



**7. REGULATORY ISSUES AND ENVIRONMENTAL BENEFITS**

**8. COST ESTIMATE**

**9. RISK ANALYSIS**

## **10. SUPPORT BY AFFECTED NEIGHBORS**

## INSTRUCTIONS FOR USING THIS FORM

This AFE form was created and adopted by the Assessment Committee on February 23, 2009 to ensure that the expenditure of the Homeowner Association's funds is in accord with Covenant 7.4, namely to "*maintain the common property in such a manner as to ensure and promote the health safety, and welfare of the residents of Kopachuck Ridge Estates.*" The expected information to be addressed in each of the topics covered by this form is defined below. The level of detail required to supply the answers to these topics is expected to significantly change as the level of project complexity rises. Nevertheless, to be approved by the AC, all projects must address these issues.

**Topic 1: Project Title:** A simple title that describes what is intended to be done.

**Topic 2: Project Sponsor:** Who is suggesting that this project be done?

**Topic 3: Project Manager:** This is the person who has pledged to monitor and carryout the project. This is the person whom the Assessment Committee will hold responsible for conducting the project, resolving any problems that arise, and for cost control. It does not necessarily have to be the same person as the project sponsor.

**Topic 4: Brief Project Description:** A short description of what is proposed.

**Topic 5: Project Goals:** A detailed description of what the project is intended to accomplish. It is a necessary part of this description to explore the likelihood that the anticipated scope of work would indeed accomplish those goals. Often this is not as simple as it might seem.

**Topic 6: Scope of Work and Schedule.** Describe in detail the What, How, Who, & When that applies to this project.

**Topic 7: Regulatory Issues and Environmental Benefits:** In this section the need for permits, studies, and notice requirements to affected neighbors are required. The environmental benefits of the project should be listed here.

**Topic 8: Cost Estimate:** All projects must be supported by bids or estimates. If firm bids have been supplied, a 10% contingency must be added to cover potential overruns. If estimates or forecasts are used, a 25% contingency must be added to the project. The cash flow (i.e. when is the cash needed to pay the bills?) must be predicted so the Assessment Committee can plan for cash reserves.

**Topic 9: Risk Analysis:** This is an exploration of what can possibly go wrong with the project. It will cover such subjects as what new liability is incurred, what are the ongoing maintenance implications for the Association, what unanticipated consequences apply, what is the potential for significant cost overruns, and what are the contingency plans for dealing with such items?

**Topic 10: Support by Affected Neighbors:** A good project is one that has widespread support, especially among the affected neighbors. Interviews, letters of support and testimonials will assist in speeding the project approved.