

Wyndham Hill Co-Operative Homes Inc.

By-Law No. 12

**Financial By-law
(replaces By-law No. 2 (Schedule D), By-law No. 3, By-law No. 4, and
By-law No. 5. It also replaces the Petty Cash Policy, Child Care
Reimbursement Policy, Income Policy and the Housing Charge
Assistance Guidelines)**

A By-law, which details the financial policies and procedures for the co- operative.

This By-law contains the financial policies and procedures for Wyndham Hill Co-operative Homes Inc. The *Co-operative Corporations Act* (the *Act*) regulates how the co-op must be run. Certain parts of the *Act* contain rules that are not included in this or other co-op By-laws. Applicants and members should refer to them when questions come up.

Passed by the Board of Directors on October 28, 2015.

Confirmed by a two-thirds majority vote of members present at a General Meeting held January 20, 2016.

Amended May 22, 2019, by a majority vote of the members.

Table of Contents

Article 1: Obligations to Funders

- 1.1 Binding Agreements
- 1.2 Inconsistencies between By-laws

Article 2: Spending Policy

- 2.1 Purpose of Policy
- 2.2 Annual Budget Approval
- 2.3 Budget Revisions
- 2.4 Approval Of Expenditures
- 2.5 Approval of Unbudgeted Emergency Expenditures
- 2.6 Process for Authorizing Purchases
- 2.7 Signing Of Cheques

Article 3: Child Care Reimbursement Policy

- 3.1 Eligibility for Reimbursement
- 3.2 Reimbursement Process
- 3.3 Rate of Reimbursement

Article 4: Payment and Arrears Policy

- 4.1 Purpose of Policy
- 4.2 Payment of Charges
- 4.3 Definition of Arrears And Fines For Late Payments
- 4.4 Payment of Arrears
- 4.5 Arrears Administration
- 4.6 Move Out Arrears

Article 5: Housing Charge Assistance Policy

- 5.1 Definition
- 5.2 Administration
- 5.3 Reporting
- 5.4 Eligibility
- 5.5 Application Process
- 5.6 Verification Of Income
- 5.7 Early Termination

Article 6: Petty Cash Policy

- 6.1 Purpose
- 6.2 Establishing the Fund
- 6.3 Spending from the Fund
- 6.4 Reimbursing the Fund

Article 1: Obligations to Funders

1.1 Binding Agreements

The Directors of the co-op may for the purpose of fulfilling its objectives cause the co-op to enter into agreements with Canada Mortgage and Housing Corporation or the Ontario Ministry of Municipal Affairs and Housing or the County of Wellington and obtain loans under the National Housing Act of Canada. While any such agreement is in force or loan is outstanding, all applicable requirements under that Act and all obligations under the agreement, and all conditions of the loan, shall be and remain binding on the co-op.

1.2 Inconsistencies Between By-law Articles

Where the terms of any present or future By-law of the co-op contradict or are inconsistent with this By-law article, this By-law article shall always prevail and the other terms shall be inoperative to the extent of such contradiction or inconsistency, whether the contradiction or inconsistency arises on or after the enacting of the By-law.

Article 2: Spending Policy

2.1 Purpose of Policy

- (a) To ensure that the co-op members maintain ultimate control over spending.
- (b) To enable staff, committees and the Board of Directors to have sufficient flexibility to manage the finances of the co-op on a day-by-day basis.
- (c) To provide for efficient spending control.
- (d) That all expenses incurred on behalf of the co-op will be made with sufficient care to obtain the "best value" for the co-op's money.

2.2 Annual Budget Approval

- (a) Prior to the beginning of each fiscal year, an annual budget for the year, including proposed housing and associated charges, will be presented by the Board of Directors to the general membership for approval. The Board has the authority to spend the operating funds of the co-op in each fiscal year up to the amount of the complete operating budget.

Unless the members decide otherwise at the time of budget approval, the Board can use a surplus in one category of expense to offset a deficit in another category within the budget.

- (b) The budget shall provide separate amounts for each major category of revenue and expense; sufficiently detailed notes to adequately identify what is included in each budgeted amount should accompany these categories.
- (c) Once approved by the General Meeting, the budget authorizes staff, committees and the Board of Directors to incur expenses according to the provisions of the following sections.

