**Notes**
Total Special Assessments			
Transfers	**Amount**	**Board Approval Date**	**Notes**
Transfer of prior-year operating surplus	$5,000	06/10/2026	Board-approved transfer to SIRS after favorable operating closeout.
Total Transfers	$5,000		
Assessments + Transfers	$5,000		
Net Project Variance	$5,800		
Net Reserve Variance	$10,800		

A positive Net Reserve Variance indicates funding measures exceed the net project variance; a negative amount indicates that project variances exceed funding measures and additional funding may be needed.

Figure 14-4. SIRS Funding Measures tab

Tab 5 — TRS Projects

Use this tab in the same manner as the SIRS Projects tab. It provides ten stacked TRS project records and a TRS Portfolio Summary. Enter the same project-identification, authorization, classification, status, budget, cost, funding, and note fields. The formulas calculate projected cost, actual or committed cost, project variance, and portfolio totals.

The illustrative TRS portfolio contains five projects and totals $134,000 of reserve-study budget, $130,500 of Board-approved cost limits, $145,500 of projected cost, $103,500 of completed cost, and $144,000 of actual or committed cost, producing a favorable

$5,000 net project variance. The examples include scheduled and unscheduled work and a cross-year project supported by carried-forward cash.

TRS Master Projects Record — Illustrative Example

Fiscal Year	2025-2026

Reusable fiscal-year project record; formulas and calculations are preconfigured.

TRS Portfolio Summary — 10 Project Capacity

Item	TRS Total	Calculation / Use
Reserve Study Cost/Budget	$134,000	*Sum of current reserve-study budgets for all entered projects.*
AFE Approved Cost	$130,500	*Sum of Board-approved AFE amounts.*
Projected Cost	$145,500	*Sum of calculated projected costs.*
Actual Completed Project Cost	$103,500	*Sum of entered completed-project costs.*
Actual/Committed Costs	$144,000	*Sum used for current project tracking and closeout.*
Net Project Variance — See Note 1	$5,000	*Budget minus actual/committed costs; positive is favorable.*

Project 1 — Pool resurfacing

Project Name	Pool resurfacing	*Brief descriptive project title.*
Project Type	Renewal	*Describe the work (repair, replacement, upgrade, restoration, etc.).*
Reserve Category	Recreation	*Reserve classification or asset group.*
Reserve Component	Pool finish	*Reserve-study component name.*
Action	REQUIRED	*Select REQUIRED or ELECTIVE; see Note 3.*
Status	Completed	*Select the current approval or completion status.*
Board Approval Date	05/20/2025	*Date approved by the Board.*
Reserve Study Cost/Budget	$55,000	*Scheduled cost or budget in the current reserve study.*
AFE Approved Cost	$57,000	*Board-approved not-to-exceed amount.*
Projected Cost	$57,000	*CALCULATED — AFE approved amount, otherwise reserve-study cost/budget.*
Actual Completed Project Cost	$56,200	*Enter the final project cost after completion.*
Actual/Committed Costs	$56,200	*CALCULATED — Actual completed cost, otherwise projected cost.*
Project Variance — See Note 1	($1,200)	*CALCULATED — Reserve-study budget minus actual/committed cost.*
Funding Method	Combination of Methods	*Select the funding source or method.*
Notes		*Record relevant scope, contract, approval, and closeout information.*

Figure 14-5. TRS Projects tab — enlarged portfolio summary and representative project record

Tab 6 — TRS Funding Measures

Record each Board-approved TRS special assessment, supplemental contribution, and transfer with its amount, approval date, and explanatory note. The worksheet totals the funding measures, brings forward the Net Project Variance from the TRS Projects tab, and calculates Net Reserve Variance.

The illustrative TRS Funding Measures tab records a $7,000 special assessment approved before closeout. Together with the $5,000 favorable project variance, the worksheet shows a $12,000 favorable net reserve variance. Every operational entry requires actual Board and accounting support.

TRS Reserve Funding Measures — Illustrative Example			
Fiscal Year	2025-2026		

Record Board-approved funding measures, approval dates, and explanatory notes for the fiscal year.

Special Assessments	Amount	Board Approval Date	Notes
Special assessment for TRS project funding	$7,000	06/10/2026	Approved to eliminate the projected TRS year-end shortfall.
Total Special Assessments	$7,000		

Transfers	Amount	Board Approval Date	Notes
Total Transfers			

Assessments + Transfers	$7,000		
Net Project Variance	$5,000		
Net Reserve Variance	$12,000		

A positive Net Reserve Variance indicates funding measures exceed the net project variance; a negative amount indicates that project variances exceed funding measures and additional funding may be needed.

Figure 14-6. TRS Funding Measures tab

Tab 7 — Year-End Reconciliation

Stage 1 — Preliminary Closeout (before the books close). Enter the Treasurer's preliminary estimated SIRS and TRS end-of-year balances. The applicable reserve-study or reserve-plan target balances are linked from the annual budget tabs. The worksheet calculates Projected Shortfall / (Excess) as the target balance minus the preliminary estimated balance. Enter the total special assessment or other funding measure approved in time to affect the closing year, reconciling that amount with the applicable funding-measure tab. The worksheet calculates revised estimated balances and Remaining Shortfall / (Excess). A positive amount is a shortfall; a negative amount is an excess.

If a positive remaining shortfall is shown, the Board should evaluate lawful corrective action before final close. A measure approved after the books close may support the new fiscal year, but ordinarily does not eliminate the shortfall reported for the closed year.

Stage 2 — Final Reconciliation. The illustrative actual closed-books balances are $195,600 for SIRS and $84,800 for TRS; the following reserve study reports $197,000 and $87,000. Both funds are at or above the current-year target when measured against those following-study balances. The separate beginning-balance comparison produces differences of $1,400 (0.7%, not material) for SIRS and $2,200 (2.6%, material) for TRS.

The opening-resource controls reconcile $300,000 of SIRS and $180,000 of TRS resources and both display PASS. Step 2 is marked YES for both funds. The dummy specialist-review, adjustment, and budget-revision entries illustrate workflow only; they are not legal conclusions or association records. The worksheet’s 1% result is an optional internal review trigger, not an automatic requirement to revise or re-adopt a budget.

Year-End Reconciliation by the Treasurer — Illustrative Example

Complete the preliminary closeout before the books close so the Board can evaluate projected reserve-study shortfalls and approve a special assessment or other lawful funding measure when needed. Complete the final reconciliation after the books close.

