

**WINKLEIGH CO-OPERATIVE
HOUSING CORPORATION**

ORGANIZATIONAL BY-LAW

BY-LAW NO. 10

A By-law which contains the rules for the organization of
WINKLEIGH CO-OPERATIVE HOUSING CORPORATION

WINKLEIGH CO-OPERATIVE HOUSING CORPORATION

BY-LAW NO. 10

ORGANIZATIONAL BY-LAW

TABLE OF CONTENTS

	Page
Organizational By-law	7
Article 1 About This By-law	9
1.01 Priority of This By-law	9
Article 2 Membership	10
2.01 Membership	10
2.02 Qualifications for Membership	10
2.03 Applying for Membership	10
2.04 Transfers and Withdrawals	11
Article 3 Members' Meetings	12
3.01 Annual Members' Meetings	12
3.02 Regular Members' Meetings	12
3.03 Special Members' Meetings	12
3.04 Place of Meetings	12
3.05 Notice of Members' Meetings	12
3.06 Agenda of Regular or Special Members' Meetings	12
3.07 Continuing a Meeting on Another Date	14
3.08 Quorum at Members' Meetings	14
3.09 Attendance by Non-Members	15
3.10 Record of Attendance	15
3.11 Conduct of Members' Meetings	15
3.12 Voting	15

TABLE OF CONTENTS

	Page	
Article 4	Member Control	16
4.01	Powers of Board and Members	16
4.02	Requisition for Passing a By-law or Directors' Resolution	16
4.03	Requisition To Put a Resolution on the Agenda of a Members' Meeting	17
4.04	Requisition for a Members' Meeting	17
Article 5	Board of Directors	18
5.01	Powers and Duties of the Board	18
5.02	Number of Directors and Quorum	18
5.03	Who Can Act as a Director	18
5.04	Election of Directors	19
5.05	Election Officer or Committee	19
5.06	Procedures for Elections	20
5.07	Term of Office	20
5.08	Conduct of Individual Directors	21
5.09	Indemnification of Directors	21
5.10	Resignation of a Director	21
5.11	Removal of a Director	21
5.12	Vacancy	22
5.13	Board Meetings	23
5.14	Members, Non-Members and Employees at Board Meetings	24
5.15	Minutes of Board Meetings	25
Article 6	Officers	26
6.01	Meaning of "Officers"	26
6.02	Election of Officers	26
6.03	Removal of Officers	26
6.04	Resignation of Officers	27
6.05	The President and Vice-President	27
6.06	The Secretary	27
6.07	Recording Secretary and Corporate Secretary	27
6.08	The Treasurer	28
6.09	Delegate to the local housing federation and/or the Co-operative Housing Federation of Canada	28
6.10	Board Responsibilities and Job Descriptions	28

TABLE OF CONTENTS

	Page	
Article 7	Staff	29
7.01	Employment of Staff	29
7.02	Supervision of Staff	29
Article 8	Committees	30
8.01	Creating Committees	30
8.02	Role of Committees	30
Article 9	Conflict of Interest	31
9.01	Carrying Out Duties	31
9.02	Payment of Directors and Officers	31
9.03	Types of Conflict of Interest	31
9.04	Deciding Whether There Is a Conflict of Interest	32
9.05	Procedures When There Is a Conflict of Interest	32
9.06	Personal Relationships	33
9.07	Members' Conflict of Interest	33
9.08	Conflict of Interest - Guidelines	33
9.09	Conflict of Interest Declaration	33
Article 10	Information and Confidentiality	34
10.01	Access to Member's Files and Accounts	34
10.02	Confidentiality of Board and Committee Business	34
Article 11	Financial	35
11.01	Fiscal Year	35
11.02	Bonding Officers and Employees	35
11.03	Auditor	35
11.04	Auditor's Report	35
11.05	Signing Officers	35
11.06	Power to Borrow	36
11.07	Investment of Co-op Funds	37
Article 12	Membership in Federations	38
12.01	Membership in Federations	38

TABLE OF CONTENTS

	Page
Article 13 Notice	39
13.01 Defects in Notice	39
13.02 Delivery of Notice	39
13.03 Calculating Time for Notices	39
 Schedules to the By-law	 43
A Rules of Order for Members' Meetings	45
B Agreement To Serve As a Director	53
C Director's Indemnity Agreement	55
D Confidentiality Agreement	57
E Board Responsibilities	59
Appendix A Job Descriptions	61
F Conflict of Interest Guidelines	73
Appendix A - Conflict of Interest Declaration	77
G Ethical Conduct Agreement	79
H Fraud Policy	81
Appendix A - Common Types of Fraud	84
Appendix B - Indicators of Fraud	86
Appendix C - Prevention of Fraud	87
I Nomination Procedures	89
Appendix A - Election/Nomination Data Sheet	90
Appendix B - Nomination Form and Agreement	91

ORGANIZATIONAL BY-LAW

By-Law No. 10 Organizational By-law

This By-law contains the rules under which **WINKLEIGH CO-OPERATIVE HOUSING CORPORATION** is organized. The *Co-operative Corporations Act* (the *Act*) regulates the co-op. Certain parts of the *Act* contain rules which are not included in this By-law. Members should refer to them when questions come up.

1. ABOUT THIS BY-LAW

Article 1: About This By-law

1.01 Priority of This By-law

- a) This By-law rescinds all previous organizational by-laws, including the General By-law passed by the Board of Directors on March 4, 1997 and confirmed by the members on April 15, 1997. Any future By-law can only amend this By-law if the future by-law states that it is doing so.
- b) If there is a conflict between documents, the documents will govern in the following order:
- first, the *Act*
 - second, the Articles of Incorporation
 - third, 9.02 and 11.05 of this By-law, to meet the requirements of the Canada Mortgage and Housing Corporation
 - fourth, the Occupancy By-law of the Co-op, and
 - fifth, the rest of this By-Law, the other by-laws and the legally adopted policies, rules and regulations of the co-op.

The Co-op board, members and employees must follow this order of priority.

2. MEMBERSHIP

Article 2: Membership

2.01 Membership

To become members of the co-op, applicants must be approved by the board and become residents of the co-op.

When considering applications, the co-op must comply with the *Ontario Human Rights Code*.

2.02 Qualifications for Membership

To become members of the co-op, applicants must be sixteen years or older. The co-op may have other by-laws stating qualifications that applicants must have.

2.03 Applying for Membership

- a) Persons must apply for membership in writing on the form that the co-op provides.
- b) All members of an applicant's household who are sixteen years or older, and intend to live in the co-op, must apply for membership or long-term guest status. If they do not, the co-op will not consider the application.
- c) New members must
 - sign the occupancy agreement
 - pay the lifetime membership fee, as prescribed by the Board of Directors from time to time
 - pay the maintenance deposit, and
 - pay the first month's housing charge.

Applicants will still become members even if they do not do the above, as long as they comply with 2.01 of this By-law.

- d) The board can require a new member to have a co-signer or to make other special financial arrangements.
- e) If long-term guests are permitted as part of an applicant's household, the long-term guests and the member must sign a long-term guest agreement as stated in the Occupancy By-law.

2. *MEMBERSHIP*

2.04 Transfers and Withdrawals

Members cannot transfer their membership to any other person. Rules that apply to withdrawing from membership are in the *Act* and Articles 7 and 8 of the Occupancy By-law. Membership ends when a member dies.

3. MEMBERS' MEETINGS

Article 3: Members' Meetings

3.01 Annual Members' Meetings

The co-op must hold an annual members' meeting within eighteen months after incorporation. After that first meeting, annual meetings must be held no later than

- fifteen months after the last annual meeting, or
- six months from the end of the co-op's fiscal year.

