

# **[ASSOCIATION NAME]**

[Street Address]

[City, State ZIP]

Tel: [Phone]

---

## **RESOLUTION OF THE BOARD OF DIRECTORS CONDOMINIUM CONTRACT HANDLING POLICY**

*Adopted by the Board of Directors*

**Date:** \_\_\_\_\_

---

### **RECITALS**

**WHEREAS**, [ASSOCIATION NAME] (hereinafter "Association") is a Florida not-for-profit corporation organized and existing under the laws of the State of Florida, operating as a condominium association pursuant to Chapter 718, Florida Statutes, commonly known as the Condominium Act; and

**WHEREAS**, the Board of Directors of the Association (hereinafter "Board") is vested with the authority and responsibility to manage, operate, and administer the affairs of the Association in accordance with the Declaration of Condominium, the Articles of Incorporation, the Bylaws of the Association, and applicable Florida law; and

**WHEREAS**, Chapter 718, Florida Statutes, including but not limited to Section 718.3026 thereof, imposes specific requirements upon condominium associations with respect to the procurement of contracts, including

requirements for competitive bidding and unit owner approval for certain categories of contracts; and

***WHEREAS***, the Board finds it necessary and prudent to establish a formal, written Contract Handling Policy to ensure fiscal responsibility, transparency, consistency, legal compliance, and the protection of the interests of all unit owners within the condominium; and

***WHEREAS***, the Board finds that the adoption of this Policy serves the best interests of the Association and its unit owner members, and that adoption of this Policy is within the Board's authority to adopt rules and regulations governing the administration and operation of the Association; and

***WHEREAS***, a quorum of the Board of Directors was present at a duly noticed meeting of the Board held on the date set forth above, and the Board voted by a majority of its members to adopt this Policy;

---

***NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of [ASSOCIATION NAME] that the following Contract Handling Policy is hereby adopted, effective as of the date set forth herein:***

---

## **SECTION I — PURPOSE AND AUTHORITY**

---

**A. Authority.** The Board of Directors is authorized and empowered to enter into contracts on behalf of the Association pursuant to the Association's Declaration of Condominium, Articles of Incorporation, Bylaws, and Chapter 718, Florida Statutes. This authority includes, but is not limited to, the

procurement of services, materials, labor, insurance, and all other goods and services reasonably necessary for the operation, maintenance, repair, and improvement of the common elements and the Association's common areas.

**B. Governing Law.** This Policy is adopted in conformance with the requirements of Chapter 718, Florida Statutes, including without limitation Section 718.3026 (Contracts for products and services; in excess of 5 percent of total annual budget; association), and all other applicable provisions of Florida law. To the extent any provision of this Policy conflicts with applicable law, Florida law shall control, and this Policy shall be construed to be in compliance therewith.

C.

Purpose.

The purpose of this Contract Handling Policy (hereinafter "Policy") is to:

1. Establish clear guidelines for the review, approval, execution, and administration of all contracts entered into on behalf of the Association;
2. Ensure fiscal responsibility and the prudent use of Association funds in accordance with the approved annual budget;
3. Promote transparency and accountability in the procurement process for all unit owners;
4. Facilitate proper competitive bidding for significant expenditures;
5. Ensure compliance with all applicable provisions of Chapter 718, Florida Statutes, and the governing documents of the Association; and
6. Protect the Association from conflicts of interest, self-dealing, and unauthorized financial commitments.

**D. Scope.** This Policy applies to all contracts, agreements, and purchase orders entered into by or on behalf of the Association, regardless of the amount or term thereof, unless expressly excepted herein. This Policy applies to all Board members, officers, the Community Manager, and any other individual authorized to act on behalf of the Association.

---

## **SECTION II – DEFINITIONS**

---

As used in this Policy, the following terms shall have the meanings set forth below:

**A. "*Association*"** means [ASSOCIATION NAME], a Florida not-for-profit corporation operating as a condominium association pursuant to Chapter 718, Florida Statutes, including its Board of Directors, officers, agents, employees, and authorized representatives acting in their official capacities on behalf of the Association.

