



BRITISH  
COLUMBIA



BC Housing

# Financial Management Guide

Housing Provider Kit

FEBRUARY 2015

# FINANCIAL MANAGEMENT GUIDE

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## **Why does BC Housing adjust the mortgage interest amounts we report in audited financial statements?**

If 12 mortgage payments are included in your budget for the purpose of calculating subsidy, then we may adjust the amount reported for mortgage interest and principal reduction on your *Statement of Operations* to the 12 payments.

## **What does the term “not fully funded” mean when referring to replacement reserves?**

When a reserve is not fully funded, the amount of cash in the reserve account is less than the amount that should have accumulated through annual provision transfers and interest earned, less approved expenditures. Reserves that aren't fully funded develop when the annual provision is not transferred to the reserve bank account, or cash from the reserves is used for expenditures not yet authorized.

## **What can we do if we've underestimated operating costs and the approved budget is wrong?**

If your budget significantly underestimates operating costs in a particular category, such as property taxes or utilities, contact your Non-Property Portfolio Manager (NPPM) to discuss a mid-year budget review.

## **BC Housing has asked us to repay the surplus from last year, but if we do, we will be short of cash. Do we have to pay it back?**

Yes, if your operating agreement requires you to repay any surplus funds or overpayments to BC Housing for each fiscal year, then you are required to pay the surplus back. If you do not have the funds to repay BC Housing, contact your NPPM to discuss repayment arrangements. We will also work with you to identify the source of your cash shortage and develop strategies to address the issue.

## **What can we do if we don't have enough cash to pay property taxes?**

Sometimes the timing of the property tax payment can cause cash flow problems for housing providers. BC Housing can provide an extraordinary payment for a property tax advance and, if applicable, your budget will be reduced to reflect this payment. Contact your NPPM to discuss this option. BC Housing will work with you to find solutions so the problem does not occur from year to year.

## **How does BC Housing calculate economic rent for units in the development?**

The economic rent of the units is equal to the total estimated monthly operating costs, based on the approved budget, divided by the number of units. Adjustments may be made for unit size.

## **How does BC Housing determine the subsidy for the development?**

Subsidy calculation differs for various programs. Please refer to your operating agreement or contact your NPPM for details.

## **What can we do if BC Housing's summary of tenants and rent subsidies shows the wrong amount for a rent or housing charge?**

Call *Applicant Services* at 604-433-2218 or 1-800-257-7756 and speak to the Applications Adjudicator responsible for your building. We will work with you to ensure the rent or housing charge information is updated.

**Does BC Housing automatically adjust rent subsidy when resident information changes?**

No. BC Housing estimates the subsidy required for the year and reconciles the rent subsidy annually when we review your audited financial statements. We do, however, periodically monitor the level of subsidy required throughout the year, and if resident changes have a significant impact on the level of subsidy, we'll make the applicable adjustments to the monthly amount paid for the development.

**What do I post to the contingency budget line item?**

Nothing is posted to this budget line item; BC Housing uses it to provide cash flow for vacant units.

## Policies and Procedures

Written financial policies and procedures should cover items such as:

- Financial controls such as board review and approval of the budget, clearly defined spending authority, and prohibiting signed blank cheques
- Financial record keeping and financial statements, in accordance with Canadian Generally Accepted Accounting Principles, including books of account with invoices, receipts and vouchers for all expenses
- Purchasing practices with selection criteria
- Investment policy regarding replacement reserves
- Rent/housing charge payments and arrears
- Maintaining rents for market units at the levels prescribed in your operating agreement to prevent deficits
- Fees for standard charges (such as changes on door locks, chargeable call outs and move-out charges)
- Security deposits/membership shares
- Marketing to minimize vacancy loss

For more information on developing policies, refer to the [Administration Guide](#), or contact the [BC Non-Profit Housing Association](#) (BCNPHA) to obtain a copy of their [Policy Template Guide](#). Housing co-ops can contact the [Co-operative Housing Federation of BC](#) (CHF BC) about workshops on policy development and to access their resource library with sample policies. Both organizations provide training.



**All websites listed in this guide are included in the appendix, with additional websites of interest.**

## Monitoring Financial Performance

Regular review of your financial reports enables you to assess the organization's financial performance. Basic financial operating reports should include:

- Income statements with budget comparisons
- Arrears report
- Cash flow report
- Rent/housing charge losses
- Replacement reserve schedule

## Cash Flow Analysis

### 1) Cash Flow Projections

Cash flow projections predict if you will have enough funds available to pay your bills. If you have more funds than bills, your cash flow is positive. If you have more bills than funds, cash flow is negative. A regular review of projected revenues and expenses will help you:

- Identify potential periods of negative cash flow
- Take action to avoid shortfalls
- Modify your monthly cash flow budget
- Ensure you have enough cash to pay bills and salaries

### 2) Cash Flow Problems

Housing providers may encounter cash flow problems when expenses are higher than anticipated, or income is received later or is less than needed. For example:

- Assume your 12-month budget period starts in January, and you receive subsidy on a monthly basis based on the budgeted amount to run the project for the year. Monthly subsidy is equal to the total costs divided by twelve months less the expected tenant rent contribution for the month. If your property taxes are due on July 1st, you will have only received resident rent revenue and subsidy payments for 6 months worth of property taxes when you have to make your tax payment.
- You have an unfunded deficit due from BC Housing for the previous year.
- Your subsidy is based on annual projected operating costs and you have spent more than the amount budgeted.

### 3) Cash Flow Planning

Cash flow projections should be established prior to each fiscal year and updated monthly. Cash flow information should be presented to the board of directors for regular review. Particular attention should be paid to months where expenses exceed revenues or are almost identical, as negative cash flows can occur when revenue and expenditures are almost the same. Unexpected expenses can cause problems during these periods.

## 4) Addressing Cash Shortfalls

Developing an action plan well in advance will help you anticipate and address any negative cash flow problems. Potential strategies include:

- Postponing major purchases, new staff recruitment, or wage increases
- Setting up instalment payment schedules for prepaid expenses like property taxes and insurance
- Holding fundraising events sooner than originally planned
- Seeking cash advances from funding organizations
- Reviewing areas where expenses can be reduced

If you experience cash flow problems, contact your Non-Property Portfolio Manager.

## Bank Reconciliation

Each month when the bank statement arrives, bank reconciliations should be completed to match your record of revenues and payments to those on the statement. Identify cheques that have not yet cleared and deposits that have not yet shown up on the statement. Bank reconciliations should be reviewed by a second party to maintain internal control.