3.02 Regular Members' Meetings

The board must call regular members' meetings at least two times a year. These meetings are in addition to the annual meeting.

3.03 Special Members' Meetings

The board or the members at a proper meeting can call a special members' meeting. Members' meetings can also be called as stated in Article 4 of this By-law.

3.04 Place of Meetings

Members' meetings must be held in the City of Hamilton.

3.05 Notice of Members' Meetings

Notice of any members' meeting must be given to the members not less than ten days nor more than fifty days before the date of the meeting. Notice must include the time and place of the meeting. Notice must be given to everyone who is a member at least eleven days before the date for the meeting. 13.02 of this By-law states rules for giving notice. 13.03 of this By-law states how to calculate the right date for giving notice.

3.06 Agenda of Regular or Special Members' Meetings

- a) The agenda for each annual meeting must include
- approving the auditor's report
 - approving the financial statements, and
 - appointing the auditor for the next year.

3. MEMBERS' MEETINGS

The agenda usually includes the election of directors, and reports from the board, committees and staff.

The agenda must also include the general nature of any other business to be dealt with at the meeting. Members can raise any matter at a meeting but they cannot vote on it if it was not included in the agenda.

- b) The board sets the advance agenda for **all members' meetings**. The notice calling the meeting must either include the agenda or be sent with the agenda. The notice must state the general nature of the items that the members will consider. Members can raise any matter at a meeting but they cannot vote on it if it was not included in the agenda.

If proper notice is given, the members can make any decision or pass any version of a by-law or budget. They can do this even if the version they pass is different from, or contrary to, the original.

Members can add items to the advance agenda as stated in 3.06 (d) and (e) of this By-law.

- c) At the meeting the members can adopt the advance agenda with or without changes. However, only those items that were included in the notice of meeting or advance agenda distributed by the board, or in a notice as stated in 3.06 (d) of this By-law, can be voted on. Items added to the agenda under 3.06 of this By-law must be within the authority of the members as stated in 4.01 of this By-law.
- d) Members can have any item put on the advance agenda. However, members must give the administrative co-ordinator written notice of the item at least seven days before the deadline for sending out the notice of the meeting.

Any items which members add will be put at the end of the advance agenda unless the members change the order of the agenda during the meeting.

- e) If the members do not give notice to the administrative co-ordinator in time, they can, at their own expense, give written notice directly to all members at least ten days before the date of the meeting.
- f) A copy of a proposed by-law, financial statement or budget does not have to be given with the agenda or notice of meeting. However, a copy must be given to each member as stated in 13.02 of this By-law at least five days before the meeting.

3. MEMBERS' MEETINGS

3.07 Continuing a Meeting on Another Date

- a) If business is not completed at a meeting, the members can make a decision to continue the meeting on another date. The members can set a specific date, or state how a date will be chosen. A majority vote is needed to make the decision.

The agenda of the original meeting will be followed at the continued meeting unless the members decide to change it.

- b) If the members set a specific date for the continued meeting, there is no need to give another notice. If they do not set a specific date, the board must give at least two days notice of the continued meeting unless the members decided on a different notice period.

- c) Decisions made at a continued meeting will have the same effect as if they were made at the original meeting.

3.08 Quorum at Members' Meetings

- a) Quorum at members' meetings means the minimum number of members who must be present for the co-op to hold a members' meeting and make decisions or transact any business.

If there is no quorum, anything discussed has no official status.

- b) Twenty percent of the members make up a quorum.
- c) A meeting must be called off if a quorum has not arrived thirty minutes after the meeting is scheduled to start. The members who are present can vote to continue the meeting on a date not less than five and not more than fifteen days later. There must be at least two days notice of the continued meeting.
- d) If a full quorum has not arrived thirty minutes after the continued meeting is scheduled to start, the quorum for that meeting will be ten percent of the members.
- e) If members have requisitioned a meeting and there is no quorum present thirty minutes after the meeting was scheduled to start, the meeting must be called off. Those present do not have the right to continue the meeting as in 3.08 (c). The board does not have to call another meeting in response to the requisition.

3. MEMBERS' MEETINGS

3.09 Attendance by Non-Members

- a) Employees of the co-op who are not members have the right to attend and speak at members' meetings unless the members decide otherwise. They cannot vote or make motions.
- b) Other non-members can attend and speak at meetings only if the chair gives them permission. The members can reverse the chair's permission. Non-members cannot vote or make motions.

3.10 Record of Attendance

The secretary is responsible for recording the names of all persons who attend members' meetings.

3.11 Conduct of Members' Meetings

The **Rules of Order** are a part of this By-law and are attached as Schedule A.

The chair uses the Rules of Order to run members' meetings, and decides any question about procedure which is not in the Rules of Order. The members have the right to appeal the chair's ruling as stated in the Rules of Order.

3.12 Voting

- a) Every member of the co-op has the right to one vote at any members' meeting. Anyone can vote who is a member at the time that the vote is held.
- b) Only members who are present at the meeting can vote. Members cannot appoint someone else to vote for them.
- c) A majority vote is needed to make any decision, unless a by-law, or the *Act*, states differently.
- d) A two-thirds majority is needed to pass or amend by-laws or policies.
- e) An abstention is not counted as a vote. A tie vote defeats the motion.

4. MEMBER CONTROL

Article 4: Member Control

4.01 Powers of Board and Members

- a) The board runs the business of the co-op. The members do not do this directly. However, the powers of the members include
- electing directors under 5.04 of this By-law
 - removing directors under 5.11 of this By-law
 - approving the budget and housing charges under Article 4 of the Occupancy By-law
 - requisitioning directors to act under Article 4 of this By-law, and
 - appointing the auditor each year under 11.03 of this By-law.
- b) The *Act* allows members' meetings to make decisions if
- the by-laws or the *Act* say that a members' meeting must decide something
 - the by-laws or the *Act* give members the right to overrule a board decision, or
 - members follow the procedures in the *Act* and in Article 4 of this By-law.

4.02 Requisition for Passing a By-law or Directors' Resolution

- a) Ten percent of the members can requisition the directors to pass any by-law or resolution. They must sign and deliver a notice to the co-op's office. The notice must state the wording of the by-law or resolution.
- b) The board does not have to comply with the notice. If it wishes to comply, it must pass the by-law or make the decision within twenty-one days. If confirmation is required, the board must also call a members' meeting to confirm it within the twenty-one day time limit, or put it on the agenda for a meeting that has already been called. The meeting does not have to be held within the twenty-one day limit.

If the board does not wish to comply with the notice, any of the members who requisitioned the meeting can call a members' meeting for that purpose. This members' meeting has the full power to pass the by-law or make the decision. This is the only way that members can adopt a by-law that the board has not passed.

- c) The rules for these requisitions are in section 70 of the *Act*.

4. MEMBER CONTROL

4.03 Requisition To Put a Resolution on the Agenda of a Members' Meeting

- a) Five per cent of the members can requisition the directors to put a resolution on the advance agenda for the next members' meeting. They must sign and deliver a notice to the co-op's office. The notice must state the wording of the resolution. This notice may include an explanation of the resolution of no more than one thousand words. The board will include this with the notice.
- b) This procedure does not allow the members to
- pass a by-law unless the board has already passed it, or
 - make a decision unless the members already had the right to make it without a requisition.

It does allow members to remove a director under 5.11 of this By-law.

- c) Members can have any item put on the advance agenda for a members' meeting as stated in 3.06 (d) of this By-law.
- d) The rules for these requisitions are in section 71 of the *Act*.

4.04 Requisition for a Members' Meeting

- a) Five percent of the members can requisition the directors to call a meeting for any purpose that is
- connected with the business of the co-op, and
 - is in agreement with the *Act*.