**B. "*Board*"** means the duly elected and qualified Board of Directors of the Association, constituting the governing body of the Association authorized to act on its behalf in accordance with the governing documents and applicable Florida law.

**C. "*Contract*"** means any written or oral agreement, purchase order, work authorization, service agreement, or other legally binding commitment that obligates the Association to pay for or receive goods, services, labor, materials, or any other item of value, or that otherwise creates a legal obligation enforceable against the Association, regardless of the form or title of the document.

**D. *"Vendor"*** means any third-party individual, contractor, subcontractor, supplier, consultant, service provider, professional, or other entity that provides or proposes to provide goods, services, labor, or materials to the Association under any contract or agreement.

**E. *"Competitive Bidding"*** means the formal process of soliciting, receiving, and evaluating multiple sealed written proposals or bids from qualified vendors for a defined scope of goods or services, conducted in a manner that ensures fairness, equal access to bid specifications, and impartiality in the evaluation and award process.

**F. *"Authorized Representative"*** means the individual or individuals specifically designated by the Board of Directors, by resolution or pursuant to this Policy, to execute contracts on behalf of the Association. Unless otherwise designated by Board resolution, the Authorized Representatives of the Association are the President and the Secretary, acting jointly.

**G. *"Community Manager"*** means the licensed community association manager or management company retained by the Association to provide day-to-day management services, acting within the scope of authority delegated by the Board.

**H. *"Emergency"*** means an unforeseen condition, event, or circumstance presenting an immediate and serious threat to the health, safety, or welfare of unit owners, residents, or guests, or an imminent risk of significant damage to or loss of Association property, requiring immediate remedial action that does not permit the delay necessitated by prior Board approval.

---

## **SECTION III – CONTRACT AUTHORITY THRESHOLDS**

---

The authority to approve and execute contracts on behalf of the Association shall be governed by the following thresholds. All such approvals must remain within the limits of the Association's duly adopted annual budget, and no expenditure shall be approved that is not supported by an adequate budget appropriation unless separately authorized by the Board.

A.

Contracts Under \$2,500.00.

Contracts or expenditures with a total value of less than Two Thousand Five Hundred Dollars (\$2,500.00) may be approved and executed by the Community Manager or a designated officer of the Association without a formal vote of the Board, subject to the following conditions:

7. The expenditure must fall within an existing, approved budget line item with sufficient remaining funds;
8. The expenditure must be consistent with the ordinary and routine operation and maintenance of the Association's property and common elements;
9. The Community Manager or approving officer shall maintain written records of all such approvals, including vendor identity, scope of service, and amount; and
10. All such expenditures shall be reported to the Board at the next regularly scheduled Board meeting.

B.

Contracts \$2,500.00 – \$9,999.99.

Contracts with a total value of Two Thousand Five Hundred Dollars (\$2,500.00) or more but less than Ten Thousand Dollars (\$10,000.00) shall require the written approval of a majority of the Board officers, specifically including the President and the Treasurer, prior to execution. The following requirements apply:

11. The approving officers must document in writing a price comparison or written quotation from a minimum of two (2) qualified vendors;
12. The basis for vendor selection must be documented and retained in the Association's records;
13. A copy of all such approvals shall be presented to the full Board at the next regularly scheduled Board meeting for ratification and inclusion in the minutes; and
14. No single vendor or category of service may be approved under this threshold in a manner designed or intended to circumvent the requirements applicable to higher-value contracts.

C.

Contracts \$10,000.00 and Above.