2.3 Budget Revisions

- (a) The Board of Directors may approve revisions to the budget during the course of the fiscal year, if deemed appropriate by the Board, and advise the Treasurer and the Finance committee of these changes.
- (b) Revisions to the operating budget must be reported to the membership at the next general meeting.

- (c) Any change in housing or associated charges must be approved by the members.

2.4 Budget Control

- (a) The Board will receive a monthly budget control report. The report will compare budgeted income and expenses to actual income and expenses.
- (b) TheE3 Board will receive a written budget review at least every three months. This report will:
 - Compare budgeted income and expenses to actual income and expenses
 - Show the projected income and expenses for each category in the budget for the rest of the year
 - Provide a written explanation of any projected actual surplus or deficit.

Normally the Finance Committee will review budget reports and give its comments to the Board.

2.5 Approval Of Expenditures

- (a) Individual members and committees of the co-op may not authorize expenditures or otherwise make financial commitments on behalf of the co-op unless the Board has given them explicit authority to do so.
- (b) The Board may delegate authority to spend funds to the staff of the co-op within the limits it sets. The Board may also delegate spending authority to committees for a specific expense or type of expense within the limits it sets.
- (c) No person may initiate or approve any expense or purchase where that person has any conflict of interest in the matter.
- (d) Approval of the operating budget or approval of revisions to the budget constitutes approval of the expenditures contained in the budget.
- (e) An expenditure is considered unbudgeted and requires approval by the Board of Directors when:
 1. The expenditure was not provided for in the approved operating budget, or
 2. The expenditure will result in the appropriate budget account to be more than ten (10) per cent over the budgeted amount.

Unbudgeted expenditures will be referred to the Finance committee for recommendation to the Board. The Board may approve or reject the committee's recommendations.

If the Finance committee is unable to meet within a reasonable time, the expenditure request may be dealt with directly by the Board.

2.6 Emergency Expenditures

- (a) An emergency expenditure is one that must be incurred immediately because a delay would:
 - 1. Cause property damage,
 - 2. Endanger personal safety, or
 - 3. Cost the co-op more money if not incurred immediately.
 - 4. Disrupt essential services to members (for example, light and power, heat, hot water)
- (b) The board can authorize any unbudgeted emergency expenses on the co-op's behalf without further authority from the members. The board may delegate authority for emergency expenditures to co-op staff or to any other persons.
- (c) All unbudgeted emergency expenses must be reported to the board. Significant unbudgeted emergency expenses must be reported by the board to the members.

2.7 Non-Discretionary Expenses

- (a) Non-discretionary expenses are those incurred by the co-op automatically and are not the result of a specific purchase order. These include such things as municipal taxes, electricity, water, salaries, insurance mortgage payments, and any contracted services once the contract has been signed.
- (b) Unbudgeted non-discretionary expenses may be approved by the Treasurer or a staff person designated by the Board of Directors. If a non-discretionary expense is over-budget, it must be reported to the next meeting of the Finance Committee and the Board.

2.8 Fair, Open and Objective Business Practices

- (a) The co-op will follow fair, open and objective business practices in all its purchasing and contracting. Its spending practices and awarding of contracts must be consistent with the co-op's Conflict of Interest By-law.

(b) The following rules apply to all spending except for routine or non-discretionary expenses.

1. Expenses under \$2,000

The Board is not required to get written quotes for expenses under \$2000, but must take a prudent approach to spending at every level.

2. Expenses between \$2,000 and \$14,999

The Board will get three written quotes before approving a discretionary expense between \$2,000 and \$14,999.

The Board may waive this requirement in cases where:

- The co-op has used a particular supplier or contractor regularly, or participates in a bulk-buying program, and
- Has found that their prices are competitive.

The co-op must review the prices of regular suppliers and contractors at least every second year to see if their prices remain competitive. Where the co-op has a contract, the co-op must review prices at the end of the contract.

There will be no automatic renewal of any contract or agreement.

3. Contracts of \$15,000 or more

The Board must get written quotes for contracts and agreements of \$15,000 or more. Contracts or agreements costing \$15,000 or more must contain a clause allowing the co-op to terminate the contract or agreement without penalty where there has been a breach of the co-op's Conflict of Interest By-law.

There will be no automatic renewal of any contract or agreement.

