



## Board Checklist to Prepare for the End of your Agreement

This checklist is a reference document designed to help the board of directors track and anticipate various matters they'll need to consider as they near the end of the operating agreement (EOA).

### 5 years prior to EOA

- Start a discussion with your members about planning for the end of the operating agreement.
- Complete a 30-year Capital Replacement Reserve Plan or Asset Management Plan, based on a professional Building Condition Assessment (BCA).
- Will refinancing be needed? If so, how soon?
- Start the discussion with your members about how to remain a mixed-income community.
- If your co-op is on leased land, review the details and work with your local federation to renew your land lease.
- Invite the Agency and your sector organization to make a presentation to your members about the end of the operating agreement.

### 3-5 years prior to EOA

- Review and update by-laws or rules, policies and procedures to ensure that your internal guidelines cover everything that will change, especially housing-charge assistance and investment by-laws.
- Review your operating agreement and make sure that any rules you want to keep are covered in your by-laws (e.g., CMHC restrictions on capital replacement-reserve use).
- Start long-term financial forecasting by scheduling capital repairs on your property over the long term and making plans to pay for them.
- Assess the financial needs of lower-income households and check with CHF Canada, your local federation or your relationship manager about your options for continuing to offer rent-geared-to-income assistance.
- Review with your auditor how your financial reporting requirements will change, once you no longer have a CMHC operating agreement.





### Year of EOA and After: Section 95, Urban Native and Deep-Subsidy Co-ops

- Six months before your agreement ends, your co-op will receive a letter from CMHC inviting you to sign up for the rental-assistance program FCHI Phase 2. Review the information and return the application to continue receiving subsidy funds. Feel free to consult your relationship manager.
- If you have a CMHC mortgage, it will be discharged. You may receive discharge papers from CMHC after the last mortgage payment and may need to file them according to your province's standards. Check with your lawyer on how to do this.
- Advise your insurer once the mortgage is discharged.
- If you did not sign up for CMHC's FCHI Phase 2 program, file your last AIR with the Agency and receive your final Risk Assessment, Performance Report and Plain-Language Financials. Bear in mind that you will need to file an AIR for any year in which your co-op received any subsidies from CMHC.
- Remember that the documents required under your provincial co-operatives act will still need to be filed annually.
- Make sure your co-op and auditor are ready for the changes to your financial statements and financial reporting requirements. These will include following the Accounting Standards for Not-for-Profit Organizations (ASNPO), instead of those required by CMHC.
- If you signed up for CMHC's FCHI Phase 2 rental-assistance program, you will continue to receive reports from the Agency on your co-op's performance. If you are not part of the rental-assistance program, you can continue to receive these reports by subscribing to the Agency's **Annual Health Check** service after your operating agreement ends.

### Year of EOA and After: Co-ops under All Other Programs

- Check with your relationship manager on whether and when your co-op qualifies for CMHC's rental-assistance program, FCHI Phase 2. This program will help your co-op remain a mixed-income community.
- If you have a CMHC mortgage, it will be discharged. You may receive discharge papers from CMHC after the last mortgage payment and may need to file them according to your province's standards. Check with your lawyer on how to do this.
- Advise your insurer once the mortgage is discharged.





- If your co-op is not in CMHC's rent-supplement program or the FCHI Phase 2 program, file your last AIR with the Agency and receive your final Risk Assessment, Performance Report and Plain-Language Financials. Bear in mind that you will need to file an AIR for any year in which your co-op had an operating agreement or received any subsidies from CMHC.
- Remember that the documents required under your provincial co-operatives act will still need to be filed annually.
- Make sure your co-op and auditor are ready for the changes to your financial statements and financial reporting requirements. These will include following the Accounting Standards for Not-for-Profit Organizations (ASNPO), instead of those required by CMHC.
- If your co-op is receiving any payments for rental assistance, the Agency will continue to send you reports on your co-op's performance. If you are not part of any CMHC housing-assistance program, you can continue to receive these reports by subscribing to the Agency's **Annual Health Check** service after your operating agreement ends.