Item	SIRS	TRS	Notes / Calculation
Stage 1 — Preliminary Closeout (Before the Books Close)			
Preliminary Estimated End-of-Year Balance	$190,600	$79,000	INPUT — Enter the Treasurer's preliminary estimate before the books close.
Reserve Study Target End-of-Year Balance	$191,000	$85,600	LINKED — Current fiscal-year reserve-plan target ending balance from the applicable annual budget tab.
Projected Shortfall / (Excess)	$400	$6,600	CALCULATED — Target balance minus preliminary estimated balance; a positive amount is a projected shortfall.
Approved Special Assessment / Other Funding Measure	$5,000	$7,000	INPUT — Enter the total additional funding approved before the books close. Use zero if none.
Revised Estimated End-of-Year Balance	$195,600	$86,000	CALCULATED — Preliminary estimated balance plus approved funding.
Remaining Shortfall / (Excess)	($4,600)	($400)	CALCULATED — Target balance minus revised estimate; a positive amount remains below target.
Stage 2 — Final Reconciliation (After the Books Close)			
Actual Closed-Books Ending Balance	$195,600	$84,800	INPUT — Enter the final reserve balance from the closed accounting records.
Next Fiscal-Year Reserve Study Beginning Balance	$197,000	$87,000	INPUT — Enter the next reserve study's beginning balance, including any additional beginning resources assumed or expected by the study. This balance is used directly in the final reconciliation.
Final Shortfall / (Excess)	($6,000)	($1,400)	CALCULATED — Reserve study target ending balance minus the next fiscal-year reserve-study beginning balance. A positive amount is a shortfall; an amount in parentheses is an excess.
Final Shortfall %	-	-	CALCULATED — A shortfall is shown as a positive percentage of the reserve study target; displays 0% when the target is met or exceeded.
Final Review / Action	No Funding Action Indicated	No Funding Action Indicated	CALCULATED — No funding action is indicated when the target is met or exceeded or the shortfall is 5% or less; a shortfall greater than 5% requires Board and reserve-specialist review.
Opening-Balance Reconciliation (Prior Fiscal Year to Current Fiscal Year)			
Prior Fiscal-Year Actual Total Reserve Resources	$300,000	$180,000	INPUT — Enter prior-year actual total reserve resources after final closeout.
Current Reserve Study Estimated Beginning Balance	$298,000	$176,000	INPUT — Enter the current reserve study's estimated beginning balance.
Opening-Balance Variance (Actual minus study estimat	2000	4000	CALCULATED — Actual opening resources minus the reserve-study estimate.

Opening Account-Location and Cross-Year Carryforward			
Item	SIRS	TRS	Treatment / Source
Reserve-account balance	$295,000.00	$170,000.00	INPUT — Enter the closed-books reserve-account balance.
Reserve project cash held in another Association accou	$5,000.00	$10,000.00	INPUT — Enter identifiable reserve project cash held elsewhere, if any.
Total operational opening reserve resources	$300,000.00	$180,000.00	CALCULATED — Total opening reserve resources used for operational budgeting.
Reserve study estimated beginning balance	$298,000.00	$176,000.00	LINKED — Current reserve study beginning-balance estimate.
Opening-resource variance	$2,000.00	$4,000.00	CALCULATED — Positive is favorable.
Prior-year contractor expenditure on cross-year projec	-	$15,000.00	INPUT — Enter prior-year contractor expenditures for cross-year projects, if any.
Reserve project cash carried forward	$5,000.00	$10,000.00	INPUT — Enter reserve project cash carried into the current fiscal year.
Opening-resource control	PASS	PASS	CONTROL — Operational opening resources should equal prior-year actual total resources

Step 2 Completion and Reserve-Study Beginning-Balance Reconciliation			
Item	**SIRS**	**TRS**	**Notes / Calculation**
Step 2 complete? — YES/NO	YES	YES	INPUT — Set to YES only after the Treasurer completes Step 2. This control governs both EOY narrative tabs.
Treasurer's Fiscal-Year-End Reserve Balance	$195,600.00	$84,800.00	CALCULATED REFERENCE — Final closed-books reserve balance from Stage 2.
Following Reserve Study Beginning Balance	$197,000.00	$87,000.00	CALCULATED REFERENCE — Beginning-balance estimate reported in the following reserve study.
Dollar Difference	$1,400.00	$2,200.00	CALCULATED — Following reserve-study beginning balance minus the Treasurer's fiscal-year-end balance.
Percentage Difference	0.7%	2.6%	CALCULATED — Absolute dollar difference divided by the Treasurer's fiscal-year-end balance.

Material Difference of 1% or More?	NO	YES	CALCULATED — YES when the absolute percentage difference is at least 1%.
Explanation / Reconciliation Note	The $1,400 difference reflects reserve-study timing and projected interest. The Treasurer and reserve specialist agreed that no budget revision was necessary.	The following reserve study used a projected balance that did not reflect the final paving invoice. The beginning balance was revised to the Treasurer's closed-books balance.	INPUT — Explain the cause and resolution of any difference.
Date Reconciled with Reserve Specialist	09/05/2026	09/05/2026	INPUT — Enter the reconciliation date, when applicable.
Adjustment or Revised Beginning Balance	$197,000.00	$84,800.00	INPUT — Enter any agreed adjustment or revised beginning balance resulting from the reconciliation.
Date Reserve Budget Re-Adopted, When Required	Not required — difference below 1%	09/15/2026	ILLUSTRATIVE INPUT — Enter the re-adoption date when a material difference requires a revised reserve budget; the SIRS example is marked not required and the TRS example includes a dummy date.

Figure 14-7. Year-End Reconciliation tab — stages, opening-resource controls, and Step 2 completion record

Tab 8 — Projects Record Audit

Complete this internal reasonableness check after the preliminary, final, and opening-resource inputs have been entered on the Year-End Reconciliation tab. The worksheet draws the actual closed-books ending balances and revised estimated ending balances from that tab and calculates Final Closeout Difference as actual balance minus revised estimate. A positive amount means the actual balance is higher; a negative amount means it is lower.

The Review Guidance identifies the SIRS or TRS project and funding-measure tabs for review only when the final closeout difference is positive and exceeds the worksheet's 1% threshold. A zero or negative difference, or a positive difference within the threshold, produces no-further-review guidance. The lower control section also reports carried-forward reserve project cash, flags any prior-year account transfer recorded as a current expense, identifies separately held project cash included in opening TRS resources, and applies a no-double-counting check.

