



Board Checklist to Prepare for the End of Your Agreement

This checklist is a reference document designed to help the board of directors anticipate and track 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?
- If your co-op is on leased land, check to see when the lease expires and work with your local federation to renew your land lease.
- Invite the Agency and your federation to make a presentation to your members about what the end of the operating agreement means for your co-op.

3-5 years prior to EOA

- Start to review and update your 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 spending from your capital replacement reserve).
- Start long-term financial forecasting by scheduling capital repairs to your property over the years ahead and making plans to pay for them.
- Review with your auditor how your financial reporting requirements will change, once you no longer have a CMHC operating agreement.

2 Years prior to EOA: Urban Indigenous and Deep-Subsidy Co-ops

- Two years before your agreement ends, CMHC and your relationship manager will start working with your co-op on the transition to the Rental Assistance Program (FCHI-2). They'll determine whether or not your co-op will need any transitional funding.





Year of EOA and After

- If your co-op has a S95 operating agreement, you can expect to hear from CMHC about the Rental Assistance Program (FCHI-2) about six months before your operating agreement is due to expire. Review the information and return the enrolment documents to continue receiving subsidy funds. Feel free to consult your relationship manager.
- If your co-op receives rent supplement, you can expect to hear from CMHC about the Rental Assistance Program (FCHI-2) about six months before your rent supplement agreement is due to expire. Review the information and return the enrolment documents to continue receiving subsidy funds. Feel free to consult your relationship manager.
- If your co-op has an ILM, your co-op is eligible for rental assistance when the ILM is repaid. Your co-op has a choice. You can sign up for rental assistance as soon as your co-op is eligible, or you can wait until your Rent Supplement Agreement expires, if that happens later.
- If your co-op signs up for rental assistance, the Agency will send you our Annual Health Check suite of reports at no charge. This includes your Risk Report, Performance Report and Plain-Language Financials. If your co-op is not re-enrolled in any CMHC rental-support program, file your last AIR with the Agency and receive your final Risk Report, Performance Report and Plain-Language Financials. Bear in mind that you will need to file an AIR for any year (full or partial) in which your co-op had an operating agreement or received any subsidies from CMHC. Consider subscribing to the Agency's **Annual Health Check** service after your operating agreement ends to continue receiving our yearly reports.
- 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.
- 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. These will include following the Accounting Standards for Not-for-Profit Organizations (ASNPO), instead of those required by CMHC.