2.9 **Choosing A Quote**

When choosing a quote the Board must:

- Consider the quality of goods and services to be provided, and
- Base its decision on written documents outlining resources, timing, cost and fees.

The Board does not have to choose the lowest quote. It may choose another quote for reasons such as quality, experience and timing. If it does not choose the lowest quote, it must document the reasons for its choice in the minutes.

2.10 **Signing Of Cheques**

- (a) All cheques drawn on the co-op's accounts will be signed by any two of the designated officers of whom at least one shall be the President or Treasurer.

Article 3: Child Care Reimbursement Policy

3.1 Eligibility for Reimbursement

- (a) The Finance committee administers this policy to enable co-op members to be reimbursed for babysitting costs incurred as a direct result of attending Board, committee, or co-op sector meetings for the co-op.
- (b) The co-op will not reimburse the following people for member babysitting: spouses, boyfriends/girlfriends (live-in or otherwise), common-law spouses, children of the members, etc. Members providing childcare services to the co-op in order to participate in the co-op will not receive remuneration for their services.

3.2 Reimbursement Process

- (a) Only the voucher provided by the Finance committee will be accepted as proof for reimbursement. The original voucher must be returned to the person designated by the Finance committee.
- (b) At the end of each meeting, the Chairperson of the committee will sign vouchers for each member seeking to be reimbursed. The member will provide information to the chair to enable them to fill out voucher accurately and quickly. The time (duration) of the meeting will be indicated in the minutes and on the voucher.
- (c) The voucher will then be legibly signed by member's babysitter. Unit number (if applicable) and phone number must be indicated, otherwise vouchers may be returned for insufficient information.
- (d) After the voucher is signed by the babysitter and the Chairperson, the member will then submit the voucher to the person designated by the Finance committee.
- (e) These vouchers, when signed by babysitters, are proof and confirmation that the member has indeed incurred this cost as a result of attending their committee meeting. These vouchers are not tax receipts or IOUs. Members are responsible for explaining to babysitters what the vouchers represent.

3.3 Rate of Reimbursement

- (a) The Finance committee will use the following pay rate for reimbursement: the, actual incurred cost or \$3.50/hour which ever is less.
- (b) These rates may be increased from time to time by a motion of the Board of Directors.
- (c) Committee members sharing a babysitter will fill out one voucher between them and the members will be reimbursed according to total number of hours and will not be paid separately (e.g. two members each sharing a babysitter will both jointly be reimbursed for a total of \$3.50 per hour inslead of each separately for \$3.50 per hour). Both or all members sharing a babysitter should each sign the same voucher.

Article 4: Payment and Arrears Policy

4.1 Purpose of Policy

- (a) To enable the co-op to minimize extra operating expenses and the loss of income due to members not paying their Housing Charges in a timely fashion.
- (b) To enable the co-op to deal with arrears situations before they get out of hand.
- (c) To have each member household treated fairly and equally in matters of payments and arrears.

4.2 Payment of Charges

- (a) Housing Charges and associated charges are due on or before the first calendar day of each month by 9:00am, and are payable by a cheque, money order (dated the first of the month), debit, or E-transfer to whcettransfer@gmail.com.
- (b) If a member is aware of personal hardships, which will prevent payment on the first day of the month, the member must arrange to meet with the staff or Treasurer before the last day of the month prior to the month affected to explain the circumstances and enter into a Payment Schedule with the Co-operative. This is an opportunity to pay housing charges after the first calendar day of the month.
- (c) A member is eligible to request 3 Payment Schedules within a 12-month period. Payment can be deferred to no later than the 15th of the month in which the housing charge is due. Any member requesting more than the approved 3 Payment Schedules must request special permission from the Treasurer and may be asked to appear before the Board of Directors. Any member requesting more than the approved 3 Payment Schedules will be considered a member not in good standing. A member not in good standing:
 - 1. Can not run for election to the Board of Directors
 - 2. May be required to resign from the Board of Directors or the Finance Committee, and
 - 3. May or may not be approved for an internal transfer
- (d) A member may request a long-term Payment Schedule. The member must demonstrate, to the Treasurer, a varying income source and a fluctuating housing charge. The long-term Payment Schedule will not exceed six months and will be considered as one (1) Payment Schedule.