## Financial Record Keeping

Financial record keeping must be in accordance with Canadian Generally Accepted Accounting Principles, which include:

- Accounting policies must be consistently applied from year to year.
- Records must reflect historic costs. If you paid \$1,000 for an item, the value cannot be inflated or deflated; it must continue to be recorded at \$1,000.
- Revenues and expenses are recorded as incurred, using the accrual method of accounting. When an invoice is received, record it as an expense and account payable, although it may not be paid until sometime in the future. When rent or housing charges are due on the first of the month, record them as income and accounts receivable.

Where applicable:

- Use the same revenue and expense categories in the general ledger accounts that you use in the operating budget. In addition, record shelter revenues and expenses separate from non-shelter revenues and expenses.
- For each development, prepare an annual operating statement showing the shelter revenues and expenses for the development and service, and a separate statement for the Replacement Reserve Fund. Each year, hire an independent, professional auditor, who is not a member of the Board, to audit these financial statements. Obtain quotes for audit services to ensure your audit costs are in line with fees charged for non-profit organizations and your budget.

## Purchasing Guidelines

Purchasing policies enable your organization to obtain the best balance of quality, service and price. For detailed information on how to hold a competitive bidding process, select a service provider and oversee the contract, refer to the chapter on purchases and service contracts in the [Maintenance Guide](#).

In addition, the [BC Non-Profit Housing Association](#) offers members several cost-effective [bulk purchasing programs](#):

- Comprehensive General Insurance Program
- Health Insurance Program
- Maintenance and Repair Items Program
- Cleaning & Janitorial Products Program
- Mattress and Bed Procurement Program
- Laundry Services Program
- Waste Services Program
- Emergency Preparedness Kits

The [Co-operative Housing Federation of BC](#) also offers member co-ops [bulk purchasing programs](#) for:

- Appliances
- Banking
- Counters and cabinets
- Flooring
- Junk removal, waste and recycling
- Maintenance supplies

## Conflict of Interest

Your directors' business or personal interests must not have, or appear to have, a conflict of interest with their duties managing subsidized housing under an agreement with BC Housing. Your organization should ensure no director, officer, member or employee of the society or co-op, or any of their associates or family members, receives any personal gain.

For more on conflict of interest, read the [Administration Guide](#).

## Spending Authority

Many organizations assign spending authority for different amounts and types of transactions to specific positions, as this approach provides a greater level of control over spending. Your board can designate signing authority for amounts beyond a certain level. For example:

- A manager may be authorized to approve budgeted expenditures up to \$5,000
- A member of the board or finance committee may be required to approve expenditures for sums between \$5,000 and \$15,000, in writing



- Amounts greater than \$15,000 may require a motion of the board or co-op general membership for approval

If you set up a petty cash fund for minor purchases:

- Assign one person to control the fund, who is accountable for any discrepancies
- Have people submit a petty cash voucher with receipts attached for all petty cash claims
- Always have petty cash vouchers signed as proof of receipt
- Ensure the cash and voucher(s) value always equal the petty cash balance
- Have an independent third party periodically reconcile your petty cash

## Bank Accounts

The following bank accounts should be set up in the organization's name:

- An operating account to manage deposits, such as subsidy payments and rents received from residents, and withdrawals for operating expenses, including mortgage payments. Deposit funds into the operating account as soon as you receive them.
- A separate interest bearing account if you have a Replacement Reserve Fund. Reserve funds are set aside in the annual budget to cover the future replacement cost of refrigerators, stoves, furnaces and other capital items.
- If security deposits are collected, an interest bearing account is required.

You can use the same accounts for more than one development, but will need a method to identify each building's monthly revenues, expenses, reserves and security deposits separately.

Make arrangements for automatic electronic deposits to the operating account, because BC Housing pays subsidies through electronic deposit. Every month we will send you a "payment advice" that lists the subsidy amount deposited for each development.

If you are a new housing provider, set up your bank accounts at least one month before the interest adjustment date (IAD), so we can send the first monthly subsidy before you are required to make the first mortgage payment on the development.

The [Residential Tenancy Act](#) (RTA) governs administration of security deposits. For more information, contact the [Residential Tenancy Branch](#). The [Administration Guide](#) also has more information on security deposits.

## Setting Market Rents

Some programs allow or require a number of units to be rented at or near the market rent, comparable to the amount renters would pay in the private market. The rules for setting market rents vary by program and are covered in your operating agreement; acceptable ranges for market rents are usually prescribed in the agreement.

You can streamline administration by applying the same market rent for similar units. Monitor market rents during the year, and then charge incoming tenants rents that reflect changes in the marketplace. For example, if your market rent is set at \$1,000 in January 2013 and actual market rents increase three per cent during the year, you would charge existing tenants \$1,030 in January 2014, subject to rent increases allowable under the RTA. It would be unfair to existing tenants if a new tenant, who moved in November 2013, was charged only \$1,000, because this tenant's rent could not be raised until November 2014, ten months after you increased rents for existing tenants.

The most accurate method of determining market rent levels is to have a professional appraiser conduct an onsite appraisal. But it may be too costly to conduct an appraisal every year. Alternatively, [Canada Mortgage and Housing Corporation](#) (CMHC) publishes a semi-annual [Rental Market Statistics](#) report, which monitors changes in rent levels for selected communities around BC and is available at no charge. BC Housing generally accepts proposed rents that fall within CMHC levels, as these statistics are reasonably reliable for establishing market rent increases.

For a variety of reasons, however, using a community-average approach may not work for a particular building location. When there's a lack of demand for your housing and vacancies occur, your market rents may be too high. In other instances, things such as the condition of your development or units, or the amenities or character of the neighbourhood may be affecting your ability to rent market units. A Rent Comparison Process is a good approach to take a closer look at what's happening in the local private rental market. The comparison will compare your building to other similar buildings in the neighbourhood.

A rent comparison can help you set appropriate market rents by highlighting major differences between your building and others in the area. You can ask other building managers, go to a property management company, or read classified ads to compare your building to other, similar buildings in the neighbourhood. Compare the:

- Number of bedrooms and bathrooms
- Square footage of the unit
- Amount of rent per square foot
- Whether utilities such as heat, hot water, and electricity are included in the rent
- Age and condition of unit finishes like paint, flooring and appliances
- Age and condition of the building and grounds
- Building amenities (pool, recreation room, etc.)

- Location and proximity to transit, schools, community centres, etc.

The rent comparison will give you grounds for discussing market rent changes with your NPPM.

## Setting the Market Rent for a Caretaker's Unit

Where a caretaker's rent is set at the market rent, it will be the lower of:

- The CMHC maximum market rent for the community (see CMHC's [Rental Market Statistics report](#), available at no charge); or
- 30 per cent of the Housing Income Limits (HILs) for the unit size.