In the illustrative audit, SIRS actual equals its revised estimate and TRS actual is $1,200 below its revised estimate. Neither triggers the worksheet's positive-difference review rule. The lower controls document $10,000 of TRS project cash carried forward, $180,000 of opening TRS resources, and a PASS no-double-counting result. This remains an internal reasonableness check, not a substitute for accounting review.

Reserve Projects Record Audit — Illustrative Example		
This worksheet compares actual closed-books balances with revised estimated end-of-year balances and provides cross-year project controls. Review any flagged difference against the Projects and Funding Measures tabs and the Association's accounting records.		
Balances	**SIRS**	**TRS**
Actual Closed-Books Ending Balances	$195,600	$84,800
Revised Estimated End-of-Year Balances	$195,600	$86,000
Final Closeout Difference	-	($1,200)
Review Guidance		
SIRS Projects and Funding Measures	No Further Review Required - Difference Is Zero, Negative, or 1% or Less	
TRS Projects and Funding Measures	No Further Review Required - Difference Is Zero, Negative, or 1% or Less	
Opening Account / Cross-Year Controls		
Control	**TRS Amount**	**Result**
Reserve project cash carried forward	$10,000.00	Documented
Prior-year account transfer recorded as current expens	-	None
Opening total TRS resources	$180,000.00	Includes separately held project cash
No double-counting check	-	PASS

Figure 14-8. Projects Record Audit tab

Tab 9 — SIRS Financial Report

This calculated management report consolidates information from the SIRS Annual Budget, SIRS Projects, SIRS Funding Measures, Year-End Reconciliation, and Projects Record Audit tabs. It is intended for Board and management review and is not a substitute for the Association's general ledger, formal financial statements, accountant-prepared reports, or current Florida legal requirements. Correct the applicable source tab rather than overwriting report formulas.

Funding and Resources. The upper section shows the beginning reserve balance, regular reserve contributions, loan or line-of-credit proceeds, interest or investment income, special assessments, additional contributions, transfers, and other funding measures. Budget / Planned amounts are compared with Recorded / Approved amounts, with the difference and source identified. Total Annual-Budget Inflows covers regular contributions, loan or line-of-credit proceeds, and interest; Total Supplemental Funding Measures separately totals assessments, supplemental contributions, transfers, and other measures. In the current template, annual-budget inflows repeat the adopted budget amounts unless the workbook is adapted to receive separate actual figures.

Project Expenditure Detail. Populated SIRS project records are displayed with the line-item budget, actual completed expense, actual or committed expense, variance, and status or note. Actual or committed expense uses completed cost when available and otherwise uses the project tab's projected or committed amount. The report accommodates the ten project records on the SIRS Projects tab and calculates total project expenditures.

The illustrative SIRS report shows $371,000 of total available resources, $189,200 of actual or committed project cost, a $195,600 actual ending balance equal to the revised estimate, and a following-study beginning balance of $197,000—$6,000 above the current-year target. The actual ending balance is $4,600 above the $191,000 target, and the optional accounting closeout lines reconcile exactly to the reported ending balance.

SIRS Financial Report — Illustrative Example

Fiscal Year 2025–2026

Budget amounts flow from the annual budget tab; project expenses and funding measures flow from the fiscal-year records. This management report does not replace the Association's accounting records or applicable law and governing-document requirements.

Funding and Resources

Funding / Resource	Budget / Planned	Recorded / Approved	Difference	Source	Notes
Beginning reserve balance	$300,000	$300,000	-	Annual budget tab	Opening SIRS resources carried forward from the prior fiscal year's final closeout.
Regular reserve contributions	$60,000	$60,000	-	Annual budget tab	No separate actual contribution figure is supplied; the adopted amount is shown.
Loan or line-of-credit proceeds	-	-	-	Annual budget tab	No separate actual loan/credit figure is supplied; the adopted amount is shown.
Interest / investment income	$6,000	$6,000	-	Annual budget tab	No separate actual interest figure is supplied; the adopted amount is shown.
Special assessments / additional contributions				Funding Measures tab	Board-approved supplemental funding measure.
Additional funding measure				Funding Measures tab	Board-approved supplemental funding measure, when present.
Transfer of prior-year operating surplus	-	$5,000	$5,000	Funding Measures tab	Board-approved transfer only where lawful.
Other funding measures				No other measure shown	No additional funding measure is stated in the source workbook.
Total annual-budget inflows	**$66,000**	**$66,000**	-	**Contributions, loan/credit proceeds, and interest**	
Total supplemental funding measures	-	**$5,000**	**$5,000**	**Special assessments, additional contributions, transfers, and other measures**	

Project Expenditure Detail

Project / Component	Line-Item Budget	Actual Completed Expense	Actual / Committed Expense	Variance	Status / Note
Roof membrane replacement	$80,000	$81,500	$81,500	($1,500)	Completed
Elevator controls modernization	$45,000	$43,800	$43,800	$1,200	Completed
Fire-alarm control panel	$30,000		$31,500	($1,500)	In Progress
Exterior waterproofing	$20,000		$20,000	$20,000	Deferred
Emergency domestic-water pump replacement	-	$12,400	$12,400	($12,400)	Completed — Unplanned emergency project; ratified at the next Board meeting.
Total project expenditures	**$175,000**	**$137,700**	**$189,200**	**$5,800**	

Fund Position and Year-End Reconciliation

				Source	Notes
Budgeted projected ending balance	$191,000			Annual budget tab	Funds available less budgeted project expenditures.
Revised estimated ending balance	$195,600			Year-End Reconciliation	After approved funding measures, before final close.
Actual closed-books ending balance	$195,600			Year-End Reconciliation	Final balance from the closed accounting records.
Final closeout difference	-			Projects Record Audit	Actual closed-books balance minus revised estimate.
SIRS / reserve-study target ending balance	$191,000			Annual budget / reconciliation	Current fiscal-year target ending balance.
Next fiscal-year reserve-study beginning balance	$197,000			Year-End Reconciliation	Used directly in final reconciliation.
Final shortfall / (excess)	($6,000)			Year-End Reconciliation	Target ending balance minus next reserve-study beginning balance.