- (e) The Housing Charge must be paid by personal cheque, money order, or certified cheque, which should be handed to the staff or deposited in the box provided in the office on or before 9:00 am of the first day of the month OR by debit, or E-transfer to whcetransfer@gmail.com
 - (f) Housing Charge payments by cash is discouraged strongly. There are no facilities on site to store cash, and the Co-op's By-laws indicate payment is to be in the form of personal cheques, money orders or certified cheques, debit, or E-transfer to whcetransfer@gmail.com.
 - (g) In the month prior to the commencement of a new fiscal year, the member household may give the co-op twelve (12) post-dated cheques or money orders to cover Housing Charges and associated charges, one for each month of the new fiscal year, or my pre-pay housing charges by debit or E-transfer to whcetransfer@gmail.com.
 - U) One month prior to move-in, a member household must give the co-op sufficient post-dated cheques to cover Housing Charges and associated charges for each month to the end of the current fiscal year as well as any required fees or deposits.
-

4.3 Definition of Arrears and Fines for Late Payments

- (a) A member household is in arrears when:
 - 1. A payment owing to the co-op from a member household has not been received by the co-op by the end of the month in which it is owed; or
 - 2. A payment is owing to the co-op because a member's cheque was returned to the co-op by the co-op's financial institution.
- (b) If a bank returns a members cheque for payment of the Housing Charge marked NSF (non-sufficient funds), or cancels and E-transfer, it must be replaced within one banking day of notification to the member for the co-op office by a certified cheque or money order.
- (c) The going bank rate will be charges for the first NSF cheque. There will be a \$25.00 charge for subsequent NSF cheques. If a NSF cheque is not replaced within one (1) banking day of notification to the member from the co-op office or if a member has two (2) NSF cheques within a 12-month period, the member may be requested to attend a Board of Directors meeting at which the member's occupancy rights may be terminated. The Board may request that the member pay future Housing Charges by certified cheque or money order, debit, or E-transfer to whcetransfer@gmail.com. A NSF cheque or cancelled E-transfer will be considered a late payment and part of the members' financial history.
- (d) A Housing Charge payment or other amount owing to the co-op that was received by the co-op after the date on which it was due, including replacements for returned cheques, will be subject to a late payment fine of \$50 which will be payable to the co-op immediately upon the member being notified by the co-op.

4.4 Payment of Arrears

- (a) Any member whose Housing Charge is not received in the office by 9:00 am on the first day of the month and who has failed to contact the co-op office as outlined in Section 6.2(b) above, will be considered to be in arrears and will receive a late payment letter. The letter will request payment of Housing Charges within one banking day of notification to the member.
- (b) If the member in arrears does not respond immediately to the late payment letter, a second letter will be sent requesting the member's attendance at the next meeting of the Board of Directors.

- (c) All payments of arrears must be made by a certified cheque, bank draft or money order, debit, or E-transfer to whcetransfer@gmail.com, and must include any amounts for additional charges and fines.
- (d) The co-op may carry out the procedure as described in By-law No. 8, Article 9 (The Co-op Evicts A Member) when:
 - 1. The member household has not submitted a proposal for payment of arrears before the first day of the month the payment was due;
 - 2. The terms or conditions on a proposal for payment of arrears as modified and accepted by the co-op have not been met by the member household;
 - 3. The total amount of arrears, including additional charges and fines, is more than twice the member household's equitable Housing Charge; or
 - 4. The member household has repeatedly paid Housing Charges late.

4.5 Arrears **Administration**

- (a) The Board of Directors shall appoint a committee consisting of the Treasurer and staff to act on its behalf. This committee will be responsible for dealing with arrears in the co-op according to the Terms of Reference approved and given to the committee by the Board.
- (b) In the absence of such a committee or if the committee is unable to fulfill its responsibilities, the duties of the committee shall be assumed by the Board of Directors or other persons designated by the Board.
- (c) The committee must follow the co-op's By-laws, policies and procedures and keep written records of all its activities.
- (d) The committee cannot on its own make any decision to evict a member (terminate the occupancy and membership rights of a member). However, it may make recommendations on eviction to the Board of Directors.
- (e) A member whose Housing Charge is late more than twice will be asked to deposit a year's post-dated cheques with the staff.
- (f) When the Housing Charge payment of a member is late two (2) times (including NSF cheques) within a 12-month period, the Treasurer and staff may request that the member attend a meeting of the Board, at which time termination of the member's occupancy will be considered.
- (g) Any Arrears still outstanding after a member household moves out of the co-op are still collectable by the co-op.