For example, in a 2 bedroom caretaker unit:

- CMHC's market rent ceiling for a 2 bedroom unit in Vancouver = \$1,177 per month
- The HILs for a 2 bedroom unit in Vancouver = \$3,541 x 30 per cent = \$1,062 per month

In this case the market rent for the caretaker's unit will be \$1,062.

Some housing providers decide to collect a lower rent than the calculated market rent, as part of the caretaker's employment contract. In this situation, the difference between the rent collected from the caretaker and the calculated market rent is considered to be a taxable benefit and should be included as part of the maintenance salaries line item in the budget.

See the [Rent Calculation Guide](#) for information on how to calculate the rent contribution for caretakers in core need.

## Notifying Residents of Market Rent Increases

The [Residential Tenancy Act](#) (RTA) limits rent increases for existing tenants paying the low end of market rent to one increase per year (refer to the [Administration Guide](#) for more information on the RTA). Depending on the program, BC Housing may send you new market rents each year, or you may need to conduct a market rent appraisal every five years. When market appraisals are several years apart, do your best to ensure market rents are adjusted upwards by appropriate amounts in the intervening years. See your operating agreement or the [Program Guide](#) for more information.

## Addressing Market Rent Vacancies

If your area has a high vacancy rate, renting units can be more difficult. CMHC's [Rental Market Statistics](#) report contains current vacancy rates for many BC locations. If your market rent levels compare fairly with market rents in the private sector, you can refer to the [Administration Guide](#) for some ideas on marketing units.

The application process can also impact the vacancy rate. Generally, applicants for limited subsidized units have to go on a waitlist. But market tenants usually have greater choice—you are competing with the private market for tenants—and are looking to move in immediately. If you have a long application process for market units, such as an interview by residents or member committee, the applicant may move on by the time you make an offer. Other providers can complete applicant background and credit checks within a day or two of showing the unit. To be competitive, you need to do the same.

## Tenant Rent Contributions and Subsidies

Each year on the annual review date (usually the anniversary of the date the building opened), housing providers calculate how much residents paying rent-geared-to-income (RGI) contribute towards the rent or housing charge. BC Housing uses this information to determine the subsidy for the unit. When you conduct the annual review, tenant rent contributions and corresponding subsidies may need to be adjusted to reflect changes in income or household composition.

For instructions on calculating tenant rent contributions, see the [Rent Calculation Guide](#).

Not all housing programs require an annual review; check your operating agreement or contact your NPPM.

## Rent Collection and Arrears

A rent collection and arrears policy can help ensure:

- Rent/housing charges are paid on time
- Evictions for late payment or non-payment of rent/housing charges are prevented whenever possible
- Your organization has funds to pay expenses
- The documentation needed to justify an eviction or termination is available, if it becomes necessary

Explain the rent collection policy to residents to ensure they know:

- They're responsible for making monthly rent/housing charge payments
- When the rent payment is due
- What will happen if the rent/housing charge is not paid on the first of the month
- What to do if they have short-term financial difficulties

Maintaining a current rent/housing charge roll listing will enable you to:

- Track rent charges for RGI and market units, which can affect your cash flow and budget, and any subsidy/repayable assistance payments as applicable
- Monitor and control arrears

The rent/housing charge roll can track:

- Who is living in each unit
- How much the rent/housing charge is for each unit
- Whether the rent/housing charge is paid every month
- When and how the rent/housing charge is paid
- How much rent/housing charge has been paid

Developing a short-term repayment plan for rent arrears can help people experiencing financial difficulties.

See the [Resident Management Guide](#) for information on ending a tenancy due to rent arrears.

You can contact the [BCNPHA](#) or [CHFBC](#) to find out about workshops and other materials on handling arrears and evictions.

## Vacancy Loss

Vacancy loss can be a serious issue, as vacancies can cause a cash flow shortage. Your NPPM can work with you to minimize the number of vacancies and attract new residents by helping to:

- Identify the circumstances that contribute to a higher than average vacancy rate
- Provide a list of potential residents from BC Housing's applicant list
- Develop a marketing plan for the available units

Contact the [BCNPHA](#) or [CHFBC](#) for information on how other groups address vacancy loss issues.

The annual operating budget for each development estimates the amount of money required for each cost category that year. Use the operating budget to calculate your economic or breakeven rents, the amount required per unit per month to cover estimated operating costs. These estimates will be based on past experience, current information, and assumptions about the future.

The budget provides a benchmark to measure financial performance during the course of the fiscal year. Comparing actual income and expenses against the budgeted amounts each month can help avoid deficits and cash flow shortages. Under some programs, the budget is required to determine the amount of monthly subsidy you will receive for each unit.

Your operating agreement states whether or not BC Housing approval is required for your budget.

## Budget Process

### 1) First Time Budgets

The first budget for the year the development opens is based on estimated operating costs. Include the best estimate of likely costs so the subsidy will cover your operating expenses. To come up with an estimate, you can:

- Check the property tax amount with the municipality
- Contact the bulk insurance provider, [Marsh Canada](#), for quotes or base the estimate on the amount you pay at a similar building
- Consider the number of employees, hours of work, or types of tasks when determining salary figures
- Consider if volunteers or caretakers will perform maintenance work, or if the development is large enough to warrant hiring a maintenance person to perform these duties

Your Non-Profit Property Portfolio Manager will:

- Help you prepare the first budget for the development
- Advise you how to forecast expenses
- Provide estimates for some cost categories, based on costs among similar developments or housing programs

BC Housing's [Operating Cost Target Framework](#) provides a description of budget categories and operating costs to include in your first time budget.

### 2) Budget Renewals

If your operating agreement requires BC Housing to review and approve the operating budget, we will forward a budget worksheet about three months before your fiscal year end to help you plan the budget. The worksheet includes budget amounts copied from the previous fiscal year and actual operating costs for previous years. Determine whether the amount budgeted accurately reflects actual operating costs and justify any changes you make.

Some operating agreements offer the choice of a one-year or five-year budget cycle. With a one-year cycle, the budget is reviewed annually. With a five-year cycle, the budget is reviewed every five years, and the development's economic rent and corresponding subsidy are adjusted each year, based on any changes in the Consumer Price Index. Since your first five-year budget cycle is based on estimated operating costs, you may need to adjust the initial budget once actual costs are known.

## Budget Approval Guidelines

Your Non-Profit Property Portfolio Manager approves budgets using BC Housing guidelines, which are based on:

- Per unit per month costs, net of mortgage payments and replacement reserve funding
- Average costs for housing developments of similar size, location and client type

The guidelines help us assess whether the budget realistically projects costs. For more information on the approval guidelines and average costs for housing developments, contact your NPPM.

## Completing the Operating Budget

### 1) Getting Started

Use the [Operating Cost Target Framework](#) template to plan your first budget. Provide an explanation for your projected expenses and any changes from the previous budget. Look at the [sample budget](#) to see both housing and support service expenses, which can help you prepare an operating budget when one or both apply. Check with your NPPM if you have questions about what's eligible for subsidy and what's not.