They must sign and deliver a notice to the co-op's office. The notice must state the purpose for calling the meeting.

- b) The board can include the business of the requisitioned meeting as part of any meeting that is scheduled during the time period stated in section 79 of the *Act*. Therefore, it is not necessarily a separate meeting.
- c) This right to requisition does not allow the members to pass a by-law unless the board has already passed it. This procedure is to be used when the board is not calling members' meetings as often as it should. It does not give the members any authority which they do not already have.
- d) The rules for these requisitions are in section 79 of the *Act*.

5. BOARD OF DIRECTORS

Article 5: Board of Directors

5.01 Powers and Duties of the Board

- a) The board manages and directs the business of the co-op. It can use all the powers of the co-op, unless the *Act* or the by-laws say that a members' meeting is needed to decide on a specific matter.
- b) The board can act only by a decision at a proper board meeting.
- c) The board must carry out the list of responsibilities attached to this By-law as Schedule E.

5.02 Number of Directors and Quorum

- a) The board is made up of seven directors.
- b) Quorum at board meetings means the minimum number of directors who must be present to hold a board meeting and make decisions or transact any business.
- c) Four directors make up a quorum to deal with the business of the co-op.

5.03 Who Can Act as a Director

- a) The rules stating who can be a director are in section 89 of the *Act*. They are repeated in this By-law.

To be a director, a person must be eighteen years or older and a member in good standing of the co-op.

A majority of directors must be Canadian citizens or landed immigrants. Anyone who is an undischarged bankrupt or mentally incompetent cannot be a director.

- b) Directors must be elected at a members' meeting. Members cannot be directors if they were present at a meeting and refused to accept the office. If absent, a person must agree in writing to be a director. They must do this within ten days of the meeting. If not, there is a vacancy on the board and 5.12 of this By-law applies.

All members newly elected or appointed as a director must sign an agreement to serve as a director. The co-op can use the sample agreement form that is attached to this By-law as Schedule B.

5. BOARD OF DIRECTORS

5.04 Election of Directors

- a) Members elect the directors. Normally, elections take place at the annual meeting but they can be scheduled for another meeting. If vacancies occur, the board appoints someone as stated in 5.12 of this By-law.
- b) Sections 90 and 91 of The *Act* state the election procedures that the co-op must follow.

The election is by secret ballot. **Members must cast a number of votes equal to the number of positions to be filled. Any ballot which has more or less votes will not be counted.** For example, if the meeting is electing seven directors, then members must vote for seven of the candidates. Members cannot vote more than once for a candidate. Members cannot appoint someone else to vote for them.

- c) If the number of nominees is equal to the number to be elected, or less, the secretary will cast a single vote in favour of all the candidates.
- d) Members can vote only during a proper meeting. There must be a quorum present from the time the ballot boxes open until the final vote is cast. There does not have to be a quorum present while the votes are being counted and when the results of the vote are announced. If there is a tie and a quorum is no longer present, then the board must call a new meeting to complete the election.

5.05 Election Officer or Committee

- a) Before the meeting to elect directors, the board can appoint an election officer or an election committee. The officer or committee members do not have to be members of the co-op.

The election officer or committee is responsible for

- giving information about the election to the members, including the nomination procedures as outlined in Schedule H of this By-law
- educating members on the duties and responsibilities of the board
- getting candidates
- making sure that the election follows the rules stated in the *Act* and the co-op's by-laws, and
- supplying, at the members' meeting, initialled ballots with a number of spaces equal to the number of directors to be elected.

- b) The election officer or committee should try to have more candidates than the number of directors to be elected.

5. *BOARD OF DIRECTORS*

- c) If the election officer or committee presents a list of candidates to the meeting, those candidates still have to be nominated. Members can nominate any other candidate.

5.06 **Procedures for Elections**

- a) The members can appoint an election officer or committee. If the board has appointed an election officer or committee for the election meeting, the members can approve this appointment for the meeting or appoint someone else. If no one is appointed, the chair can perform the duties of the election officer or committee or appoint someone else.
- b) The candidates who receive the greatest number of votes are elected to the board. The election officer or committee counts the votes and announces the results. The officer or committee should not announce the number of votes that each candidate got or the order in which they finished.
- c) A second election must be held immediately if there is a tie for the final position on the board. In the second election only the candidates who were tied for the final position can be on the ballot.
- d) If a quorum is present and a member moves to have a recount immediately after the results are announced, and five members agree, there must be an immediate recount with scrutineers present. Detailed results must be announced.
- e) After the election, the election officer or committee must return the ballots to the ballot box. The ballots must be kept in a sealed container in the co-op office, or some other safe place, for seven days. Then the officer can destroy the ballots.
- f) During the seven day period ten percent of the members can requisition a special members' meeting to recount the votes. If this happens, the ballots must be kept until the requisitioned meeting. There must be scrutineers present at the recount and detailed results must be announced. Until the recount, the results announced at the election meeting will stand.

5.07 **Term of Office**

- a) The directors will have staggered terms. At the first election using this system, the four candidates with the largest number of votes will be elected to a two year term. The next three candidates will be elected to a one year term. All directors will be elected to two year terms from then on.
- b) Unless they resign or are removed, directors serve until the first board meeting following the election of their successors.

5. **BOARD OF DIRECTORS**

- c) No director can be elected for more than two consecutive terms or a maximum of four years.

5.08 **Conduct of Individual Directors**

Each director must

- act honestly, in good faith and in the best interests of the co-op at all times
- attend all board and members' meetings, unless excused by the board
- prepare for all meetings, and
- keep confidential any private information about the affairs of the co-op, its members or staff.

5.09 **Indemnification of Directors**

- a) The co-op will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by section 110 of the *Act*. This includes paying for any judgment or costs against directors and officers less any costs that result from failing to comply with their duties to the co-op. The co-op will indemnify all employees to the same extent.

The co-op should sign an agreement promising to do this. The co-op can use the sample agreement form that is attached to this By-law as Schedule C.

- b) The co-op must purchase insurance to cover this liability.

5.10 **Resignation of a Director**

A director can resign by giving written notice, delivered either to the president or to the co-op office.

The resignation will not take effect until the board accepts it. The board must accept any resignation at the first meeting after it is received, unless it is withdrawn.

5.11 **Removal of a Director**

- a) **Members can remove a director**

The members can remove any director before the end of the director's term. Notice that a motion will be made to remove a director must be given at least ten days before the meeting. This motion must be passed by a majority vote.

5. *BOARD OF DIRECTORS*

b) **The board can recommend removal**

The board can recommend that the members remove a director if the director

- is absent from three consecutive board meetings without permission or proper excuse
- has broken the confidentiality rules in Article 10 of this By-law
- has not carried out the other responsibilities of a director, or
- has not carried out the responsibilities of a member or has broken the co-op's by-laws.

The board must give written notice to the director of the board meeting held to discuss the recommendation.

The notice must state:

- i) the time and place of the meeting, and
- ii) the reasons for the recommendation.

Notice must be given to the director at least seven days before the meeting.

The director can appear and speak at that board meeting. The board decides and votes on the recommendation without the director present.

If the board votes to recommend the removal of a director, it must present a resolution to the next members' meeting. The members must then make a decision. The director remains in office until the members make a decision.

5.12 **Vacancy**

a) **When the members remove a director**

The members can elect any qualified person to replace the director for the rest of the term of the former director. If the members do not do this, then 5.12 (b) applies.

b) **When vacancies occur for any other reason**

If there is still a quorum on the board, the directors can appoint a qualified person for the rest of the term of the former director.