Accounting Closeout Reconciliation (Optional)

Accounting closeout line	Amount			Source	Treatment / Note
Reserve operating account	$65,600.00			Official closeout	Enter an official closeout line item.
12-month certificate of deposit	$80,000.00			Official closeout	Enter an official closeout line item.
Reserve money-market account	$50,000.00			Official closeout	Enter an official closeout line item.
Accounting closeout line 4				Official closeout	Enter an official closeout line item.
Accounting closeout line 5				Official closeout	Enter an official closeout line item.
Accounting closeout line 6				Official closeout	Enter an official closeout line item.
Accounting closeout line 7				Official closeout	Enter an official closeout line item.
Accounting closeout line 8				Official closeout	Enter an official closeout line item.
Calculated ending balance	$195,600.00			Calculated	Sum of the accounting closeout lines.
Official reported ending balance	$195,600.00			Official closeout	Enter the official closed-books ending balance.
Reconciliation difference	-			Control	Must equal zero.

Figure 14-9. SIRS Financial Report tab

Tab 10 — TRS Financial Report

This calculated management report provides the same consolidated view for Traditional Reserves. It draws from the TRS Annual Budget, TRS Projects, TRS Funding Measures, Year-End Reconciliation, and Projects Record Audit tabs.

The Funding and Resources section compares planned and recorded or approved resources; the Project Expenditure Detail section presents line-item budgets, actual completed expenses, actual or committed expenses, variances, and project status; and the Fund Position and Year-End Reconciliation section connects the adopted budget, revised estimate, closed-books balance, reserve-plan target, next-study beginning balance, and final shortfall or excess. The optional Cross-Fiscal-Year Project Control section brings forward carried project cash, prior-year contractor expenditures, current-year project expenditures, operational opening resources, and the reserve-study beginning-balance estimate.

The illustrative TRS report shows $226,600 of total available resources, $144,000 of actual or committed project cost, an $84,800 actual ending balance, a $1,200 unfavorable closeout difference from the revised estimate, and a following-study beginning balance of $87,000—$1,400 above the current-year target. The cross-year and optional accounting closeout controls remain separately visible and reconcile to the example records.

TRS Financial Report — Illustrative Example

Fiscal Year 2025-2026

Budget amounts flow from the annual budget tab; project expenses and funding measures flow from the fiscal-year records. This management report does not replace the Association's accounting records or applicable law and governing-document requirements.

Funding and Resources

Funding / Resource	Budget / Planned	Recorded / Approved	Difference	Source	Notes
Beginning reserve balance	$180,000	$180,000	-	Annual budget tab	Opening TRS resources carried forward from the prior fiscal year's final closeout.
Regular reserve contributions	$36,000	$36,000	-	Annual budget tab	No separate actual contribution figure is supplied; the adopted amount is shown.
Loan or line-of-credit proceeds	-	-	-	Annual budget tab	No separate actual loan/credit figure is supplied; the adopted amount is shown.
Interest / investment income	$3,600	$3,600	-	Annual budget tab	No separate actual interest figure is supplied; the adopted amount is shown.
Special assessment for TRS project funding	-	$7,000	$7,000	Funding Measures tab	Board-approved supplemental funding measure.
Additional funding measure				Funding Measures tab	Board-approved supplemental funding measure, when present.
Transfers				Funding Measures tab	Board-approved transfer only where lawful.
Other funding measures				No other measure shown	No additional funding measure is stated in the source workbook.
Total annual-budget inflows	**$39,600**	**$39,600**	**-**	**Contributions, loan/credit proceeds, and interest**	
Total supplemental funding measures	**-**	**$7,000**	**$7,000**	**Special assessments, additional contributions, transfers, and other measures**	

Project Expenditure Detail

Project / Component	Line-Item Budget	Actual Completed Expense	Actual / Committed Expense	Variance	Status / Note
Pool resurfacing	$55,000	$56,200	$56,200	($1,200)	Completed
Parking-area paving	$40,000	$38,500	$38,500	$1,500	Completed
Clubhouse HVAC replacement	$24,000		$25,500	($1,500)	In Progress
Seawall engineering and design	$15,000		$15,000	$15,000	Deferred
Landscape safety lighting	-	$8,800	$8,800	($8,800)	Completed — Unplanned project approved after two lighting failures.
Total project expenditures	**$134,000**	**$103,500**	**$144,000**	**$5,000**	

Fund Position and Year-End Reconciliation

Budgeted projected ending balance	$85,600			Annual budget tab	Funds available less budgeted project expenditures.
Revised estimated ending balance	$86,000			Year-End Reconciliation	After approved funding measures, before final close.
Actual closed-books ending balance	$84,800			Year-End Reconciliation	Final balance from the closed accounting records.
Final closeout difference	($1,200)			Projects Record Audit	Actual closed-books balance minus revised estimate.
TRS / reserve-plan target ending balance	$85,600			Annual budget / reconciliation	Current fiscal-year target ending balance.
Next fiscal-year reserve-study beginning balance	$87,000			Year-End Reconciliation	Used directly in final reconciliation.
Final shortfall / (excess)	($1,400)			Year-End Reconciliation	Target ending balance minus next reserve-study beginning balance.

Cross-Fiscal-Year Project Control — Use When Applicable

Item	Prior FY	Current FY	Cumulative	Source	Notes
Reserve project cash carried forward	$10,000.00	-	$10,000.00	Year-End Reconciliation	Reserve project cash carried into the current fiscal year.
Prior-year contractor expenditure	$15,000.00	-	$15,000.00	Year-End Reconciliation	Prior-year contractor expenditures on cross-year projects.
Current-year contractor expenditure		$38,500.00	$38,500.00	Projects record / accounting records	Enter current-year cross-year project expenditures, if separately tracked.
Opening project resources	$180,000.00			Opening reconciliation	Total operational opening reserve resources.
Operational opening TRS resources	$180,000.00			Year-End Reconciliation	Opening resources used for operational budgeting.
Reserve-study beginning-balance estimate	$176,000.00			Reserve study	Current reserve-study beginning-balance estimate.