#### Allocating Common Costs

If you have more than one building in your housing portfolio, allocate a percentage of the common costs for administration, maintenance salaries, directors' liability insurance, accounting and audit fees to each of the developments. Provide an explanation of the method you use to allocate these costs in your budget notes. Some commonly used methods for distributing these costs include:

- A percentage share of the total units,
- A percentage share of the total budget salary, or
- Use of space based on square footage

Ensure the same allocation method is used consistently over the years.

#### Goods and Services Tax (GST)

If you're eligible for a GST rebate on operating costs, your budget should reflect operating costs, net of the GST rebate. For more information on accounting for GST and eligibility for GST rebates, see the [GST Guide](#), speak with your accountant, or visit the [Canada Revenue Agency](#) website.

#### Ineligible Expenses

The operating budget you prepare for BC Housing should include only costs that are eligible for subsidy, as outlined in your operating agreement. You have to obtain funding from other sources for any ineligible expenses.

Some non-shelter expenses are ineligible for subsidy, including:

- Leased space
- Staff sleeping quarters
- Child care space
- Community project space
- Retail outlets

If the building contains ineligible space, we will calculate the percentage of operating costs that are eligible for subsidy. For example, if 10 per cent of the building provides space for a commercial child care operation or a live-in caregiver, BC Housing would subsidize 90 per cent of your operating costs. Your budget should include the eligible portion of operating costs only.

## 2) Budget Categories

Refer to the [Operating Cost Target Framework](#) for detailed information on budget categories.

## 3) Other Expenses

### Non-Recurring Maintenance

Include extraordinary, one-time expenses in this category, such as health and safety repairs, building envelope inspection, water damage, or replacement costs for grounds equipment.

Your NPPM must approve items budgeted in this category. Call your NPPM if you have questions about what can be included here.

### Modernization and Improvement

Include modernization and improvement projects pre-approved by BC Housing only. For more information on these projects and/or capital planning, refer to the [Maintenance Guide](#) or contact your NPPM.

## 4) Revenues

### Shelter Revenue

Shelter revenues include tenant rent contributions or occupancy charges, BC Housing subsidy, interest on housing funds, special payments, modernization and improvement, and other building income like laundry and parking.

### Tenant Rent Contribution / Occupancy Charges

Include the amount paid by the resident, or on behalf of the resident, for the unit. Sometimes a ministry or sponsoring agency will forward funds directly to the housing provider on behalf of a resident.

### BC Housing Subsidy

Include all subsidies for the development paid by BC Housing.

### Interest Revenue

Include any interest earned on deposits. Please note that interest on replacement reserve funds should be recorded in the Replacement Reserve Fund.



### **BC Housing Special Payments**

Include any additional payments received from BC Housing for extraordinary, one-time expenses.

### **BC Housing Modernization and Improvement Payments**

Include funds received for Modernization and Improvement projects only.

### **Other Revenue**

Include revenue such as laundry, parking, roof-top rentals, etc.

Some developments contain commercial or non-residential space, such as community offices or retail outlets rented to third parties at fair market value. Refer to your operating agreement or contact your NPPM to discuss how to account for rental revenue from commercial space.

### **Non-Shelter Revenue**

Revenue you receive from memberships, interest on share purchases, donations, fundraising events, and program funding from other ministry sources are non-shelter revenues. Report these separately as society or co-op revenues.

## **Mid-Year Budget Review**

No budget can predict every circumstance affecting a development during the fiscal year. You need to act immediately if a potential variance from budgeted income or expenses arises, because delays in addressing the situation can lead to deficits, operational problems, and difficulties meeting financial obligations.

If your budget significantly underestimates operating costs in a particular category, such as property taxes or utilities, contact your NPPM to discuss a mid-year budget review.

## **Emergency Expenditures**

If an emergency like water damage from flooding creates unexpected expenses, contact your NPPM and insurance provider as soon as possible. Don't delay repairs that could affect the health and safety of residents or further damage a building. We will review each situation and inspect the building. We can also help with repairs, specifications and tenders.

## **Mortgage Renewals**

Whenever your mortgage is renewed, economic rents—the actual cost of operating the units—are recalculated. At this time, information from the new loan is used to update the operating budget and revise your monthly subsidy payment to incorporate the new mortgage information.

Under some operating agreements, BC Housing does not make up the difference between budgeted expenses and the amount you actually spend: you are required to manage any deficit in the operating budget; conversely, you can keep a surplus for future project costs. Refer to the [Program Guide](#) for more information.

## Operating Deficit

Operating deficits can occur if cash flow projections do not reflect actual costs, expenditures are not monitored adequately, or revenues are less than needed. In developments with market units, deficits often occur as a result of market rents being too low.

Strategies to manage deficits include:

- Reviewing your budget for areas where savings can be achieved
- Taking appropriate action to address arrears or vacancies
- Using accumulated surplus funds to offset any deficit in operating costs
- Where market rents apply, ensure rents are at 85% of market levels or higher

If you have a deficit, your NPPM can work with you to resolve the problem.

## Operating Surplus

An operating surplus occurs when operating revenue for the year exceeds operating expenses. Your organization may develop an operating surplus through:

- Efficient management practices
- Having volunteers perform tasks
- Cooperating cross-sector to share staff or buy in bulk to reduce costs
- Generating additional revenues from various sources

If your operating agreement requires you to manage surpluses and deficits, the first priority for surplus operating funds is to repay any outstanding deficit from a previous year. Refer to your operating agreement for more information on using surplus funds.

## Accumulated Operating Surplus

If you have charitable status, your society is governed by the [Income Tax Act](#), which contains specific rules for accumulating surpluses. There's a formula for determining the amount of surplus funds you can retain, although some exceptions are granted for longer term fundraising efforts. Contact the [Canada Revenue Agency](#) for more information.

Your operating agreement will outline approved expenditures from the accumulated surplus – or contact your NPPM for further information.

## Excessive Surplus

Some accumulated surplus amounts may be considered excessive. Depending on your operating agreement, BC Housing may opt to redirect excessive surplus funds to other housing needs.

Replacement reserves enable providers to plan for the replacement of major items that periodically wear out, so the building continues to be functional over its useful life.

The replacement reserve is funded as part of the operating budget, through an annual or monthly transfer from your operating bank account to the replacement reserve account. The amount you transfer is calculated using the [Replacement Reserve Annual Provision Worksheet](#). The provision is set out in the operating budget and is an eligible operating expense.