The appointment takes effect immediately. But the election of the director must be put on the agenda for the next members' meeting. The appointment will be considered confirmed unless the members elect someone else.

5. **BOARD OF DIRECTORS**

If no quorum of directors remains in office, the remaining directors must call a members' meeting to fill the vacancies. At that meeting the members elect directors to serve the rest of the terms of the former directors.

- c) 5.04, 5.05 and 5.06 of this By-law apply to filling vacancies except that normally there is not an election committee.

5.13 **Board Meetings**

a) **Place of meetings**

Board meetings must be held in the City of Hamilton.

b) **Regular meetings**

The board must hold regular monthly meetings on a date decided at the previous meeting, or at a regular time set by the board. There is no need to give notice of regular meetings.

c) **Special meetings**

The board can hold special meetings. A special meeting can be called by a decision of the board, by the president or vice-president, or by a quorum of directors.

Each director must be given at least three day written notice of a special meeting. The notice must state the general nature of the meeting's business.

d) **Emergency meetings**

A special meeting of the board can be called on one days notice if

- there is an emergency, and
- a quorum of directors is present at the meeting.

Emergency meetings can be called only in very unusual circumstances. For example, roof repairs might have to be done immediately to avoid serious damage. Notice of an emergency meeting must be given in writing or by telephone, and both if possible.

There must be a report to the next regular directors' meeting of any decision made at an emergency meeting.

5. **BOARD OF DIRECTORS**

e) **Agenda of a board meeting**

An agenda should be given to directors before a board meeting. The agenda contains the items that the directors will consider at the meeting. At regular meetings, however, the board can consider or adopt any motion even if no notice of the item was given.

At special meetings or at emergency meetings, the board can only consider the business stated in the notice, or the agenda given with the notice.

f) **Giving up the right to a notice**

Directors can give up their right to a notice. This must be done in writing.

g) **Chair**

The chair of board meetings can be either the president or another person chosen by the board.

The chair, if a director, can vote on all matters which come before board meetings, but cannot vote a second time if there is a tie.

h) **Voting**

A majority vote is needed to make a decision unless this By-law states differently.

i) **Procedures**

This By-law's procedures for members' meetings and the Rules of Order also apply to board meetings except when this By-law states differently. Procedures at board meetings will be the same as members' meetings with all appropriate changes.

j) **Taking part in meetings**

If none of the directors present at a meeting objects, any or all directors can participate in a board meeting by telephone or other communication equipment. All the directors must be able to hear each other.

5.14 **Members, Non-Members and Employees at Board Meetings**

Members and employees of the co-op can attend board meetings except when the board makes a decision stating that some or all of the business of the meeting is confidential. Persons who are not directors can speak with the board's permission, but they cannot make motions or vote.

5. *BOARD OF DIRECTORS*

5.15 Minutes of Board Meetings

- a) The minutes, or brief summaries, of all board meetings should be made available to members as soon as possible after the meeting.

For example, this can be done by publishing them in the co-op newsletter, sending them to members' units, or putting them up in a prominent location in the co-op. A copy of the board minutes must be available to members in the co-op office during regular office hours.

- b) Confidential minutes must only be available to board members unless the board decides otherwise.

6. OFFICERS

Article 6: Officers

6.01 Meaning of "Officers"

Unless this By-law or the *Act* states differently, the word "officers" means only the officers as stated in this article. It does not refer to employees of the co-op.

6.02 Election of Officers

- a) The board elects the following officers annually, or more often as needed:
- president
 - vice-president
 - chair, if the board wishes to have one
 - corporate secretary
 - treasurer
 - the delegate to the local housing federation, and
 - the delegate to the Co-operative Housing Federation of Canada.

All officers will be elected at the first meeting after the board's election. The board can fill vacancies as necessary. The board can elect any other officers and give them any authority and duties.

- b) No person can hold more than one office, except that an officer can be elected as delegate to the local housing federation and/or the Co-operative Housing Federation of Canada. The same person can be a delegate to both federations.
- c) All officers must be members of the co-op. Only the president and vice-president must be directors.

The office of president or vice-president becomes vacant as soon as the office-holder resigns, or is removed, as a director.

6.03 Removal of Officers

This section deals with removing an officer. 5.11 of this By-law deals with removing a director.

- a) A majority of the board can remove any officer by a decision at any time and for any reason. Notice of this decision must be given to all directors.
- b) If the officer is not a director, the officer is also entitled to notice of the meeting and the opportunity to be heard at the meeting.
- c) The directors can immediately choose another qualified person to fill the vacancy.

6. OFFICERS

6.04 Resignation of Officers

This section deals with the resignation of an officer. 5.10 of this By-law deals with the resignation of a director.

An officer can resign by giving written notice to the president or the office of the co-op. The resignation takes effect when the board accepts it. The board must accept any resignation at the first meeting after it is received, unless it is withdrawn.

6.05 The President and Vice-President

- a) The president
 - gives leadership to the co-op
 - follows the decisions approved at board and members' meetings, and
 - co-ordinates the work of the board, committees, members and staff.
- b) The president and vice-president work together to carry out the above responsibilities. They decide how they will share them. They review their roles regularly to make sure that they are carrying out all the responsibilities.

6.06 The Corporate Secretary

- a) The corporate secretary must ensure that
 - all required notices of board and members' meetings are given
 - all the necessary documents for board and members' meetings are provided
 - the minute book of the co-op is kept up to date
 - all legally required notices are given, such as the notice of meetings
 - all necessary notices are filed with the Ministry of Financial Institutions
 - complete minutes of all board and members' meetings are kept and distributed before the next meeting, and
 - a copy of all new by-laws and policies is given to the members as soon as possible after they are confirmed.
- b) The secretary will not personally perform these duties if they are part of staff duties. The co-ordinator must see that all the staff duties are done and that legal requirements are met.

6.07 Recording Secretary

The board can appoint a recording secretary who will take and distribute the minutes of board and members' meetings.

6. OFFICERS

6.08 The Treasurer

The treasurer must understand and review the co-op's finances and report on them to the board, the finance committee and the members. The administrative co-ordinator is responsible for the day-to-day financial management of the co-op.

6.09 Delegate to the local housing federation and the Co-operative Housing Federation of Canada

The delegate to each of these federations

- represents the co-op at meetings of the federation
- informs the board and the members of what the federation is doing
- informs the federation of the views and concerns of the co-op, and
- votes at federation meetings. The delegate must get direction from the board on important issues if there is time.

6.10 Board Responsibilities and Job Descriptions

Board responsibilities and job descriptions are outlined in greater detail in the attached Schedule E, Appendix A of this by-law.

7. STAFF

Article 7: Staff

7.01 Employment of Staff

- a) The board hires employees to fill all staff positions.
- b) The board should provide a job description for each staff position where appropriate. The job description states the responsibilities and authority of the position.
- c) The board and the members must pass a by-law or a special resolution if they want to employ an outside agency to provide management services.
- d) A permanent full-time employee cannot live in the co-op.

7.02 Supervision of Staff

- a) The board is the final authority for the co-op in relation to employees. It sets the terms of employment.
- b) The employees work under the instructions of the board. However, the personnel policy or job description may state that some employees will work under the instructions of a senior employee.
- c) Employees must provide any information about their position that the board asks for.

8. *COMMITTEES*

Article 8: Committees

8.01 Creating Committees

There are two ways to create a committee.

- a) The board can create a committee. It can decide on the duties of the committee and appoint the committee's members.
- b) A members' meeting can create a committee. The members' meeting can decide on the duties of this committee and appoint the committee's members. These duties are limited by 8.02 b) of this By-law. If the members' meeting does not decide on the duties, the board can do so.