Accounting Closeout Reconciliation (Optional)

Accounting closeout line	Amount			Source	Treatment / Note
Reserve savings account	$44,800.00			Official closeout	Enter an official closeout line item.
Treasury bill	$40,000.00			Official closeout	Enter an official closeout line item.
No additional closeout item	-			Official closeout	Enter an official closeout line item.
Accounting closeout line 4				Official closeout	Enter an official closeout line item.
Accounting closeout line 5				Official closeout	Enter an official closeout line item.
Accounting closeout line 6				Official closeout	Enter an official closeout line item.
Accounting closeout line 7				Official closeout	Enter an official closeout line item.
Accounting closeout line 8				Official closeout	Enter an official closeout line item.
Accounting closeout line 9				Official closeout	Enter an official closeout line item.
Accounting closeout line 10				Official closeout	Enter an official closeout line item.
Accounting closeout line 11				Official closeout	Enter an official closeout line item.
Accounting closeout line 12				Official closeout	Enter an official closeout line item.
Calculated ending balance	$84,800.00			Calculated	Sum of the accounting closeout lines.
Official reported ending balance	$84,800.00			Official closeout	Enter the official closed-books ending balance.
Reconciliation difference	-			Control	Must equal zero.

Figure 14-10. TRS Financial Report tab

EOY SIRS Summary

After SIRS Step 2 is marked complete, the EOY SIRS Summary reports $371,000 of available resources, $195,600 of final reserves, a $4,600 surplus over the $191,000 target, and a nonmaterial $1,400 difference from the following reserve study. Review the generated narrative against official records before distribution.

SIRS End-of-Year Summary — Illustrative Example

For fiscal year 2025–2026, the SIRS fund began with a balance of $300,000.00. During the year, the Association contributed $60,000.00, received $6,000.00, and obtained $5,000.00 in additional funding, producing total available funds of $371,000.00.

The workbook identifies 4 scheduled projects with a total planning budget of $175,000.00. Of these, 2 projects were completed, 1 remained in progress, and 1 was deferred. Actual expenditures on scheduled projects totaled $125,300.00, which was $49,700.00 under the planning budget. In addition, 1 unplanned project resulted in expenditures of $12,400.00.

The Treasurer's fiscal-year-end balance was $195,600.00, compared with the reserve-study year-end target balance of $191,000.00, resulting in a surplus of $4,600.00. Accordingly, the fund ended the year at 102.4% of its target balance and is characterized as at or above target.

The reserve study for the following fiscal year reported a beginning balance of $197,000.00. The difference between that amount and the Treasurer's fiscal-year-end balance was $1,400.00, or 0.7%. Material difference of 1% or more: NO.

Figure 14-11. EOY SIRS Summary — illustrative narrative generated after Step 2

EOY TRS Summary

After TRS Step 2 is marked complete, the EOY TRS Summary reports the linked funding, project, target, and following-year beginning-resource results. When the optional internal 1% trigger is activated, the narrative calls for documentation and review to determine whether a study update or budget revision is warranted; it does not state that re-adoption is automatically required.

TRS End-of-Year Summary — Illustrative Example

For fiscal year 2025–2026, the TRS fund began with a balance of $180,000.00. During the year, the Association contributed $36,000.00, received $3,600.00, and obtained $7,000.00 in additional funding, including Special assessment for TRS project funding ($7,000.00), producing total available funds of $226,600.00.

The workbook identifies 4 scheduled projects with a total planning budget of $134,000.00. Of these, 2 projects were completed, 1 remained in progress, and 1 was deferred. Actual expenditures on scheduled projects totaled $94,700.00, which was $39,300.00 under the planning budget. In addition, 1 unplanned project resulted in expenditures of $8,800.00.

The Treasurer's fiscal-year-end balance was $84,800.00, compared with the Board-established year-end target balance of $85,600.00, resulting in a shortfall of $800.00. Accordingly, the fund ended the year at 99.1% of its target balance and is characterized as slightly below target.

The reserve study for the following fiscal year reported a beginning balance of $87,000.00. The difference between that amount and the Treasurer's fiscal-year-end balance was $2,200.00, or 2.6%. Material difference of 1% or more: YES. The difference should be reconciled with the reserve specialist, documented, and reflected in a re-adopted reserve budget.

Figure 14-12. EOY TRS Summary — illustrative narrative generated after Step 2

Annual Operating Sequence

1. After the preceding fiscal year is closed, complete the opening-balance and account-location sections of Tab 7. Reconcile prior-year actual total reserve resources to the current reserve-study estimate, identify reserve cash held outside the reserve account, and document any cross-fiscal-year project cash and prior-year contractor expenditures. Tabs 1 and 2 then carry the prior-year actual total resources into the new annual budgets.
2. At the same meeting at which the Board adopts the annual operating budget, formally adopt the SIRS and TRS annual budgets on Tabs 1 and 2, using the notice and adoption procedures applicable to the Association. Record the approving motion or resolution, meeting date, and minutes reference.
3. After the Board separately authorizes a material or nonroutine reserve project through the AFE Project Proposal Form, create or update the project record on Tab 3 or Tab 5 and retain the approved AFE, supporting minutes, and project file.
4. Throughout the year, update status, projected cost, actual completed cost, funding method, and notes. Record supplemental funding and transfers on Tabs 4 and 6.

5. Review Tabs 9 and 10 periodically to compare the annual budget, recorded or approved funding, line-item project activity, and current fund position. Investigate source-data errors or material variances promptly.
6. Before the books close, complete Stage 1 of Tab 7. Reconcile approved closeout funding with Tabs 4 and 6 and present any remaining projected shortfall to the Board in time for lawful action.
7. After the books close, complete Stage 2 and the opening-resource sections of Tab 7 using the accounting records and next reserve study. Complete Tab 8; investigate any positive closeout difference that exceeds the worksheet's review threshold and resolve any cross-year documentation or no-double-counting exception.
8. Review the final SIRS and TRS Financial Reports and both EOY narrative summaries. Confirm that Step 2 is complete, reconcile each narrative to the source tabs and official records, retain the workbook with the annual budget and supporting files, and provide the reconciled information to the reserve specialist for the next update.

Administrative and Florida Governance Notes

- Use the Projects Record as a management, reporting, and continuity tool; the accounting system and formal financial statements remain the official financial records.
- Preserve Board approval dates and supporting minutes, AFEs, contracts, invoices, change orders, transfer authorizations, assessment resolutions, budget approvals, statutory notices, and reconciliation workpapers.
- Do not overwrite formula or reference cells. If rows, projects, funding categories, or report logic are changed, verify every affected cross-tab formula and audit check.
- Reconcile the fiscal year, beginning total resources, account locations, project cash carried forward, project names, project budgets, funding measures, and year-end balances across the source tabs before relying on the financial reports.
- SIRS funds may be classified, funded, used, pooled, transferred, invested, and reported only as current Florida law permits. SIRS components should not be pooled with TRS or other non-SIRS components. TRS transactions must comply with the statute applicable to the Association and its governing documents. Maintain any separate fund, accounting, or depository-account structure required by law, governing documents, or adopted Association policy, and obtain Florida legal and accounting advice when authority or treatment is uncertain.
- The Board may use, modify, or discontinue the Projects Record as circumstances warrant. The workbook documents decisions and their financial effects; it does not create Board policy, confer legal authority, or limit lawful discretion.