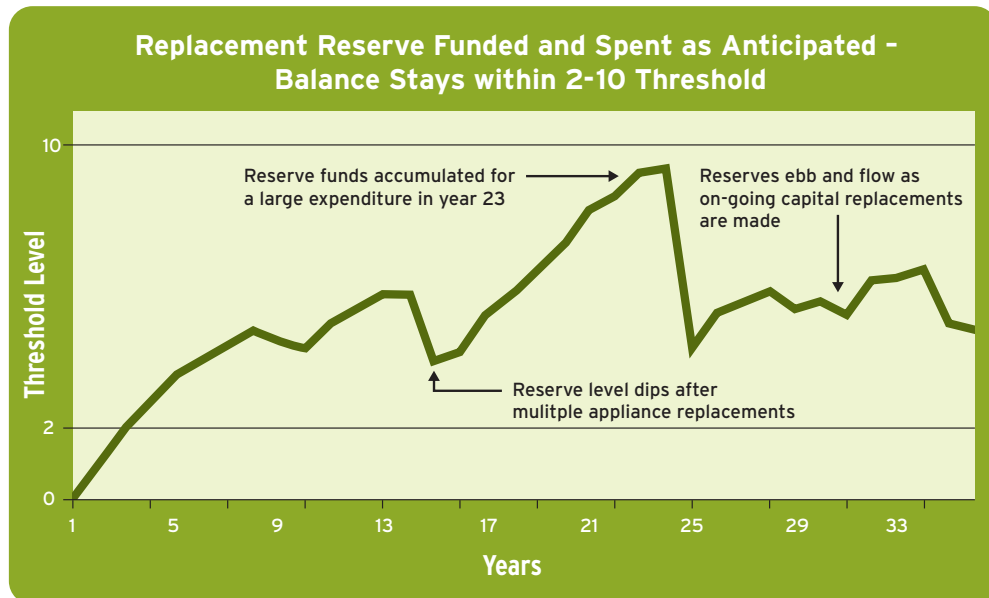
## Monitoring Replacement Reserve Balances

BC Housing monitors reserve balances of each development to ensure they are not overfunded or underfunded.

### 1) Funding Threshold Limits

The Replacement Reserve Fund is designed to build over time, be drawn down as items are replaced, and then rebuilt again to prepare for another cycle of replacements. When capital replacements follow the *Replacement Reserve Schedule*<sup>1</sup>, the reserve fund should contain sufficient funds to replace items on the schedule. Interest earned on the reserve funds is intended to cover any inflation in the replacement cost.

We use maximum and minimum “funding threshold limits” to identify when reserve balances appear to be excessive or inadequate. These funding threshold limits can indicate when projects may require additional funding or support for capital planning. Ideally, the amount in the reserve should not be less than two times (underfunded) or more than 10 times (overfunded) the funding threshold limit. The following illustration shows the ebb and flow of a typical Replacement Reserve Fund.



<sup>1</sup> The Replacement Reserve Schedule is established at the outset of a new project. It provides a list of the applicable replacement items, their life expectancy, and their replacement cost, and is used to determine the annual reserve contribution necessary to successfully fund the replacement of all items.

Using an imputed average annual provision amount – currently \$60 per unit for seniors' developments and \$72 per unit for families and special needs – we compare the balance in your reserves to the average annual provision. If your reserve balance is greater than the maximum or less than the minimum funding threshold amount, BC Housing may take steps to address possible overfunding or underfunding cases. If you have any questions about your annual provision, contact your NPPM.

## 2) Reserve Overfunding and Underfunding

BC Housing will contact you if a potential overfunding or underfunding situation is identified:

### Overfunding

When a surplus of replacement reserve funds arises, potential strategies include:

- Stop annual funding for the reserves until the balance falls below the upper threshold limit
- Allocate the cash surplus to a current or upcoming item needing replacement
- Reallocate the cash surplus to other BC Housing capital programs, including modernization and improvement projects

### Underfunding

If an apparent shortfall exists, potential strategies include:

- Consider whether recent capital replacements explain the low reserve fund balance and, if so, whether taking no action may be appropriate
- Identify whether reserves have been used for other purposes
- Provide a one-time payment to the annual provision amount, based on replacement requirements
- Reallocate surplus rent subsidy funds to the replacement reserves, if available
- Re-examine the *Replacement Reserve Schedule* to determine if an error has occurred and adjust the annual contribution accordingly

## Investing Replacement Reserve Funds

### 1) Allowable Investments

BC Housing's replacement reserve investment policy states that replacement reserve funds in developments governed by operating agreements must be funded annually and held in an investment account in your organization's name. Investing reserve funds and accrued interest is limited to securities that are authorized under your constitution and bylaws, and that are authorized under the [Societies Act](#) and the [Trustee Act](#).

### 2) Maximizing Returns on Investments

Over time, the costs of replaceable items are likely to increase. Consequently, replacement reserves must earn annual interest that is at least the increase in the Consumer Price Index (CPI) to remain adequate in future years. For example, if the CPI increase averages 2.5 per cent over a five-year period, your invested reserves should be adequate if the average annual interest earned in this period is at least 2.5 per cent.

## Investment Policy Statement

The people managing investments in replacement reserves must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments.

We encourage your board of directors to develop a *Statement of Investment Policy* with goals and time frames for managing Replacement Reserve Funds. Proper investment practices will ensure successful long term management, maximize returns, and ensure funds are managed prudently and comply with applicable legal requirements. The policy should, at a minimum, address the following::

- 1) The key facts about the society and the funds to be invested
- 2) The purpose or objectives of the investment fund and its time horizon
- 3) Any constraints or restrictions on the assets
- 4) The allowable asset classes and asset allocation
- 5) The monitoring and controls procedures and roles and responsibilities of the parties

## Spending Reserves

Approval from BC Housing is not normally required if reserve funding expenditures are limited to the replacement of items in the Standard List of Replacement Reserve Items in your operating agreement. Approval from your NPPM may be required if:

- Expenditures are not on the standard list
- Replacement items are different in design than the original components; for example, electric baseboard heaters are being replaced with forced air furnaces
- Replacement costs are considerably higher than the estimated replacement cost; for example, the cost of a roof replacement is double the original capital cost
- A capital item requires replacement much earlier than its estimated useful life; for example, the estimated useful life of a roof is 22 years, but yours needs to be replaced at 12 years

You do not normally need to provide copies of invoices for eligible reserve expenditures, but your NPPM may ask for copies of quotes or invoices for reserve items that require BC Housing approval.

## Purchasing Guidelines

Although you don't require prior approval for most reserve replacements, follow the same purchasing criteria you use for spending other funds (see the [Maintenance Guide](#) for information on purchasing). The [BC Non-Profit Housing Association](#) and [Co-operative Housing Federation of BC](#) run [bulk purchasing programs](#) that offer members better prices on some capital items.

