

**HERITAGE RANCH
CLUB REVENUE & EXPENSE POLICY**

A. General Concepts

1. Clubs whose by-laws have been approved by the Heritage Ranch Homeowners Association (HOA) Board of Directors and are in good standing may sell tickets to their events.
2. All revenue must be recorded by the HOA. Ticket sales are subject to State Sales Tax. Therefore, tickets must be purchased from the HOA.
3. Club dues are not subject to sales tax. All other revenue must be recorded by the HOA.
4. Clubs may issue complimentary tickets at their discretion. These tickets are not subject to sales tax.
5. Event expenses approved by the club will be reimbursed by the HOA.
6. The HOA will maintain a record of club revenues and expenses and provide those records to the clubs upon their request.
7. This policy assumes that all residents have access to a computer via a home computer, Clubhouse computer, or have the ability to contact the Front Desk to purchase tickets to all major HOA events.

B. Ticket Sales & Expense Tracking Policy

1. All ticket sales to HOA functions must be processed through the Community Events Director and can be paid for by cash, check, or member account.
2. Any expenses incurred for a club's productions will be tracked and processed by the Community Events Director. Funds needed for pre-performance expenses will be paid by the HOA and deducted from ticket sales.
3. Net profit will be tracked by the Community Events Director and will be available to the club at any time throughout the year. Reimbursement to the club can be made based on projected future sales.
4. If at year end a club which has been designated as a "Performing Arts Club" by the Activities Committee, has unused funds from ticket sales, the funds, less any applicable sales taxes, will be credited to the Performing Arts Fund. This is a separate bank account for purchases recommended by the Ballroom Improvements Subcommittee of the Activities Committee and approved by the HOA Board.
5. Funds that are carried over from one year to another will be shown on the HOA Balance Sheet in the "Performing Arts Fund." The Performing Arts Fund, formerly known as the Ballroom Improvements Fund, is the fund set aside for the Ballroom Improvements Subcommittee of the Activities Committee to fund designated expenditures for items/equipment to enhance the Ballroom on an ongoing basis from a list of prioritized needs. The fund will also be used to cover performance rights fees (i.e., ASCAP, BMI and SEASAC). This fund is not to be used for any other purpose unless

agreed upon by the Ballroom Improvements Subcommittee with final agreement from the Activities Committee and the HOA Board of Directors.

6. All tickets sold are subject to sales tax. The HOA will account for the taxes being collected and will file the required forms with the State.
7. Clubs may maintain a reasonable petty cash account. In order to replenish their cash account, they will need to submit the receipts for the petty cash expended.

C. Club Ticket Sales Procedure

1. General Ticket Sales for the Entire Heritage Ranch Community

It is the responsibility of a Club, Organization, or Paid Staff sponsoring an event to provide relevant information to the Community Events Director for the Ticket Selling System. The Community Events Director will enter all event parameters into the Ticket Selling System. This information includes but is not limited to the following:

- * Who can sign up for the tickets before ticket sales are opened to HR residents
- * When tickets will go on sale
- * How many tickets can be purchased
- * The price of each ticket
- * Date and time of the event
- * Seating Configuration
 - a. Theatre Seating (i.e., Spring Concert Series, Chorale Concerts, Theatre Guild, Variety Show)
 - b. Dining Table Seating (i.e., Trivia Night, Dinner Theatre Special Events)
 - c. Other configurations that may be specified by the Food & Beverage Director or the Community Events Director

2. If more than two residents live in a household, the Community Events Director has the capability to override the existing ticket parameters to include all members in the household.
3. If an individual purchases a table or a group of tickets, payment is the responsibility of that individual. If these tickets are to be designated to other parties, the individual purchasing the table or group of tickets can work with the Community Events Director to coordinate seating assignments and appropriate payment of booked tickets. Reservations for Heritage Ranch HOA events which are made through the website or Front Desk and involve a monetary transaction (i.e., Dances, Veteran's Day) may not be cancelled within 72 hours of the event. Tickets sold through the Heritage Ranch HOA for HR events or activities (i.e., Concert Series, Theatre Guild, Chorale) cannot be returned after purchase.
4. Private events may not be announced on the HOA ticket website.

D. Annual Budget Projection

The Community Events Director will submit budget projections for the following year to the General Manager by October 1 of each year for clubs/organizations that generate revenue through ticket sales, advertisement, or other means and incur expenses during the year. If at any time the submitted budget does not meet appropriate objectives, the Activities Committee may reserve the right to review and make recommendations to ensure that the budget adheres to Heritage Ranch standards.

E. Procedure for Clubs Not Adhering to the Heritage Ranch Club Revenue & Expense Policy.

1. All clubs that generate ticket sales and incur expenses during the year must follow the preceding guidelines and procedures stated in Sections A-D.
2. If a club does not follow stated guidelines and procedures, it is then the responsibility of the Activities Committee to recommend to the HOA Board of Directors that the club in violation give up its by-law status and become an unaffiliated group.
3. An unaffiliated group would no longer have priority for scheduling and use of the facilities for meetings or rehearsals. (Please reference the Clubhouse Use Policy.)
4. If an unaffiliated group plans to charge entry fees to meetings or performances, a room rental fee would be required for each meeting, rehearsal or performance. Clubs would incur room rental fees based on the rates provided by the Director of Catering and Events. All proceeds from ticket sales collected would belong to the group and the group would be responsible for paying all franchise and sales taxes.

Approved by the Activities Committee

Frank Seestrom, Chairman

December 14, 2009

Jim Dill, Chairman

January 11, 2010

Jim Dill, Chairman

TBD

Version A-

Approved by the HOA Board, Jan. 21, 2010

Version B-

Approved by the HOA Board, Feb. 18, 2010

Version C-

Approved by the HOA Board, Jan. 16, 2012

Version D-

Approved by the HOA Board, July 30, 2012

Anita Wormald

Anita Wormald, Chairman
Activities Committee

June 5, 2017

Date

Approved by the Heritage Ranch HOA Board of Directors

John Waupsh

John Waupsh, President

6/5/2017

Date