8.02 Role of Committees

- a) Each committee reports to the board at least monthly.
- b) A committee must have the authority from a by-law or from a motion passed by the board to
 - spend any money
 - authorize any expense
 - enter into any contract, or
 - commit the co-op to any action.

9. *CONFLICT OF INTEREST*

Article 9: Conflict of Interest

9.01 Carrying Out Duties

All officers, directors, committee members and employees must carry out their duties honestly, in good faith and in the best interests of the co-op rather than in their own interest.

9.02 Payment of Directors and Officers

- a) Directors and officers serve without payment of any kind. However, they have the right to be paid for travelling or other expenses while doing business for the co-op as long as the expenses are reasonable. The board must authorize these expenses. These expenses must meet the guidelines and limits set by the board. Directors and officers cannot receive compensation for lost income while doing business for the co-op.

Directors and officers cannot enter into any contracts with the co-op other than contracts that are generally available to other members, such as occupancy or performance agreements.

- b) Directors and officers hired by the co-op to a paid position must resign from office. This does not apply to being the on-call person one day or less a week.

9.03 Types of Conflict of Interest

- a) A conflict of interest is when someone benefits personally in any way from a decision of the co-op. This Article covers conflicts of interest of officers, directors, committee members and employees. It also covers all persons in their households and relatives.
- b) A conflict of interest can happen when someone living in the co-op or an employee
- makes or takes part in a decision affecting the co-op's affairs, and
 - has a financial or other interest in, or gets a benefit from, the result of that decision which the rest of the co-op members do not have, or which only a few other members have.

9. *CONFLICT OF INTEREST*

c) Examples of conflicts of interest are:

- the co-op signs a contract with someone living in the co-op, an employee, or a company in which they, their household members or relatives, have a financial interest or any stock, and
- someone living in the co-op or an employee is involved personally in a disciplinary procedure where they made the complaint or where a household member, friend or relative is being disciplined.

There are other types of conflict of interest. The co-op should deal with them by using the principles contained in this Article.

9.04 **Deciding Whether There Is a Conflict of Interest**

The facts of each case are different, and careful judgment is needed to decide whether or not there is a conflict of interest. Members should follow the procedures below.

9.05 **Procedures When There Is a Conflict of Interest**

a) **When a director has or may have a conflict of interest**

When a director has or may have a conflict of interest:

- i) The director should declare the conflict of interest at the board meeting considering the matter.
- ii) If a director does not declare a conflict of interest, but another director is aware of one, the other director can bring it up at a meeting.
- iii) The board then decides whether there is a conflict of interest.
- iv) If there is a conflict of interest, the director cannot vote on the matter and must not be present during any of the meetings discussing the matter.

b) **When a committee member has or may have a conflict of interest**

If a committee member has or may have a conflict of interest, the committee must follow the same procedure as the board. If there is a dispute, the matter can be appealed to the board. The board decision is final.

9. *CONFLICT OF INTEREST*

c) **When an employee has or may have a conflict of interest**

An employee who has or may have a conflict of interest must report it to the employee's supervisor, and follow the supervisor's directions.

The co-ordinator must report a conflict of interest to the staff liaison officer, if there is one, or to the president who will report it to the board. The co-ordinator or manager must follow the board's directions.

d) **All other conflicts of interest**

If any member or officer acting for the co-op has or may have a conflict of interest, that person must report it to the board. The board must decide on the matter.

9.06 **Personal Relationships**

Sometimes decisions have to be made which affect the friends or relatives of officers, directors and committee members. If the relationship is close enough, there may be a conflict of interest.

For example, there might be a decision of the board to evict a friend of a director. If there is a close relationship, it might influence the director's decision and the director should declare a conflict of interest.

9.07 **Members' Conflict of Interest**

At members' meetings, all members can take part in discussions and vote as they wish, even if they have a conflict of interest. However, members must declare the conflict of interest before taking part in the discussion. Members can vote even if they have a conflict of interest. They should try to act in the best interests of the co-op as a whole.

9.08 **Conflict of Interest Guidelines**

Schedule F attached as part of this by-law, outlines references to Conflict of Interest in greater detail.

9.09 **Conflict of Interest Declaration**

All members of the Board of Directors, employees and members of certain committees may be required to sign a Conflict of Interest Declaration as per the sample attached as Appendix A of Schedule F of this by-law.

10. INFORMATION AND CONFIDENTIALITY

Article 10: Information and Confidentiality

10.01 Access to Member's Files and Accounts

Members have the right to see their own personal files and financial accounts during co-op office hours. Members may have to make an appointment. If any member believes that there is an error in their personal file or accounts, co-op staff should try to correct the problem. If staff does not think there is a mistake, they should explain the record to the member. If the member is still not satisfied, the member can take the matter to the board by sending a letter to the board or going to a board meeting.

Members can put written statements in their files.

10.02 Confidentiality of Board and Committee Business

- a) Sometimes directors or committees discuss confidential matters. All directors and committee members must keep these matters secret, even after they are no longer directors, members of the committee, or members of the co-op.

Confidential matters are:

- personal and financial information about members and other residents
 - personal information about co-op employees, and
 - information about co-op business which should be kept secret to protect the co-op.
- b) Officers, employees or members sometimes learn confidential information. They must keep that information secret and not pass it on to anyone else.
- c) When the board discusses confidential matters, the minutes of these discussions must be kept in a separate section of the minute book. Only board members can see the confidential minutes.
- d) Directors must decide which items are confidential. They should remember that members have the right to be fully informed about the co-op's business. They must have a good reason for keeping something confidential.
- e) Confidential or other personal information may be made available to the board as stated in the Occupancy By-law.
- f) Directors and committee members should sign a confidentiality agreement. The co-op can use the sample agreement form that is attached to this By-law as Schedule D.

11. FINANCIAL

Article 11: Financial

11.01 Fiscal Year

The fiscal year of the co-op starts **July 1** and ends **June 30** of the following year.

11.02 Bonding Officers and Employees

The following persons must be bonded:

- every officer or employee in charge of or handling money or securities
- every signing officer, and
- any other officer, employee or person under contract that the board decides should be bonded.

11.03 Auditor

- a) The members appoint an auditor at each annual members' meeting. The auditor can be either a chartered accountant or a chartered accountant firm.

The auditor stays in office until the members appoint the next auditor. The board will arrange for payment of the auditor if authorized by the members.

- b) Sections 124 and 125 of the *Act* state how to remove an auditor and appoint a different auditor.
- c) The auditor must have access to the books, accounts and vouchers of the co-op at all reasonable times.
- d) The directors, employees and officers of the co-op must provide any information and explanations which the auditor needs.

11.04 Auditor's Report

The auditor reports at the annual members' meeting on the financial statement of the co-op.

11.05 Signing Officers

- a) The president, vice-president, corporate secretary and the treasurer will be signing officers.

11. FINANCIAL

- b) All cheques or other negotiable documents must be signed by two signing officers. Officers must never sign a blank cheque.

Before signing a cheque or other negotiable document, the officers must make sure that the expense has been properly approved.

- c) All other documents must be signed by two signing officers. This includes any written commitment of the co-op such as a contract for work to be done. Before signing a document, the officers must make sure that the document has been properly approved.

The board can make a specific decision to appoint any officer, director or employee to sign documents, or any class of documents, for the co-op.

- d) Signing officers must have board approval before making any commitments, or entering into contracts or obligations, for the co-op.
- e) When authorizing a document, the board can decide its exact form. If it does not, the signing officers can approve the final document.
- f) Anyone who has the authority to sign documents can also put the corporate seal on a document.