## Reporting

All replacement reserve revenue and expense activities must be disclosed on a separate statement, as part of the audited financial statements, with each expense itemized. In addition, the auditor must include a separate report or notes to the financial statements indicating that:

- Replacement reserves have been funded and maintained in accordance with the requirements of the operating agreement
- All interest accruing to the fund has been recorded

## Preparing Financial Statements

Have your accountant prepare consolidated financial statements using fund accounting, with separate revenue and expenditure schedules, for each subsidized development and service with a BC Housing operating agreement. For projects with activities not subsidized by BC Housing, ensure each schedule outlines shelter revenues and expenses separate from non-shelter revenues and expenses. For consistency, use the same categories in the financial statements that you used in the approved operating budget.

A separate replacement reserve schedule is required, detailing the beginning balance, annual budget provision, expenditures, accrued interest and ending balance. The ending balance should match the cash (investments) and liability on your *Statement of Financial Position*.

Prepare the financial statements according to Canadian Generally Accepted Accounting Principles, including the Canadian Institute of Chartered Accountants recommendations for non-profit organizations. Revenue and expenses should be recorded according to the accrual basis of accounting.

### 1) Contributions

Contributions are transfers of money and other assets to a non-profit organization, with no expectation that a service will be provided to the person making the contribution. In other words, the contributor does not receive anything in exchange for the contribution. Contributions can be government grants or funding, donations of cash and other assets, or cancellation of liabilities.

Non-profit organizations are required to distinguish between contributions and other revenues, and report contributions in their financial statements. There are two accounting methods for contributions:

#### 1. Restricted Fund Method

#### 2. Deferral Method

##### Restricted Fund Method

We recommend this method to ensure information is consistent and comparable. Use the following restricted funds to reflect all activities related to BC Housing subsidies:

- **Housing Fund** - Reports shelter revenues and expenses for a development under agreement with BC Housing and [Canada Mortgage and Housing Corporation](#).
- **Capital Asset Fund** - Reports the ownership and equity related to the housing provider's capital assets. All revenue and expenses, including amortization, relating to the ownership of capital assets should be reflected in the Capital Asset Fund.
- **Replacement Reserve Fund** - Reports the assets, liabilities, revenues and expenses related to capital asset replacements identified in the *Replacement Reserve Schedule*. In many housing programs, replacing items in the schedule is funded by BC Housing's rent subsidy, through an annual provision in the operating budget. Account for periodic allocations to the Replacement Reserve Fund as inter-fund transfers.
- **Society Fund** - Reports non-shelter revenues and expenses, including fundraising and membership activities.

Under the Restricted Fund Method, recognize:

- Contributions for annual operations from BC Housing and CMHC as revenues in the Housing Fund; make allocations to restricted funds using inter-fund transfers
- Contributions from BC Housing to acquire capital assets as revenues in the Capital Asset Fund
- Contributions received for replacement reserve funding as revenues in the Housing Fund; make allocations to the Replacement Reserve Fund using inter-fund transfers
- Interest earned on replacement reserve funds as revenue in the Replacement Reserve Fund in the period the income is earned
- Interest earned on operating funds as revenue in the Housing Fund in the period the income is earned
- Interest earned on funds held in trust to repay mortgage principal, as revenue in the Capital Asset Fund in the period the income is earned

### **Deferral Method**

Under the Deferral Method, recognize:

- Contributions received from BC Housing to acquire capital assets as revenues in the Capital Asset Fund
- Contributions received from BC Housing for replacement reserve funding as revenues in the Operating Fund; make allocations to the Replacement Reserve Fund using inter fund transfers
- Interest earned on replacement reserve funds as revenue in the Replacement Reserve Fund
- Income earned on funds held in trust to repay mortgage principal as revenue in the Capital Asset fund, in the period the income is earned

## **2) Separate Reporting**

Many housing providers operate more than one development or have several activities and sources of funding.

For rent subsidy review purposes, BC Housing requires the housing provider to submit a separate audited schedule of shelter revenues and expenses for each development and service. These schedules should be submitted as part of the annual audited financial statement package. In each schedule, outline shelter revenues and expenses for operating the development. Identify these separately from other activities such as fundraising or providing care for residents. Where services are provided (i.e. outreach, supportive housing) a separate audited schedule is required for each service provided. Refer to the terms of your operating agreement for audited financial statement reporting requirements.

### **Shelter Revenues**

Shelter revenues include approved tenant rent contributions, rent subsidy received for the period, interest on housing funds, special payments, and other building income such as laundry and parking.

### **Shelter Expenses**

Your approved operating budget outlines acceptable shelter expenses, including building-related expenses like property taxes, utilities, maintenance and mortgage interest, as well as reasonable amounts for audit, legal, and administration. See the section on [Completing the Operating Budget](#) for detailed information on eligible expenses.



Some expenses are not eligible for rent subsidy, including space for staff sleeping quarters, child care, a nursing station, community projects, or retail outlets.

### **Classification**

Operations may vary from development to development, but for ease of comparison we encourage housing providers to classify budgeted revenue and expenses according to the approved operating budget categories. Standardized classification helps identify approved shelter expenses and assists with annual budgeting.

### **Accumulated Operating Surplus**

Your operating agreement may require you to manage surpluses. If so, a statement in the *Notes to the Financial Statements* or special report is required, stating the accumulated operating surplus is being spent and accounted for as required in the operating agreement for all developments or services where you manage surpluses.

## **3) Disclosure**

Disclosure required under Canadian Generally Accepted Accounting Principles should be presented in the financial statements. Specific disclosures required for BC Housing financial reporting requirements are identified below.

### **Administration**

If you manage many developments or have agreements with more than one sponsor, allocate overhead and other common expenses on a reasonable basis (i.e., pro-rate expenses based on number of units/beds, actual time spent, or percentages). Disclose the basis of allocation in the *Notes to the Financial Statements*.

### **Mortgage**

The financial statements must disclose the mortgage information for each development, as required by Canadian Generally Accepted Accounting Principles.

### **Repayable Assistance**

For developments under the Provincial Housing Program (HOMES BC), the Repayable Assistance should be treated as a contingent liability. The amount, terms, and date of repayment are determined by a set of circumstances in the future. The amount of Repayable Assistance, as confirmed by BC Housing, should be disclosed in the Notes to the Financial Statements. For more specific information on the Provincial Housing Program, see the [Program Guide](#).

### **Subsidy Adjustments**

Our financial review will determine if subsidy adjustments are required based on your operating agreement. Depending on the agreement, the calculation could result in an amount repayable to BC Housing or an amount owing to you. Refer to your operating agreement for more information.