Contracts with a total value of Ten Thousand Dollars (\$10,000.00) or more shall require approval by a majority vote of the full Board at a duly noticed Board meeting, open to all unit owners, and shall be subject to the following requirements:

15. The Association must obtain a minimum of three (3) written, sealed, competitive bids from qualified vendors prior to the Board vote, in accordance with the Competitive Bidding requirements set forth in Section IV of this Policy;
16. The Board vote approving the contract shall be duly recorded in the minutes of the Board meeting at which it was taken, including

identification of the selected vendor, the contract value, the scope of services, and the basis for the Board's selection;

17. **Emergency Exception:** In the event that exigent circumstances constitute an Emergency as defined in Section II(H), the President and Community Manager may jointly authorize a contract in excess of \$10,000.00 without prior Board approval. Any such emergency contract authorization must be reported to the full Board in writing within five (5) business days and must be formally ratified or rejected by the Board at the next scheduled or special Board meeting, in accordance with Section VII of this Policy; and
18. The Board shall document in writing the specific emergency conditions that necessitated the bypassing of normal approval procedures.

D.

#### Contracts Requiring Membership Approval.

Certain categories of contracts require approval by a vote of the unit owners in addition to, or in lieu of, Board approval, as follows:

19. Pursuant to Florida Statutes Section 718.3026, any contract for materials or services that exceeds five percent (5%) of the total annual budget of the Association, including reserves, shall be subject to the competitive bidding requirements of Section 718.3026 and this Policy, and may require unit owner approval as prescribed by law;
20. Any multi-year contract, or any contract that extends or may extend for a period of more than one (1) year, including but not limited to management agreements, landscaping agreements, or other ongoing service agreements that bind the Association beyond the current fiscal year, shall require the review and approval of the unit owners by a

majority vote of the unit owners at a duly noticed meeting, in accordance with Section 718.3026, Florida Statutes, unless otherwise provided by law or the governing documents; and

21. The Board shall not enter into any contract that obligates the Association beyond the Board's authority as set forth in the governing documents without first obtaining the requisite unit owner approval.

*The following table summarizes the contract authority thresholds set forth in this Section:*

| <b>Contract Value</b>           | <b>Approval Authority</b>                           | <b>Bidding Requirement</b>          | <b>Additional Requirements</b>                              |
|---------------------------------|-----------------------------------------------------|-------------------------------------|-------------------------------------------------------------|
| Under \$2,500                   | Community Manager or Designated Officer             | None required                       | Within approved budget; report to Board at next meeting     |
| \$2,500 – \$9,999               | President and Treasurer (written approval)          | Minimum 2 written price comparisons | Documented vendor selection; ratified at next Board meeting |
| \$10,000 and above              | Majority vote of full Board at duly noticed meeting | Minimum 3 sealed competitive bids   | Recorded in Board minutes; emergency exception applies      |
| Multi-year or >5% annual budget | Board vote + Unit Owner majority vote               | Per Fla. Stat. § 718.3026           | Duly noticed unit owner meeting required                    |

---

## **SECTION IV – COMPETITIVE BIDDING REQUIREMENTS**

---

**A. Applicability.** All contracts at or above Ten Thousand Dollars (\$10,000.00), and any other contract for which competitive bidding is required by Florida law or the Association's governing documents, shall be subject to the competitive bidding process set forth in this Section. The Board may, in its discretion, elect to conduct competitive bidding for contracts below this threshold when it deems such a process to be in the best interest of the Association.

B.

Bid Specifications.

Prior to soliciting bids, the Community Manager, working in cooperation with the Board, shall prepare written bid specifications that:

- 22. Clearly define the full scope of goods or services to be procured, including all relevant technical specifications, performance standards, quality requirements, timelines, and other material terms;
- 23. Are sufficiently detailed to enable prospective vendors to prepare responsive, comparable bids;
- 24. Are distributed simultaneously and equally to all prospective vendors invited to bid; and
- 25. Do not contain proprietary specifications or criteria that are designed to restrict competition or favor a particular vendor.

C.

Sealed Bid Process.

All bids submitted in response to Association solicitations shall be:

26. Submitted in sealed form by the deadline specified in the solicitation, which shall not be less than fourteen (14) calendar days from the date of distribution of bid specifications;
27. Opened publicly at a duly noticed Board meeting, at which unit owners are entitled to be present, by a designated officer or the Community Manager;
28. Recorded in the minutes of the Board meeting, including the name of each bidding vendor and the total amount and key terms of each bid; and
29. Retained in the Association's official records for the period required by Florida law.