11.06 Power to Borrow

- a) The board can
- borrow money on the credit of the co-op
 - issue, sell or pledge securities of the co-op, and
 - use the property of the co-op as security for a loan or payment of a debt.
- b) Total liabilities under 11.06 (a) cannot be more than \$25,000, unless the members approve by a special resolution.
- c) The co-op has or will get a first mortgage loan under a government program. The board may authorize this loan without a special resolution. This includes preliminary funding prior to taking out the first mortgage.

The board must pass a special resolution to obtain any new first mortgage if the co-op has units ready for occupancy. The board does not have to pass a special resolution if it is renewing or refinancing an existing loan without increasing the principal.

11. FINANCIAL

11.07 Investment of Co-op Funds

- a) The board can invest co-op funds in government bonds, treasury bills or other securities backed by the governments of Canada or Ontario. The board can deposit funds with a
- credit union
 - chartered bank
 - trust company, or
 - Province of Ontario Savings Office.

The board must not invest co-op funds in any investment or security other than those mentioned above without the approval of the members.

- b) To help promote co-operative principles, the board should consider investing co-op funds in a credit union.
- c) If there are any reserve or special funds, money earned on them will be put back into the funds.
- d) When investing funds the board must comply with any limitations in the co-op's agreements with funding authorities.

12. MEMBERSHIP IN FEDERATIONS

Article 12: Membership in Federations

12.01 Membership in Federations

The co-op should become a member of co-operative federations and associations which support and promote co-operative housing. The co-op must pay the reasonable expenses of members appointed to attend federation activities.

13. NOTICE

Article 13: Notice

13.01 Defects in Notice

A minor error or omission in any notice will not affect any decision made by the board or members. This includes accidentally failing to give notice to a person entitled to it. It also includes a person's not receiving a notice that has been sent.

13.02 Delivery of Notice

- a) Except where the *Act* states otherwise, the co-op needs to give only one notice per unit.

Any notice or other document can be

- handed personally to the member
- left with an adult in the member's unit
- left in the mail box
- taped to the door
- delivered in any other manner to the member's unit, or
- put in the member's box in the co-op's internal mail box system.


- b) These rules do not apply to notices given to members when they are being evicted. The rules for eviction notices are in 10.03 of the Occupancy By-law.


13.03 Calculating Time for Notices

When calculating the time for a notice, the date on which the notice is given is not counted, but the date of the meeting or event is counted. For example, a members' meeting is scheduled for Thursday, October 21. The By-law says that there must be a notice of ten days. Counting back ten days, including the day of the meeting, this count will end at Tuesday, October 12. Therefore, notice should be given on or before Monday, October 11. Sundays or holidays are included when counting.

ORGANIZATIONAL BY-LAW

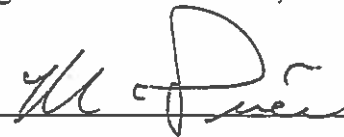
CERTIFIED to be a true copy of the **Organizational By-law of Winkleigh Co-operative Housing Corporation**, passed by the Board of Directors at a meeting held on the 18th day of March , 2002 and numbered as **By-law No. 10**, as passed by the Board of Directors on September 30, 2002, to replace By-law No. 6 and any other Organizational By-law.




President


Corporate Secretary

Confirmed by at least two-thirds of the voting members at a general members' meeting of **Winkleigh Co-operative Housing Corporation** held on the 7th day of May, 2002 and acknowledged as **By-law No. 10** at a general members' meeting held on October 29, 2002.



President


Corporate Secretary

**Schedules
and
Appendices
to the
Organizational By-law
By-Law No. 10**

SCHEDULE A

Rules Of Order for Members' Meetings

These are rules of order for members' meetings. These rules replace any other rules such as Robert's Rules of Order. There are also comments to explain the meaning of the rules. The comments are not part of the rules.

1. Chair

In these rules of order, "chair" means the person chairing the meeting at the time that the rule applies.

- i) If the board has not appointed a chair, the members can choose the president, the vice-president or anyone else to chair members' meetings. A person can be appointed to chair one meeting or a series of meetings. If the board has appointed a chair, the members must approve that person to chair members' meetings. If the members do not approve that person, they can appoint someone else.
- ii) The chair makes sure that meetings run smoothly. The chair tries to make sure that members have a chance to discuss every item on the agenda fully and fairly and that the meeting comes to a clear conclusion.
- iii) A chair who wants to make or discuss a motion must step down until the meeting has dealt with all matters concerning the motion. Another person approved by the members can chair the meeting in the meantime.
- iv) The chair does not vote unless there is a tie or the vote is by secret ballot. If there is a tie on a secret ballot, the chair cannot vote a second time. The chair must be a member in order to vote.

2. Motions

The meeting can deal with an item of business on the agenda in three ways:

- i) The member who asked that the item be put on the agenda can ask the members to approve a proposal by "moving" it.
- ii) The chair can present an item on the agenda, and ask if any member wishes to make a motion.

- iii) A member can present an item for discussion without making a motion. The chair decides if a motion is needed. If so, the Chair asks for a motion.

Another member must "second" a motion. Otherwise, members cannot discuss the motion. Members can only discuss one main motion at a time.

Comment: A main motion tells members what the proposal is. It's helpful if the motion can be written and sent to members before the meeting. If possible, get motions written, given to the chair, and written on a flip chart for members. The secretary reads the motion to the members before a vote is taken.

The way items get on the agenda is stated in 3.06 of the Organizational By-law.

3. Speaking

Members discuss a motion after it has been moved and seconded. The chair controls the discussion. Members speak as follows:

- i) They can ask questions. The chair or the member who moved the motion answers the questions.
- ii) They can speak for or against the motion.
- iii) They speak to the chair.
- iv) Each speaker normally speaks for 3 minutes or less. The chair can set a longer or shorter time limit.
- v) Normally, the chair will allow a member to speak more than once on an item only after others who want to speak have done so.

Comment: All those who want to speak should raise their hands. The chair may keep a speakers' list and call members to speak in order. The chair may rule speakers "out of order" if their comments are off the point.

- iii) A member can present an item for discussion without making a motion. The chair decides if a motion is needed. If so, the Chair asks for a motion.

Another member must "second" a motion. Otherwise, members cannot discuss the motion. Members can only discuss one main motion at a time.

Comment: A main motion tells members what the proposal is. It's helpful if the motion can be written and sent to members before the meeting. If possible, get motions written, given to the chair, and written on a flip chart for members. The secretary reads the motion to the members before a vote is taken.

The way items get on the agenda is stated in 3.06 of the Organizational By-law.

3. Speaking

Members discuss a motion after it has been moved and seconded. The chair controls the discussion. Members speak as follows:

- i) They can ask questions. The chair or the member who moved the motion answers the questions.
- ii) They can speak for or against the motion.
- iii) They speak to the chair.
- iv) Each speaker normally speaks for 3 minutes or less. The chair can set a longer or shorter time limit.
- v) Normally, the chair will allow a member to speak more than once on an item only after others who want to speak have done so.

Comment: All those who want to speak should raise their hands. The chair may keep a speakers' list and call members to speak in order. The chair may rule speakers "out of order" if their comments are off the point.

d) Majority of Votes

An amendment must have the same majority as the motion that it amends. Therefore, an amendment to a proposed by-law must have a two-thirds majority.

Comment: The chair must make sure that members know which amendment is being discussed. Members can easily become confused if there are several amendments being discussed at once.

Members cannot amend a motion by moving a whole new motion, or by an amendment that is directly against the meaning of the main motion. Members who want to oppose a motion may:

- speak against the motion
- outline a new motion to be proposed if the current motion is defeated
- ask the mover to withdraw the main motion
- ask the members to defeat the main motion so that they can move a new motion.