### **Identifying Funding Sources**

Financial statements for housing programs receiving federal funding (see [Program Guide](#)) should disclose that the rent subsidy is a jointly shared financial contribution from [Canada Mortgage and Housing Corporation](#) on behalf of the federal government, and BC Housing on behalf of the provincial government.

## Replacement Reserve

All activities relating to the revenue and expenses of the replacement reserve should be disclosed on a separate statement as part of the financial statements. Eligible replacement reserve expenses should be charged to the Replacement Reserve Fund rather than capitalizing as an asset.

The *Notes to the Financial Statements* should also include a statement stating that the housing provider has:

- Funded the reserves at least annually
- Deposited/kept the reserve and accumulated interest in a separate bank account, or in one of the following accounts or instruments:
  - An account insured by the Canadian Deposit Insurance Corporation or by the Credit Union Deposit Insurance Corporation
  - An investment guaranteed by the Canadian government
  - Other investment instruments as agreed upon with BC Housing

## Society Changes

If your operations or structure changes significantly, an appropriate comment should be made in the *Notes to the Financial Statements*.

**Note:** The operating agreements and/or development land leases contain clauses limiting society changes.

## Operating Surplus/Deficit

The *Schedule of Shelter Operations* should clearly identify, by development, the operating surplus or deficit for the year. The statements should also identify the rent subsidy adjustments and the accumulated operating surplus or deficit for each development. This information may be disclosed on the *Statement of Operations and Changes in Fund Balances*, in the *Notes to the Financial Statements*, or on a separate schedule.

# Financial Review and Subsidy Reconciliation

When we conduct a financial review, we examine operating results for each development to:

- Verify the subsidies
- Verify that housing providers are collecting the correct rents and occupancy charges
- Determine if any subsidy adjustment is needed
- Ensure the replacement reserves are fully funded

If the revenues or expenditures vary significantly from the budget, you may need to clarify why a variance has occurred.

If your reported rent revenue shows you are collecting more or less than our records indicate, we may ask you to submit the rent/housing charge roll information for comparison. Our figures may differ from yours if resident changes are not reported on time. Keep each year's rent roll records until the financial records for the year have been reviewed.

When the financial statement review is complete, we may provide additional subsidy for an operating deficit or rent subsidy underpayment, depending on the terms of your operating agreement. We may

also request repayment of an operating surplus or rent subsidy overpayments. But if your organization is required to manage surpluses and deficits, we will not make up an operating deficit or request repayment of an operating surplus.

## Unauthorized Expenditures and Acts

Operating agreements contain some legal limitations to ensure public funds support affordable housing, such as:

- The amount you borrow to operate the development is limited to the mortgage loan.
- You cannot sign as a guarantor on a loan for another person or organization. For example, your organization cannot guarantee a loan taken out by one of your members or another community agency.
- Development funding cannot be used to pay lobbyists. For example, your organization may support environmental issues, but cannot use revenues from your development to hire an environmental advocate.
- Your responsibility for the development cannot be transferred to another party. However, you can hire property management support, with approval from BC Housing.

## Audit Requirements

Where an audit of your financial statements is required, ensure you hire a professional auditor in good standing who is not a member of your Board of Directors. This ensures a level of objectivity will be maintained throughout the audit process.

The appointed auditor must be independent of the housing provider, and meet one of the following criteria:

- Be a member (or in a partnership whose partners are members) in good standing of the [Canadian Institute of Chartered Accountants](#) or the [Certified General Accountants Association of BC](#)
- Be certified by the Auditor Certification Board under the [Business Corporations Act](#)

The audit (as described in your operating agreement) usually includes a review of the following financial statements:

- *Statement of Financial Position*
- *Statement of Operations and Changes in Fund Balances*
- *Statement of Cash Flow*
- *Financial statement framework* which includes:
  - *Statement of Changes in Replacement Reserve Fund for each Development*
  - *Schedule of Operations for each Development (Housing Fund) and/or Support Service funded by BC Housing*
- *Schedule of Housing Fund Surplus Accounts*

To prepare for an audit, gather the:

- Financial statements and financial statement framework prepared by your accountant or bookkeeper
- Operating agreement(s)
- Financial records for the year, including journals, rent rolls, cancelled cheques, cheque stubs, receipts and invoices
- Society Constitution and Bylaws or co-op Memorandum and Rules
- Minutes of Board meetings
- Policies and procedures manuals

Once your audit is complete, submit the following documents to your Non-Profit Portfolio Manager for review and approval, within four months of the fiscal year end.

- Signed audited financial statements and the financial statement framework
- A copy of your auditor's management letter
- Housing Provider Annual Information form
- A true copy of your insurance policy or renewals (if applicable)

For housing programs that manage surpluses, your statements must include confirmation that surplus funds are accounted for and spent according to the terms of your operating agreement.

# GLOSSARY

**Amortization Period** - Assets with a long but limited life are amortized or depreciated over the life of each asset, to show the asset as a cost of operation and recognize the cost over its useful life.

**Annual Review** - On the anniversary of the date each building opened, housing providers review household income and composition for all RGI residents. Tenant rent contributions and corresponding subsidies are then adjusted accordingly.

**Audit** - Professional external auditors examine financial statements to ensure they contain evidence to support the amounts stated, assess the accounting principles used in preparing the statements, and review the overall presentation of the statements.

**BC Housing** - BC Housing is the provincial agency responsible for administering subsidized housing in British Columbia. BC Housing owns and manages 7,400 affordable housing units for families, seniors, and people with disabilities, and provides rent subsidies for affordable non-profit and co-op housing developments and some private market units.

**BC Non-Profit Housing Association** - BCNPHA is an umbrella organization of non-profit housing societies that manage affordable housing developments across the province. The BCNPHA takes a leadership role in representing the non-profit housing sector's interests to government and the public.

**Canada Mortgage and Housing Corporation** - CMHC is the national housing agency of the federal government.

**Capital Replacements** - Capital items that need to be replaced as their useful life wears out, such as appliances, flooring, etc. These items are included in the standard list of eligible items for the Replacement Reserve Fund.

**Co-operative Housing Federation of BC** - CHF BC is an association of housing co-ops and related organizations in mainland BC. The CHF BC offers education services and conferences for member co-ops to develop democratic management practices and self-sufficiency.

**Economic Rent** - Economic rent is the estimated amount it costs per unit per month to operate the development at a breakeven level. The economic rent is set in the budget at the beginning of each fiscal year, and used to calculate subsidy and Provincial Housing Program (HOMES BC) repayable assistance.

**Housing or Occupancy Charge** - Co-op members pay a housing or occupancy charge, similar to rent, for their units.

**Housing Provider** - Non-profit housing societies and housing co-operatives, which own and/or manage affordable housing developments.