D.

#### Rejection of Bids.

The Board reserves the right, in its reasonable discretion, to reject any or all bids received in response to a solicitation and to resolicit bids when it determines that such action is in the best interest of the Association, including but not limited to circumstances where:

30. All bids received exceed the Association's budgeted amount for the project;
31. The bids received are not responsive to the published specifications;
32. The Board determines that the scope of work requires material modification; or
33. Fewer than the required minimum number of qualified, responsive bids are received.

E.

#### Award of Bid; Documentation of Award Decision.

The Board is not obligated to award a contract to the lowest bidder. The Board may award the contract to the vendor whose bid is determined to represent the best value to the Association, taking into account factors such as price, qualifications, experience, references, financial stability, proposed methodology, and other relevant considerations. In the event the Board awards a contract to a vendor who is not the lowest qualified bidder, the Board shall:

34. Document in the Board meeting minutes the specific reasons for its award decision, including the evaluation criteria applied and the basis for determining that the selected bid represents the best value to the Association; and
35. Ensure that such documentation is maintained in the Association's official records and is available for inspection by unit owners in accordance with Florida law.

F.

Conflict of Interest Disclosure.

Any Board member who has a financial interest, direct or indirect, in any vendor submitting a bid, or who has a personal relationship with a vendor that may constitute a conflict of interest, shall:

36. Disclose such interest or relationship to the full Board and to the Association's membership at or before the Board meeting at which bids are opened and evaluated;
37. Recuse themselves from all deliberations and voting regarding the selection and award of the contract at issue; and
38. Such disclosure and recusal shall be recorded in the minutes of the relevant Board meeting.

### **Important Notice — Florida Law Compliance**

Pursuant to Florida Statutes Section 718.3026, any contract that is not to be competitively bid, or that is to be awarded to other than the lowest qualified bidder, must comply with any applicable disclosure and approval requirements imposed by Florida law. Board members and officers are advised to consult with Association counsel regarding any contract award that may raise conflict-of-interest concerns.

---

## **SECTION V — PROHIBITED CONTRACTS**

---

A.

Self-Dealing Prohibited.

No contract shall be awarded to, and no Association funds shall be paid to, any entity, individual, or business enterprise in which a Board member, officer, or Community Manager holds a material financial interest — including without limitation any ownership interest, employment, or compensation arrangement — without:

- 39. Full, prior written disclosure of the nature and extent of the financial interest to the Board and to all unit owners;
- 40. The approval of a majority of the unit owners at a duly noticed membership meeting; and
- 41. A determination that the contract terms are fair and reasonable and no less favorable to the Association than terms available from an unrelated, independent third party.

**B. Management Contracts — Term Limitation.** No contract for management services shall bind the Association for a period of more than one

(1) year without the prior approval of a majority vote of the unit owners of the Association at a duly noticed membership meeting, as required by applicable Florida law. Any management contract entered into by the Board must contain a provision permitting the Association to terminate the contract without cause upon not more than ninety (90) days' written notice, in accordance with Florida Statutes.

C.

Unauthorized Financial Commitments.

No contract shall be entered into, and no financial obligation shall be incurred on behalf of the Association, that:

42. Exceeds the Association's borrowing authority as established by the governing documents or by unit owner approval;

43. Requires the Association to borrow funds or incur debt beyond the limits authorized by the Board or the unit owners; or

44. Purports to pledge Association assets as security for any obligation without prior approval of the unit owners by the vote required in the governing documents or applicable Florida law.

**D. Contracts Outside Budget Authority.** No contract or expenditure shall be approved or executed that would cause the Association to exceed its adopted annual budget for any line item or in the aggregate, unless the Board has first adopted a budget amendment in accordance with the Association's Bylaws and applicable Florida law, or unless the expenditure is funded from the Association's reserve funds in accordance with applicable legal requirements.