4.6 Move-Out Arrears

- (a) As soon as the notice of intent to vacate a unit is received, the Co-ordinator must advise the member of any arrears owing and request that the member contact the office within seven (7) days to set up a repayment schedule. A forwarding address will also be requested. Copies of this correspondence will be sent to the Treasurer and Arrears Committee.
- (b) If the member has not responded, on the eighth (8) day, the Co-ordinator will send the member a registered letter restating the amount owing and advising the member that if a repayment schedule is not set up prior to the member vacating the unit, further action will be taken which will include:
 - 1. A request to appear before the Board,
 - 2. Referring the matter to a collection agency and/or legal action.
- (c) After the Maintenance Committee has inspected the unit, the office must be advised immediately if repairs will be required. The Co-ordinator must advise the member in writing of the repairs they will be responsible for. The member must be further advised that if the repairs are not completed to the satisfaction of the Maintenance Committee two (2) weeks prior to move out, the member will be charged for the costs to do the repairs.
- (d) After the Maintenance Committee does their follow-up (two (2) weeks prior to move out), they must advise the office what repairs have not been completed. The Maintenance Committee must assess the unit and determine the cost for the repairs that the member is responsible for. The Co-ordinator must advise the member in writing of the costs involved and request that they contact the office within seven (7) days to set up a repayment schedule. A copy of correspondence will be sent to the Treasurer and Arrears Committee.
- (e) If the member has not responded, on the eighth (8) day, the Co-ordinator will send the member a registered letter restating the amount owing and advising the member that if a repayment schedule is not set up prior to the member vacating the unit, further action will be taken which will include:
 - 1. A request to appear before the Board,
 - 2. Referring the matter to a collection agency and/or legal action.
- (f) If the member has not responded to Item (b) or (e) within two (2) weeks, the office will advise the Board, Treasurer and Arrears Committee.

- (g) The Board will request that the member appear and be advised of what will happen if they do not set up a repayment schedule (eg. collection agency) and advise them to set up a repayment schedule. A forwarding address, if not already received, must be obtained.
- (h) If the Board feels the member's response is not satisfactory or the member does not attend the Board meeting, the matter will be referred to a collection agency and/or for legal action, immediately.
- (i) If the member set up a repayment schedule and then defaults on the repayments or something is uncovered afterwards, the Co-ordinator will immediately send a registered letter to the forwarding address of the former member advising them of the situation and requesting that they contact the office within two (2) weeks.

If no response is received by the fifteenth (15th) day, the Co-ordinator will send a second registered letter to the former member advising them that the matter will be forwarded to a collection agency if no response is received within two (2) weeks.

If there is no response by the fifteenth (15th) day, the Co-ordinator will advise the Board of the situation and the matter will be forwarded to the collection agency.

- U) If no forwarding address is given, the Co-ordinator will advise the Board and the matter will be immediately forwarded to the collection agency.

Article 5: Housing Charge Assistance

5.1 Definitions

- (a) The rent supplement assistance is hereinafter referred to as "Housing Charge Assistance" or "Housing Charge Subsidy". Rent supplement assistance is defined in the Project Operating Agreement or successor agreement signed by the co-op and the Ministry of Housing and the County of Wellington.
- (b) Member Household is defined as all adult residents of a unit of housing.

5.2 Administration

The administration of the Housing Charge assistance shall be in accordance with the terms of the Project Operating Agreement or successor agreement signed by the co-op and the Ministry of Housing and the County of Wellington in accordance with the Housing Charge Assistance Guidelines approved by the Board of Directors from time to time. In cases of conflict, the provisions of the Project Operating Agreement or successor agreement shall prevail.

5.3 Reporting

The co-op's Treasurer and/or Co-ordinator shall make periodic reports to the Board of Directors regarding the number of households receiving Housing Charge assistance, the categories of need into which such households fall and any other matters necessary for the Board of Directors.

