Adopting the Annual Budget

Florida associations · Section 720.303(6) and Section 718.112(2)(e)-(f), F.S.

Work through these before the budget meeting is noticed. The two chapters run different playbooks, so start by confirming which one you sit under.

- [ ] **Confirm who adopts it**
  In both chapters the board adopts the annual budget at a board meeting. Members do not vote it up or down. They get notice, attendance, and the right to speak on the agenda item.

- [ ] **Condo: run the 115 percent test first**
  Exclude required reserves for repair or replacement, insurance premiums, and expenses for the paragraph (g) structural items the board does not expect on a regular basis. Only then compare to last year's assessments. Over 115 percent means a substitute budget with all discretionary spending removed goes to the same meeting.

- [ ] **Condo: 14 days, notice plus the proposed budget**
  Hand deliver, mail, or electronically transmit the meeting notice AND a copy of the proposed annual budget at least 14 days out. Then execute the affidavit of compliance and file it in the official records.

- [ ] **HOA: make the notice say assessments**
  An assessment may not be levied at a board meeting unless the notice states that assessments will be considered and the nature of the assessments. A notice that says only "budget" does not meet it. Ordinary timing applies: 48 hours posted, or 7 days mailed if you do not post.

- [ ] **HOA: check the declaration for a cap**
  Chapter 720 sets no percentage trigger and no membership vote on the budget. Any cap on assessment increases comes from your governing documents, so read the actual language before the meeting.

- [ ] **Settle the reserve question for this year**
  Condo: reserves are mandatory, and for a budget adopted on or after December 31, 2024 an association that must obtain a SIRS cannot waive or reduce the paragraph (g) items or spend them on anything else. HOA: statutory reserves exist only if the members approved them; if they did, the waiver vote is annual.

- [ ] **HOA: hold the waiver vote properly, or fund the reserves**
  A majority vote at a meeting at which a quorum is present is required. If the result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. A waiver applies to one budget year only.

- [ ] **Check the current reserve threshold**
  The condo $25,000 threshold for required reserve items is adjusted annually for inflation, and the division must post the current figure on its website by February 1 each year. Budget off the posted figure, not the statutory floor.

- [ ] **Adopt on time**
  A condo board must adopt at least 14 days before the fiscal year starts; failing a second time is a minor violation and the prior year's budget continues until a new one is adopted. Chapter 720 sets no deadline, so use your bylaws.

- [ ] **Get it to the members**
  Condo delivery already happened with the 14-day notice. An HOA must provide each member a copy of the adopted budget or a written notice that a copy is available on request at no charge, with requests answered on the 10-business-day records deadline.