**E. Oral Contracts.** No officer, Board member, or agent of the Association is authorized to enter into any oral contract that obligates the Association to pay

any sum in excess of the threshold established in Section III(A). All contracts above such threshold must be in writing and duly executed in accordance with the requirements of this Policy.

---

## **SECTION VI – CONTRACT EXECUTION AND RECORD-KEEPING**

---

**A. Execution Authority.** All contracts entered into on behalf of the Association shall be signed by the President and attested by the Secretary of the Association, or by such other Authorized Representative(s) as may be specifically designated by duly adopted Board resolution. No other individual shall have the authority to execute a contract that legally binds the Association, unless specifically authorized in writing by the Board. Any contract purported to be executed on behalf of the Association by an unauthorized individual shall be null, void, and unenforceable against the Association.

**B.**

Retention of Original Contracts.

The original executed copy of every contract entered into on behalf of the Association shall be:

45. Retained in the official records of the Association for a minimum period of seven (7) years from the date of execution, or for such longer period as may be required by applicable Florida law or regulation;
46. Stored in a secure location designated by the Board, which may include physical storage at the Association's management office or

electronic storage in a secure, accessible document management system; and

47. Made available for inspection and copying by unit owners upon written request, in accordance with Florida Statutes Section 718.111(12) and the requirements set forth in Section VI(D) below.

C.

Contract Log.

The Community Manager shall maintain a current and accurate Contract Log for all active and recently expired contracts of the Association. The Contract Log shall include, at a minimum, the following information for each contract:

48. Vendor name and contact information;
49. Date of contract execution;
50. Term of the contract (start and end dates);
51. Total contract value or annual contract amount;
52. Brief description of the scope of services or goods provided;
53. Renewal date or expiration date, and any automatic renewal provisions;
54. Name of the individual(s) who executed the contract on behalf of the Association; and
55. Current status of the contract (active, expired, terminated, under renewal review).

The Contract Log shall be reviewed by the Board at each regularly scheduled Board meeting, or at such other intervals as the Board deems appropriate. The Community Manager shall provide advance notice to the Board of any contract approaching its renewal or expiration date, with a minimum of sixty (60) days' advance notice for contracts valued at \$10,000.00 or more.

**D. Unit Owner Inspection Rights.** All executed contracts and related procurement records are part of the official records of the Association and are subject to inspection and copying by unit owners or their authorized representatives in accordance with Florida Statutes Section 718.111(12). The Association shall make such records available within the time period required by Florida law following a written request from a unit owner, subject only to such limitations and procedures as are authorized by Florida law.

---

## **SECTION VII — EMERGENCY CONTRACTS**

---

**A. Emergency Authorization.** Notwithstanding the contract approval thresholds set forth in Section III of this Policy, in the event of a declared Emergency as defined in Section II(H) of this Policy — including but not limited to conditions arising from fire, flooding, storm damage, structural failure, or other imminent threat to health, safety, or property — the President of the Association and the Community Manager, acting jointly, are authorized to approve and execute contracts necessary to address such Emergency without prior full Board approval, subject to the conditions set forth in this Section.

**B.**

Reporting Requirement.

Any emergency contract or expenditure authorized pursuant to this Section shall be:

56. Documented in writing at the time of authorization, including a written description of the emergency conditions, the identity of the

vendor engaged, the scope of work authorized, and the estimated or actual cost; and

57. Reported in writing to all Board members within five (5) business days of the date of authorization, by electronic mail or other means reasonably calculated to provide prompt notice to all Board members.

**C. Board Ratification Required.** The full Board shall formally ratify or reject any emergency contract or expenditure at the next scheduled or specially called Board meeting following the emergency authorization. In the event the Board rejects an emergency contract that has already been partially or fully performed, the Association shall nonetheless be responsible for the reasonable value of goods or services rendered by the vendor prior to notice of rejection. Rejection of an emergency contract shall be recorded in the Board meeting minutes with a full statement of the reasons therefor.