Section 15. Florida Statutory Resources for Community Association Reserve Funds

Appendix Summary
Identifies the principal official Florida statutory and regulatory resources affecting condominium, cooperative, and homeowners' association reserves. The table summarizes applicability and key requirements and indicates how the system's framework must be adapted to Florida law; current authorities and professional advice should always be verified.

Purpose. This table identifies official Florida statutory resources and summarizes reserve-related requirements affecting use of the system's governance framework.

Important legal notice. This section is a general research aid, not legal advice or a substitute for Florida counsel. Statutes, administrative rules, case law, governing documents, and local requirements change and may apply differently by association type, building characteristics, date of creation, or other facts. Verify current law before relying on this summary.

Research status. Official Florida statutes, Florida Administrative Code rule pages, and DBPR resources checked August 31, 2026. Rulemaking and statutory changes remain possible; verify the current text and effective dates before adoption or publication.

Official Florida Budget and Reserve Authorities

Condominium statute—§718.112. Detailed budget, reserve, SIRS, funding, pooling, use, adoption, notice, and records provisions for condominium associations.

Condominium budget rule—Rule 61B-22.003. Budget presentation and supporting-schedule requirements under the condominium rule chapter.

Condominium reserve rule—Rule 61B-22.005. Reserve calculations, pooling, restrictions, and related rule requirements; check the official page for the current text and any pending or newly adopted amendments.

Cooperative statute—§719.106. Separate cooperative notice, detailed budget, reserve, SIRS, funding, pooling, use, adoption, and records provisions.

Cooperative budget rule—Rule 61B-76.003. Budget presentation and supporting schedule requirements under the cooperative rule chapter.

Cooperative reserve rule—Rule 61B-76.005. Reserve calculations, pooling, restrictions, and related rule requirements; check the official page for the currently effective text and pending or newly adopted amendments.

DBPR research aid—Condominium and Cooperative FAQs. Official explanatory guidance and links for SIRS, budgets, reserves, inspections, and related requirements.

State	Florida
Applicable Associations	Condominium associations under Chapter 718, cooperative associations under Chapter 719, and homeowners' associations under Chapter 720. Structural-integrity reserve-study duties apply only to qualifying residential condominium and cooperative buildings.

State	**Florida**
Official Statutory and Regulatory Links	Condominiums — Chapter 718 Condominium reserves and SIRS (§718.112) Cooperatives — Chapter 719 Homeowners' associations — Chapter 720
Key Requirements	Qualifying residential condominium and cooperative buildings generally require a structural integrity reserve study at least every 10 years. The study must address specified structural and safety-related components, useful life, cost, and a funding schedule; required structural reserves are subject to strict funding and use restrictions, owner notice, records, and reporting rules. Non-SIRS reserves and HOA reserves follow separate statutory and governing-document rules, including different waiver, voting, and budget procedures.
Consistency with System Framework	**Consistent with state-specific requirements — This Florida edition distinguishes legally required SIRS reserves from Traditional Reserves and conditions every administrative practice on the requirements applicable to the association. Current law and governing documents control.**

Section 16. Annotated Bibliography and Professional Resources

About This Section
This section provides an annotated working library of government, statutory, accounting, engineering, risk-management, governance, and professional resources. It helps readers locate authoritative guidance, verify current requirements, identify qualified advisors, and update the system's reference base as laws, standards, and industry practices change.

Purpose and scope. This bibliography identifies authoritative statutes, standards, professional organizations, technical resources, and practical guidance relevant to community-association reserve fund governance and administration. It is organized for use by board members, managers, reserve specialists, accountants, engineers, attorneys, auditors, and committee volunteers. Links are provided to official or primary-source websites whenever practicable. Because statutes, standards, lending requirements, and web resources change, readers should verify the current version before relying on any authority. The annotations are original summaries; names of statutes, standards, credentials, programs, and defined technical terms are retained where necessary to identify the referenced authorities accurately.

A. Core Reserve-Study and Community-Association Standards

1. Community Associations Institute, Reserve Studies and Reserve Funding resources. CAI's national education and policy resources provide a broad entry point to reserve planning, board governance, financial management, and community-association operations. Official resource

2. Foundation for Community Association Research, research library. The Foundation publishes research and practice-oriented materials addressing community-association governance, finance, demographics, and emerging operational issues. Official resource

3. Community Associations Institute, Best Practices Reports. CAI best-practice reports translate professional experience into practical guidance for volunteer boards, managers, and advisors. Official resource

4. Association of Professional Reserve Analysts, standards and member resources. APRA provides professional standards, ethics guidance, and educational resources for reserve-study practitioners. Official resource

5. Community Associations Institute, Reserve Specialist credential. The Reserve Specialist credential identifies professionals with demonstrated education and experience in reserve studies and long-term capital planning. Official resource

6. International Capital Budgeting Institute, reserve-study education. Educational materials focus on capital budgeting, component inventories, useful-life estimates, funding plans, and reserve-study methodology. Official resource

7. National Reserve Study Standards resources. Industry resources explain common reserve-study terminology, levels of service, funding goals, and component-analysis practices. Official resource

8. Community Associations Institute, Professional Manager Code of Ethics. The code provides a useful ethical framework for managers involved in association finances, contracting, records, and board support. Official resource

9. Community Associations Institute, Board Member education resources. Board education materials reinforce fiduciary oversight, informed decision-making, transparency, and reliance on qualified professional advice. Official resource

B. Federal Lending, Housing, and Project-Eligibility Guidance

10. Fannie Mae Selling Guide. The Selling Guide includes condominium and cooperative project standards that can affect reserve requirements, structural condition, insurance, and project eligibility. Official resource

11. Fannie Mae condominium project review resources. These resources summarize project-review requirements and provide lender-facing guidance relevant to association finances and physical condition. Official resource

12. Freddie Mac Seller/Servicer Guide. The system contains condominium and cooperative eligibility requirements, including project financial and property-condition considerations. Official resource