5.4 Eligibility

- (a) Only member households in units owned or leased by the co-op shall be eligible for Housing Charge Assistance.
- (b) Regulations governing specific criteria for eligibility shall be approved from time to time by the Board of Directors in accordance with the Terms of the Project Operating Agreement or successor agreement, signed by the co-op, the Ministry and the County of Wellington and distributed to all members.

5.5 Application Process

- (a) No! later than five months prior to the end of each fiscal year, written notification will be circulated to all member households, soliciting applications for Housing Charge Assistance in the coming fiscal year.
- (b) Written notice shall be given to each member household eligible for Housing Charge Assistance advising them of the amount of such assistance.
- (c) When Housing Charge Assistance is not available for an eligible member household, the member household will be placed on an internal waiting list for Housing Charge Assistance.
- (d) Any member who is denied Housing Charge Assistance or is in dispute with respect to the amount of the assistance may appeal the decision to the Board of Directors or to a committee designated by the Board to hear such appeals.
- (e) All member households for whom Housing Charge Assistance has been approved must sign and return a, Terms of the Members Housing Charge Subsidy form with the co-op prior to the receipt of such assistance.

5.6 Verification of Income

- (a) All applications for Housing Charge Assistance must be accompanied by appropriate documentation verifying the income of the applicant.
- (b) Any member household receiving Housing Charge Assistance who has an increase or decrease in their household income must submit an additional income verification to the co-op office no later than ten (10) days following the effective date of such change of income.

5.7 Early Termination

Any Housing Charge Assistance agreement may be terminated at any time by a decision of the Board of Directors for any one of the following reasons:

- 1. failure to abide by the By-laws of the co-op;
- 2. failure to abide by the Occupancy Agreement;
- 3. failure to abide by the Terms of the Member's Housing Charge Subsidy Agreement;
- 4. failure to provide income verification for all members of the member household; or
- ti. failure to provide complete and accurate income verification.

Article 6: Petty Cash Policy

6.1 Purpose

The petty cash fund will permit small purchases to be made quickly, it will allow for approved purchases by members and for purchases from suppliers who will not invoice the co-operative or accept company cheques for payment.

6.2 Establishing the Fund

- a) Once authorized by the Board of Directors, the Petty Cash Fund will be set up or increased by issuing a cheque in the amount of the fund or increase, to the Co-ordinator.
- b) The amount of the Petty Cash Fund in \$300. Any increase in the amount must be authorized by the Board of Directors.
- c) The custodian of the Petty Cash Fund shall be the Co-ordinator or, in his/her absence, the Treasurer. The custodian shall keep the money in a petty cash box which is to be kept locked and secured in the co-op's office.
- d) No one other than the custodian shall have access to the funds.

6.3 Spending from the Fund

- a) All expenditures from petty cash must be supported by a receipt.
- b) No receipts that are more than 60 days old will be reimbursed.
- c) All payments from petty cash will include a petty cash voucher, which will be attached to the receipt and include the following information:
 - " date of payment
 - " amount of payment
 - " item(s) purchased
 - " chart of account number
 - " signature of custodian and person receiving payment
- d) At all times the total cash and vouchers must equal the amount of the fund.

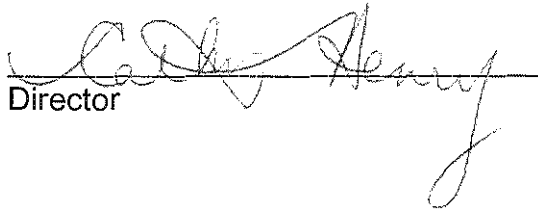
6.4 Reimbursing the Fund

- a) Petty Cash must be reimbursed to bring it back to its original amount. A reimbursement cheque will be made for the total amount of the vouchers. The cheque will be made payable to the custodian.
- b) A summary form will be prepared and attached to the vouchers for the amount requested. The summary form will include the following information:
 - date of reimbursement
 - total value of vouchers
 - balance of cash remaining
 - amount of reimbursement cheque
- c) Completed summary forms, vouchers and receipts shall be placed in the appropriate monthly financial file.

CERTIFIED to be a true copy of By-law No. 12 of Wyndham Hill Co-operative Homes Inc.

Passed by the Board of Directors at a meeting held October 6, 2004 and confirmed by a two-thirds vote at a meeting of members held on November 10, 2004.

-1 :2,, AL7711
Corporate Secretary


Director