5. Withdrawing a Motion

The member who moved a motion can withdraw it at any time during the discussion if the seconder agrees.

Comment: The mover might decide that this is not the right time to make a decision, or might feel that someone else has a better motion to present.

6. Voting

The chair calls for a vote once every member who wishes to speak has spoken.

a) Majority

Motions are decided by simple majority unless the *Act* or the co-op's by-laws say otherwise. A simple majority vote is more than half of the votes cast, without counting abstentions. A two-thirds majority is two-thirds of the votes cast without counting abstentions. If the co-op votes by ballot, a spoiled ballot will not be considered a vote cast.

b) Chair

The chair rules on whether or not the motion has passed. Any member can request a recount of votes.

Comment: Normally, members will vote by a show of hands. The chair asks first for those in favour, then for those against, then for abstentions.

However, the meeting may decide, by a simple majority, to vote by secret ballot. Usually a vote by ballot is better if the item is a sensitive one.

A simple majority is not always fifty percent of the votes plus one. If there are 49 votes cast, a simple majority would be 25 not 26.

7. Motions About Procedure**a) Calling the Question**

A member who wishes to end the discussion can call for an immediate vote by saying "I call the question" or "I move to end the debate". This motion to **call the question** needs a seconder. The chair will immediately ask members to vote on whether they want to finish the discussion at this point. A two-thirds majority is needed.

If the motion to **call the question** is carried, the members then vote on the main motion or amendment.

If the motion to **call the question** is defeated, members can continue to discuss the main motion or amendment.

Comment: A motion to **call the question** is an attempt to stop further discussion. It should be used when members seem to be ready to vote and when speakers are not saying anything new. However, it should be used carefully as it may take away someone's right to speak.

b) **Motions to Defer, Refer, or Table a Motion**

During the discussion on a main motion or an amendment, any speaker can move to:

- defer the question
- refer the question, or
- table the motion.

Motion to defer the question.

This motion needs a seconder. Members can debate it. It must state the date or time at which the members will discuss the question.

Motion to refer the question.

This motion needs a seconder. Members can debate it. It must state to whom the question is referred.

Motion to table the motion.

This motion needs a seconder. Members do not debate it.

Comment:

To defer the question means to put off discussion to another meeting, or to a later time in the same meeting.

To refer the question means to give the board, a committee, or a small group the job of studying the question and of making recommendations to the members.

To table the motion sets aside the business for an indefinite period. It is usually used when members don't want to discuss, or to express their opinions. At another time, or at a later meeting, members may pass a motion (by a simple majority) "to take the motion from the table". They can then continue discussion.

c) **Motions that Waste Time**

The chair can rule a motion out of order on the grounds that it is absurd or wasting time, and not worth the members' attention.

8. **Interruptions**

Members can speak out of turn if they wish to raise:

- a point of order
- a point of information
- an appeal against the chair's ruling
- a question of privilege.

They can also speak out of turn if they wish to **call the question**.

Once a **point of order** is raised, the chair rules whether it is correct or not, and acts accordingly.

Members who have:

- an important piece of information, or
- a question which will save time in the discussion
can raise a **point of information**.

Members can **appeal** when they think a ruling of the chair is not correct. The appeal needs a seconder, and is not discussed. Both the chair and the member who makes the appeal can give their reasons. The question: "Do we confirm the decision of the chair?" is put to the vote. The chair does not vote. If the vote is tied, the chair's ruling is confirmed.

A **question of privilege** does not need a seconder. It is not discussed. The chair rules on the question without calling for a vote.

Comment:

A point of order

Members may raise a point of order if they think that

- the meeting is following an incorrect procedure, or
- there is not a quorum.

A point of order should not be used to continue a debate.

A point of information

Points of information should always be brief.

A point of information should not be used as debate.

Members who want to raise points of order or points of information should stand up and politely say that they have a point of order or information.

An appeal

The chair does not have to resign if an appeal is supported by a majority of members. Members have the right to decide how their meetings should run. An appeal is not a vote of confidence. It is simply a way for members to control their meeting.

A question of privilege

A member who feels that there is a risk to the rights, safety or comfort of the members (or of one member) may raise a question of privilege. It may be a simple matter, such as the need for better ventilation, or for the use of a microphone. There is no need of a seconder or discussion. The chair gives a ruling on the question of privilege.

SCHEDULE B

Agreement To Serve As a Director

Winkleigh Co-operative Housing Corporation

I agree to be a director of the co-op.

I agree that any director can participate in a board meeting by telephone or other communication equipment as long as all persons in the meeting can hear each other.

Name:

Signature:

Date:

SCHEDULE C

Director's Indemnity Agreement

Winkleigh Co-operative Housing Corporation

To:

You have agreed to be a director. The co-op agrees to indemnify you to the maximum extent permitted by section 110 of the *Co-operative Corporations Act*. This includes paying for any judgment or costs against you less any costs that result from failing to comply with your duties to the co-op.

Signature for
the co-op:

SCHEDULE D

Confidentiality Agreement

Winkleigh Co-operative Housing Corporation

Confidential information is

- personal and financial information about members
- personal information about co-op employees, and
- information about co-op business which should be kept secret to protect the co-op.

I agree that I will keep secret any confidential information that I know through my position with the co-op unless authorized by the board of the co-op. This applies while I am a member of the co-op and after I leave the co-op.

Name:

Signature:

 Date:

SCHEDULE E

Board Responsibilities

Winkleigh Co-operative Housing Corporation

The board has the following responsibilities:

Members

- approves or rejects membership applications as stated in the by-laws
- sets the advance agenda for all general members' meetings
- reports to the members on the activities of the board and committees
- pays attention to the social and community needs of the members, and
- makes sure that education about co-operatives is available to members.

Finances

- oversees the financial affairs of the co-op
- makes financial decisions for the co-op, and
- makes sure that the co-op has enough insurance coverage.

Organization

- makes sure that the by-laws and continuing resolutions of the board are adopted and reviewed regularly
- gives a clear outline of the responsibilities of staff, committees and members
- directs and coordinates the activities of all committees
- makes sure that the co-op's property is well maintained, and
- involves the co-op in the broader co-operative movement and in the local community.

Employees

- hires, fires and directs employees as stated in the by-laws
- sets the salary and employment terms of employees, and
- makes sure that education about co-operatives is available to employees.

The board can delegate some of these responsibilities to committees or staff. However, the board has the final responsibility.

Appendix A

JOB DESCRIPTIONS

1) BOARD OF DIRECTORS:

Source of Authority: The Board of Directors is elected by the members of the Co-op at the Annual General Members' Meeting.

Composition: The Board of Directors consists of seven members.

Term of Office: Board members are chosen for a period of two years and may serve no more than four consecutive years.

Duties and Responsibilities: The Board is chosen to manage the Co-op. It has the power to act for the Co-op except where the by-laws or the Co-operative Corporations Act say that a decision must be made at a members' meeting. The Board must obey the Act, the Articles of Incorporation, the by-laws and procedures of the Co-op. It must also obey any resolutions passed at members' meetings. A Board can only act legally after a Board meeting makes a decision.

A Board must make sure that:

- a) the by-laws, policies and procedures showing how to manage a Co-op are formed and looked over regularly;
- b) a management plan is made each year;
- c) the necessary officers and committees are chosen and know their responsibilities;
- d) the Co-op obeys all laws and agreements;
- e) the Co-op property is well maintained;
- f) the Co-op's finances are properly managed and that all financial decisions made are in the best interests of the members;
- g) the Co-op is adequately insured;
- h) members and staff are provided with education in the principles of co-operation;
- i) the by-laws and procedures for the choice and housing of members are obeyed;

- j) it accepts responsibility for approving or rejecting membership applications;
- k) committees know their responsibilities and operate properly;
- l) the agenda for all general meetings is drawn up, and that it reports on all Board and committees activities to the members;
- m) it accepts responsibility for the hiring and firing of employees. The Board is also responsible for each employee's job description and pay;
- n) the Co-op works together as a community and its social needs are met;
- o) the Co-op works together with other Co-ops to make the co-operative movement stronger.