13. Freddie Mac condominium project resources. Freddie Mac's project resources help boards understand the financial and structural issues that lenders may evaluate. Official resource

14. U.S. Department of Housing and Urban Development, condominium project approval. HUD guidance explains FHA condominium project approval, recertification, financial review, and related eligibility requirements. Official resource

15. HUD Handbook 4000.1. The FHA Single Family Housing Policy Handbook consolidates requirements affecting condominium unit financing and project approval. Official resource

16. U.S. Department of Veterans Affairs, condominium reports and approvals. VA resources allow users to review condominium approval status and understand the importance of project eligibility to unit marketability. Official resource

17. Federal Housing Finance Agency, housing-finance policy resources. FHFA supervises Fannie Mae and Freddie Mac and publishes policy materials affecting mortgage finance and condominium/cooperative lending. Official resource

C. Florida Statutes and Regulatory Resources

18. Florida Statutes, Chapter 718—Condominiums. Chapter 718 governs Florida condominiums, including budgets, reserves, official records, structural inspections, and structural integrity reserve studies. Official resource

19. Florida Statutes, Chapter 719—Cooperatives. Chapter 719 establishes governance, budgeting, reserve, records, and meeting requirements for Florida residential cooperatives. Official resource

20. Florida Statutes, Chapter 720—Homeowners' Associations. Chapter 720 addresses governance, records, budgets, reserves, and owner rights in Florida homeowners' associations. Official resource

21. Florida Statutes, Section 553.899—Mandatory structural inspections. This provision establishes milestone-inspection requirements for certain condominium and cooperative buildings. Official resource

22. Florida Department of Business and Professional Regulation, Condominiums, Timeshares, and Mobile Homes. DBPR provides regulatory information, forms, arbitration materials, education, and guidance for condominium and cooperative communities. Official resource

23. Florida Administrative Code, Division of Condominiums, Timeshares, and Mobile Homes. The Florida Administrative Code contains agency rules that supplement statutory requirements and should be consulted with current statutes. Official resource

24. Florida Building Commission. The Commission maintains the Florida Building Code and technical resources relevant to repair, replacement, permitting, and structural work. Official resource

25. Florida Office of Insurance Regulation. OIR publishes insurance data, market information, consumer guidance, and regulatory materials relevant to association property insurance. Official resource

26. Florida Division of Emergency Management. Emergency-management resources support hazard mitigation, disaster planning, recovery, and resilience decisions affecting capital assets. Official resource

27. Florida Legislature, Online Sunshine. The Legislature's official website is the authoritative starting point for current statutory text, bills, legislative history, and session laws. Official resource

D. Accounting, Auditing, Internal Control, and Financial Reporting

28. Financial Accounting Standards Board. FASB develops and maintains U.S. accounting standards applicable to nongovernmental entities. Official resource

29. American Institute of Certified Public Accountants. AICPA standards and practice resources guide audits, reviews, compilations, internal control, and financial reporting. Official resource

30. AICPA Audit and Accounting Guide: Common Interest Realty Associations. This specialized guide addresses accounting and reporting issues unique to condominiums, cooperatives, and homeowners' associations. Official resource

31. Committee of Sponsoring Organizations of the Treadway Commission—Internal Control Framework. COSO provides an established framework for designing, evaluating, and monitoring organizational internal controls. Official resource

32. Government Accountability Office, Standards for Internal Control in the Federal Government. Although written for government, the Green Book offers practical internal-control principles adaptable to nonprofit and association settings. Official resource

33. Association of Certified Fraud Examiners. ACFE resources help boards understand fraud risks, segregation of duties, procurement controls, documentation, and investigative warning signs. Official resource

34. Internal Revenue Service, Tax Information for Homeowners' Associations. IRS guidance explains federal filing and tax considerations affecting homeowners' associations, including Form 1120-H. Official resource

35. Internal Revenue Service, Form 1120-H and instructions. The form and instructions provide the official federal tax framework for qualifying homeowners' associations electing treatment under section 528. Official resource

E. Asset Management, Facilities, Engineering, and Building Safety

36. International Organization for Standardization, ISO 55000 Asset Management. ISO 55000-series concepts support life-cycle management, risk-based decision-making, asset information, performance monitoring, and continual improvement. Official resource

37. ASTM International, property-condition and building-assessment standards. ASTM standards provide recognized methods for condition assessments, materials, testing, maintenance, and construction-related evaluation. Official resource

38. International Code Council. ICC develops model building, fire, property-maintenance, and existing-building codes used by many jurisdictions. Official resource

39. American Society of Civil Engineers. ASCE standards and technical resources support structural engineering, infrastructure assessment, risk management, and professional practice. Official resource

40. National Institute of Standards and Technology, Building and Fire Research. NIST research supports building safety, resilience, materials performance, fire protection, and measurement science. Official resource

41. Federal Emergency Management Agency, Building Science. FEMA guidance addresses hazard-resistant construction, mitigation, flood, wind, earthquake, and community resilience. Official resource

42. Federal Emergency Management Agency, National Risk Index. FEMA's National Risk Index combines hazard-loss estimates with measures of community vulnerability and resilience to support comparative risk assessment. Official resource

43. National Fire Protection Association. NFPA codes and standards address fire alarms, life safety, electrical systems, emergency planning, and inspection practices. Official resource

44. American Society of Heating, Refrigerating and Air-Conditioning Engineers. ASHRAE standards and guidance support HVAC design, energy performance, indoor air quality, maintenance, and equipment replacement planning. Official resource

45. Building Owners and Managers Association International. BOMA resources offer practical facilities-management, benchmarking, maintenance, budgeting, and building-operations guidance. Official resource

F. Insurance, Risk Management, Resilience, and Procurement

46. Insurance Institute for Business & Home Safety. IBHS research and mitigation guidance help property owners reduce losses from wind, wildfire, hail, water, and other hazards. Official resource

47. Insurance Information Institute. The Institute explains property, liability, catastrophe, and insurance-market issues in accessible terms. Official resource

48. Federal Emergency Management Agency, National Flood Insurance Program. NFIP resources explain flood risk, insurance, mapping, mitigation, and claims considerations. Official resource

49. National Association of Insurance Commissioners. NAIC model laws, consumer materials, and market data help boards understand insurance regulation and coverage issues. Official resource

50. RIMS—The Risk Management Society. RIMS resources support enterprise risk management, insurance strategy, loss control, business continuity, and governance. Official resource