**Household Income Limits** - HILs set the maximum income levels for different size units in different areas of the province. These incomes represent the most people can earn and still qualify for subsidized housing. Below these income levels, it's difficult for people to find un-crowded housing in good repair, without spending more than 30 per cent of their income for rent.

**Interest Adjustment Date (IAD)** - The date your organization takes out a mortgage for the development, when construction is finished and the building is ready for occupancy.

**Income Assistance** - BC residents may be eligible to receive a guaranteed minimum income from the provincial government. These monthly payments have two components: support and shelter payments. The shelter payment is a variable amount, up to a maximum, to cover shelter costs like rent and hydro; the support rate is based on:

- The number of people in the household
- Whether there are dependent children, seniors or people with disabilities in the household
- Whether people are employable or not

**Land Lease** - Most developments are built on land owned by the Provincial Rental Housing Corporation (PRHC), a Community Land Trust, a municipal government, or a non-profit agency, and leased to non-profit societies and housing co-operatives to manage. Most land leases are prepaid and the cost is included as part of the mortgage payment, although some leases require a separate monthly or quarterly payment.

**Market Rent (also known as "Non-RGI" Rent)** - Market rent is the amount a unit could be rented for on a monthly basis in the private market, based on an appraisal. In subsidized housing developments where "Market" rents apply, people pay rents or housing charges that are slightly lower than or approach the cost for private market rental units.

**Market Rent Review** - Market rents are reviewed periodically, based on the amount of rent someone would pay for a unit that size in the private market. Market rents can be appraised and adjusted annually, but not more than once a year.

**Mortgage** - The mortgage is the loan amount borrowed to cover the cost of the development. Many mortgages also include the cost of the prepaid land lease. The mortgage must be repaid over the number of years the money was borrowed for, which is the amortization period.

**Non-Profit Portfolio Manager** - BC Housing NPPMs assist housing providers with budgeting and operations, conduct building inspections, and use this information to plan for upgrades and maintenance.

**Non-RGI** - See *Market Rent*.

**Non-Shelter Expense** - An expense that is not eligible for subsidy from BC Housing and should not be included in the operating budget; non-shelter expenses include leased space, staff sleeping quarters, child care space and retail outlets. Also see *Shelter Expense*.

**Non-Shelter Revenue** - Revenue received from memberships, interest on share purchases, donations, fundraising events, and program funding from other ministries. These revenues should be reported separately as society or co-op revenues. See also *Shelter Revenue*.

**Operating Agreement** - The agreement is the contract that defines the roles and responsibilities of your organization and BC Housing. The agreement defines the criteria for selecting residents, resident rent/housing charge contributions, rent reviews, budget and financial reporting requirements, rent subsidy payments, the process for transferring residents who become over or under housed, record keeping requirements, the operational review process, minimum insurance and liability coverage, and the process for terminating an agreement. Various types of agreements may be in place, including “operating,” where the provider owns the development, “operator,” where the development is owned by PRHC and managed by a provider, support service agreements (some are independent of specific developments), rent supplement agreements, leases and others. More than one type of agreement may apply to a particular development; underlying leases may also be in place. For simplicity, “operating agreement” is used generically to refer to agreements involving BC Housing.

**Operating Budget** - An operating budget is the annual budget for a development. The budget projects costs for operating a development based on income and expenses, which are used to determine how much subsidy (where applicable) BC Housing provides each month.

**Provincial Rental Housing Corporation** - PRHC owns real estate for social housing, and may lease the land to non-profit societies and housing co-operatives.

**Rent-gear-to-income (RGI)** - Residents living in subsidized housing pay a set percentage (usually 30%) of gross household income toward their rent or housing charge (the tenant rent contribution). BC Housing provides subsidies to make up the difference between the TRC and the actual cost of operating the units.

**Rent/Housing Charge Roll** - A rent/housing charge roll lists the residents in each unit, rent for each unit, whether the rent is paid every month, when and how rent is paid, and how much rent has been paid. The roll enables housing providers to monitor and control arrears and track rent/housing charge contributions, which affect cash flow, the operating budget and subsidy payments.

**Replacement Reserve** - Replacement reserves are funds set aside in the annual budget to cover the future replacement cost of refrigerators, stoves, furnaces and other major capital items.

**Shelter Expense** - Housing or support service expenses funded through the operating budget, as outlined in your operating agreement. See also *Non-Shelter Expense*.

**Shelter Revenue** - Includes approved tenant rent contributions/occupancy charges, subsidy from BC Housing, interest, special payments from BC Housing, modernization and improvement, and other building income such as laundry and parking. See also *Non-Shelter Revenue*.

**Subsidy** - Where applicable, BC Housing advances monthly subsidies to housing providers to cover the costs of operating affordable developments. Depending on the program and operating agreement, subsidies may cover housing expenses and/or support services. Some projects do not involve subsidy.

**Tenant Rent Contribution** - A contribution the household makes towards the economic rent of the unit, up to a set percentage (usually 30%) of income). The TRC amount will vary depending on the number of people in the household and total household income. Refer to the [Rent Calculation Guide](#) for instructions on calculating rent contributions.

**Tender** - When contract or repair work is needed, competitive bids can be obtained by putting the contract out to tender to compare estimates and obtain the best combination of price, quality and service.



# APPENDIX

## A. Online Links

### Acts and Legislation

- [Business Corporations Act](#)
- [Co-operative Association Act](#)
- [Income Tax Act](#)
- [National Housing Act](#)
- [Residential Tenancy Act](#)
- [Societies Act](#)
- [Trustee Act](#)

### BC Housing

- [Additional Housing Provider Kit Guides](#)
  - [Administration Guide](#)
  - [Maintenance Guide](#)
  - [Program Guide](#)
  - [Rent Calculation Guide](#)
  - [Resident Management Guide](#)
  - [Security, Safety & Emergency Preparedness Guide](#)
- [GST Guide](#)
- [Operating Cost Target Framework \(PDF\)](#)
- [Operating Cost Target Framework - Template \(xls\)](#)
- [Operating Cost Target Framework - Example \(xls\)](#)
- [Replacement Reserve Annual Provision Worksheet \(xls\)](#)
- [Standard List of Replacement Reserve Items \(PDF\)](#)

### BC Non-Profit Housing Association

- [Policy Template Guide](#)
- [Bulk Purchasing Program](#)

### Canada Mortgage and Housing Corporation

- [Rental and Housing Market Statistics and Data](#)

### Canada Revenue Agency

### Canadian Institute of Chartered Accountants

### Certified General Accountants Association of BC

## **Co-operative Housing Federation of BC**

- Bulk Purchasing Program

## **Marsh Canada Limited**

### **Residential Tenancy Branch**

- Residential Tenancy Acts and Rules
- Residential Tenancy Act: A Guide for Landlords and Tenants