**D. Limitations on Emergency Authority.** The emergency authorization granted under this Section shall be limited strictly to the minimum expenditure reasonably necessary to address the immediate Emergency. The President and Community Manager shall not use this emergency authority for contracts or expenditures that are not directly and immediately necessitated by the Emergency condition, and shall make reasonable efforts to obtain competitive pricing from qualified vendors to the extent practicable under the circumstances.

---

## **SECTION VIII — AMENDMENTS**

---

This Policy may be amended, modified, supplemented, or repealed by a majority vote of the Board of Directors at any duly noticed Board meeting at

which a quorum is present and voting. Proposed amendments to this Policy shall be:

58. Presented to all Board members in writing not less than five (5) calendar days prior to the Board meeting at which a vote on the amendment is to be taken, together with the text of the proposed amendment;

59. Discussed at the Board meeting in a session open to unit owners; and

60. If adopted, recorded in the minutes of the Board meeting, including the full text of the amendment and the vote of each Board member.

Amendments to this Policy shall become effective upon adoption by the Board, unless the adopting resolution specifies a later effective date. A copy of this Policy, as amended, shall be maintained in the official records of the Association and shall be made available to unit owners upon request. The Board shall ensure that the Community Manager is promptly notified of any amendments to this Policy affecting the Community Manager's operational responsibilities.

---

## **SECTION IX — EFFECTIVE DATE**

---

This Contract Handling Policy is effective as of the date adopted by the Board of Directors as set forth on the first page of this document. Upon the effective date of this Policy, it supersedes and replaces in their entirety any and all prior contract handling policies, procedures, guidelines, or resolutions of the Association addressing the subject matter hereof, whether written or unwritten, formal or informal. In the event of any conflict between this Policy and any prior policy or procedure, this Policy shall control.

Notwithstanding the foregoing, contracts duly executed by the Association prior to the effective date of this Policy shall remain valid and binding in accordance with their terms, and shall not be voided or otherwise affected by the adoption of this Policy.

---

## **CERTIFICATION**

---

I, the undersigned, Secretary of [ASSOCIATION NAME], a Florida not-for-profit corporation, do hereby certify that the foregoing Contract Handling Policy constitutes a true, accurate, and complete copy of a Resolution duly adopted by the Board of Directors of the Association at a meeting duly called and held on the date set forth herein, at which a quorum of the Board of Directors was present and acting throughout, and that said Resolution has not been rescinded, modified, or amended and remains in full force and effect as of the date of this certification.

## **SIGNATURES OF THE BOARD OF DIRECTORS**

---

### **1. PRESIDENT**

---

Signature

---

Printed Name: \_\_\_\_\_

Title: President, Board of Directors

Date: \_\_\_\_\_

---

## **2. VICE PRESIDENT**

---

Signature

---

Printed Name: \_\_\_\_\_

Title: Vice President, Board of Directors

Date: \_\_\_\_\_

---

**ATTEST:**

## **3. SECRETARY**

---

Signature

---

Printed Name: \_\_\_\_\_

Title: Secretary, Board of Directors

Date: \_\_\_\_\_

---

## **4. TREASURER**

---

Signature

---

Printed Name: \_\_\_\_\_

Title: Treasurer, Board of Directors

Date: \_\_\_\_\_

---

**ACKNOWLEDGMENT — STATE OF FLORIDA, COUNTY OF COLLIER**  
**(OPTIONAL NOTARY ACKNOWLEDGMENT)**

---

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as President of [ASSOCIATION NAME], a Florida not-for-profit corporation, who is personally known to me or who has produced \_\_\_\_\_ as identification.

---

Signature of Notary Public, State of Florida

Printed Name: \_\_\_\_\_

My Commission Number: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*[Notary Seal]*

---

This document is an official record of [ASSOCIATION NAME] and is subject to unit owner inspection pursuant to Florida Statutes § 718.111(12).

Condominium Contract Handling Policy — Adopted by the Board of Directors  
— [ASSOCIATION NAME] — Naples, Florida