51. U.S. General Services Administration, Acquisition Gateway and procurement resources. Federal procurement resources offer useful models for competition, specifications, vendor evaluation, documentation, and contract administration. Official resource

52. U.S. Small Business Administration, contracting guidance. SBA materials provide practical background on contractor qualifications, competition, and responsible procurement practices. Official resource

53. Federal Trade Commission, consumer and contractor fraud resources. FTC guidance helps boards recognize deceptive practices, payment scams, impersonation, and contractor-related fraud risks. Official resource

G. Records, Governance, Ethics, and Continuity

54. National Archives and Records Administration, records-management guidance. NARA resources provide useful principles for records inventories, retention schedules, electronic records, disposition, and preservation. Official resource

55. ARMA International. ARMA standards and education support information governance, recordkeeping, retention, privacy, and defensible disposition. Official resource

56. National Council of Nonprofits, governance resources. Governance resources address board responsibilities, conflicts of interest, financial oversight, policies, and organizational continuity. Official resource

57. Independent Sector, Principles for Good Governance and Ethical Practice. These principles offer a practical ethical and governance framework applicable to nonprofit and volunteer-led organizations. Official resource

58. BoardSource, board governance resources. BoardSource materials support fiduciary duties, board-management roles, meeting effectiveness, financial oversight, orientation, and succession. Official resource

59. National Institute of Standards and Technology, Cybersecurity Framework. The framework helps organizations manage cybersecurity risks affecting financial records, vendor access, email, cloud storage, and business continuity. Official resource

60. Cybersecurity and Infrastructure Security Agency, cybersecurity guidance. CISA provides practical guidance on phishing, ransomware, account security, backups, incident response, and organizational resilience. Official resource

61. Federal Trade Commission, data security guidance. FTC business guidance explains reasonable safeguards for personal information, payment data, vendor access, and breach response. Official resource

Editorial note. This section contains 61 annotated resources. It is intentionally broader than a conventional citation list: its purpose is to provide a working professional reference library that can be updated independently as laws, standards, and industry practices evolve.

Attachment 1 – AFE Project Proposal Form

This attachment reproduces the Florida Edition AFE Project Proposal Form. It is an integral component of this reserve-fund governance and management system and the standard project-proposal and authorization record for material or nonroutine reserve projects. It should be used with the Association's governing documents, applicable law, Board minutes, contracts, accounting records, and required technical review. It uses SIRS/TRS terminology and Florida Building Code, local-authority, permitting, and professional-review fields.

Florida Community Association

AFE Project Proposal Form

For Fiscal Year ____________________

PRODUCTION READY BLANK TEMPLATE — SIRS / TRS PROJECT

Project Information

Project ID	SIRS-_____ or TRS-_____
Project Name / Description	*[Enter project name or brief description]*
Recommended By	*[Enter name and title]*
Prepared By	*[Enter name and title]*
Date Prepared	*[Enter date prepared]*
Board Meeting Date	*[Enter Board meeting date]*
Fiscal Year	FY ______–______

Reserve Classification

Fund	Select Fund ▼
Action	Select Action ▼
Reserve Category	
Reserve Component / SIRS Scope	Select SIRS Component / Scope ▼
Project Type	Select Project Type ▼
Building Permit / Code Review	Select Permit / Code Review ▼
Engineering / Professional Oversight	Select Determination ▼
Work / Change Type (Primary)	Select Work / Change Type ▼

Classification rationale: [State the basis for fund, type, REQUIRED/ELECTIVE status, scope, and selections above.]

Technical-work and permitting screening: confirm Florida Building Code, local building-department, professional, permit, inspection, and other requirements before authorization or commencement. See Section 5.

AFE Project Proposal Form — Project __________

Project Description and Funding

Description of Work	
Recommended Vendor / Contractor	
Estimated / Proposed Cost	$______________
Funding Option Recommended	Select Funding Method ▼
Alternatives Considered	
Funding Method Comments	
Proposed Start Date	
Proposed Completion Date	

Itemized Listing of Costs

Item	Cost
Total Bid / Proposed Cost	**$______________**
Reserve Study Cost / Adopted Budget	**$ __________ / $ __________**

AFE Project Proposal Form — Project __________

Board Action

Board-Authorized Cost Limit	$________________ — not to exceed

SIRS / TRS Funding Method Approved	Select Funding Method ▼
Authorization Conditions / Notes	*[Record funding conditions, scope limitations, and any requirement for additional Board approval.]*
Board Members Approving	*[Enter names or number of directors approving]*
Board Members Disapproving	*[Enter names or number of directors disapproving]*
Board Members Abstaining / Not Present	*[Enter abstentions and members not present]*
Board Action	[Summarize the motion, scope, funding source, authorized limit, approval date, and minutes reference.]

Project Closeout

Project Status	Select Project Status ▼
Completion Date	*[Enter completion or closeout date]*
Actual Cost to Date (Open Projects)	$_______________
Outstanding Commitment (Open Projects)	$_______________
Final Cost (Completed Projects)	$_______________
Variance from Board-Authorized Limit	$_______________ favorable / unfavorable
Closeout Notes	*[Summarize completion, final invoices, inspections, warranties, photographs, unresolved items, and records filed.]*

Administrative Notes

- REQUIRED means scheduled by the reserve study, required by law or regulation, needed for an emergency repair, or needed to address life-safety; ELECTIVE means not scheduled for the current year and not structural, life-safety, or emergency work.
- Select SIRS or TRS consistently with the current reserve study, applicable Florida law, the Association's governing documents, the adopted budget and supporting schedule, and the Association's accounting structure. Complete the SIRS Scope, Engineering / Professional Oversight, Work / Change Type, and Building Permit / Code Review fields for SIRS projects and for TRS projects involving technical work.
- The Board-authorized amount is the approved contract amount or not-to-exceed limit for a material or nonroutine project. Record the scope, SIRS/TRS funding source, motion or contract authority, approval date, and minutes reference.
- This AFE is an integral component of this reserve-fund governance and management system and the standard project-proposal and authorization record for material or nonroutine reserve projects. No particular AFE form is required by statute unless applicable law or the Association's governing documents provide otherwise. Use this form—or an equivalent written project-authorization record where legally sufficient—for each such project. It is not required for each routine payment made under valid prior authority and does not replace the

adopted budget, Board minutes, contracts, invoices, accounting records, inspections, or other official records. Florida law and the Association's governing documents control.