1.2) PRESIDENT AND VICE-PRESIDENT:

The President provides leadership for the Co-op and makes sure that the Board, committees, members and staff work together for the benefit of the Co-op.

The President and Vice-President work as a team to carry out the President's responsibilities. They should decide how the duties will be shared. They should review their roles regularly to make sure that all of the responsibilities are being carried out.

Specific Responsibilities

- a) to call meetings of the Board of Directors and members' meetings;
- b) to set the agenda of the Board and members' meetings along with the Administrative Co-ordinator;
- c) to make sure that directors and members have been given information on items to be discussed at their meetings;
- d) to make sure the Board is carrying out all of its responsibilities;
- e) to have a meeting each year where the Board goals are set. To see that the annual calendar of Board activities is prepared;
- f) to see that there is an annual performance review of the Board;
- g) to make sure that the Annual Report on Board activities is presented to the Annual General Members' Meeting;

- h) to make sure that the members are kept up-to-date on Board and Co-op activities;
- i) to see that the Board receives and studies all committee and staff reports;
- j) to make sure that the Board, staff, committees and members co-operate and keep each other informed;
- k) to see that new directors know their responsibilities;
- l) to see that directors, committees, staff and members are given any training they need to carry out their responsibilities;
- m) to explain all by-laws, policies and decisions of the Board in terms that everyone can understand;
- n) to act as signing officers of the co-op. The Co-op shall have four signing officers including the President, Vice-President, Corporate Secretary and the Treasurer, of which two of the four shall be required to sign official documents and cheques, or as required.
- o) to represent the Co-op to the public;
- p) to represent the Co-op to other co-operatives.

1.3 CHAIRPERSON

The chairperson sees to it that every meeting of the Co-op runs smoothly. He or she makes sure that every item on the agenda is discussed fully and fairly, and that the meeting comes to a clear conclusion.

Sometimes the President (or Vice-President) is also the Chairperson. However, a Board may chose a different person as a chairperson. This allows the President to take part freely in discussions.

Responsibilities of the Chairperson

- a) to study the reports on all the agenda items before the meeting;
- b) to make sure that the minutes of the meeting are properly recorded;
- c) to call the meeting to order and ask the meeting to approve the agenda;
- d) to make sure that the meeting sticks to the agenda;

- e) to tell the members in clear terms how an item is to be discussed, and how the decision will be made;
- f) to choose a person to be responsible for each item. The chairperson should have that person explain the item in clear terms;
- g) to receive motions from the members. The Chairperson has to make sure that the motion is correctly written. The Chairperson should explain the motion in clear terms;
- h) to urge everyone to give their options;
- i) to make sure that each speaker stays on the topic;
- j) to sum up what has been said, remaining objective and impartial, and decide if the members are ready to make a decision;
- k) to explain the voting to the members at general meetings. Some items need a simple majority to be passed. Others need the votes of at least two-thirds of the members present at the meeting;
- l) to make sure that everyone understands the decision they have just made. The Chairperson should make sure that each decision is recorded correctly in the minutes;
- m) to follow the Co-op's Rules of Order.

1.4 SECRETARY

The most important job of the Secretary is to keep the records of the Co-op.

A Secretary has corporate responsibilities and records the minutes at meetings. One person may cover both of these areas, but in a busy Co-op it makes sense to split the job between a Corporate Secretary and a Recording Secretary.

The Corporate Secretary is usually a director. The Recording Secretary can be any Co-op member or staff who has the necessary skills.

1.4.1 Responsibilities of the Corporate Secretary

The Corporate Secretary makes sure that:

- a) the members are given proper notice of Board and members' meetings. The by-laws state how this is done;

- b) a quorum of directors are present before any decisions are made at the Board meetings. The Corporate Secretary also makes sure that a quorum of members are present before any decisions are made at members' meetings;
- c) each member who comes to a members' meeting is registered and that only Co-op members make motions and vote;
- d) notices are filed as required by the Co-operative Corporations Act and the by-laws of the Co-op;
- e) the corporate seal is kept safely;
- f) the Minute Book contains copies of the required corporate records like:
 - the Articles of Incorporation, and any Articles of Amendment;
 - the by-laws, special resolutions, policies and procedures of the Co-op;
 - a register of members;
 - a register of directors;
 - the minutes of all meetings of members, directors and executive committee;
 - copies of all committee meetings are received and kept on file.
- g) the Policies and Procedures Manual is kept up-to-date;
- h) job descriptions for the Board and each committee are formed, approved by the Board and updated;
- i) each committee has a committee liaison officer and that they are doing their job correctly;
- j) a history of the Co-op is kept;
- k) each director gets a copy of the Board Handbook and that it is kept up-to-date;
- l) the Co-op obeys the Co-operative Corporations Act, and it's by-laws, policies and procedures;
- m) members get copies of all by-laws, policies and procedures;
- n) the Board approves all committee appointments and accepts any resignations;
- o) Board correspondence is done properly;
- p) the dates when the Board and the members approve by-laws are written at the end of each by-law;

- q) the annual financial statements and the auditor's report are passed by the Board and signed. A copy should be sent to each member and Canada Mortgage and Housing Corporation, at least ten days before the Annual General Members' Meeting.

1.4.2 Responsibilities of the Recording Secretary

The Recording Secretary:

- a) records minutes at meetings of the Board, members' meetings, and any Executive Committee. Copies should be available as soon as possible after the meeting;
- b) amends the Minute Book copy of minutes, by-laws, reports or other documents when corrections have been pointed out at meetings of the Board or members;
- c) helps the President or Chairperson prepare the agenda for meetings;
- d) helps the Corporate Secretary with Board correspondence;
- e) writes brief reports of each Board meeting for the Co-op newsletter.

1.5 TREASURER

The Treasurer looks after the financial management of the Co-op. He or she advises the Co-op on financial matters and keeps the Board and the Finance Committee in close touch.

The Treasurer is chosen for one year by the Board of Directors and is a member of the Finance Committee.

Responsibilities of the Treasurer:

- a) to present the annual budget to the members for approval making sure to explain it in clear terms;
- b) to present the monthly financial statements to the Board and explain them fully;
- c) to present the audited financial statement to the Board and the annual members' meeting for approval;
- d) to present the Board's recommendation of auditor to the annual general members' meeting for approval;
- e) to give advice to the Board on financial decisions and to make sure the Board has all the information they need to make each decision intelligently;
- f) to make sure that the Finance Committee is doing its job properly;

-
- g) to make sure that cheque requisitions are properly completed, including attached invoices and cheques are properly signed;
 - h) to make sure that quarterly cash flow projections are done and that surplus cash is put in deposits or accounts approved in the Co-op's investment policies;
 - i) to make sure that needed reserves are set up and accounted for;
 - j) to make sure that the Co-op has an up-to-date set of books;
 - k) to regularly review the bookkeeping and financial management procedures of the Co-op with the Administrative Co-ordinator and the bookkeeper on a regular basis;

The Administrative Co-ordinator and the bookkeeper, if any, shall report directly to the Treasurer concerning all financial matters. The Treasurer should work with the Administrative Co-ordinator and the bookkeeper, if any, to solve any problems that come up and to develop new procedures as they are needed.

- l) to review the month end reconciliations for all bank and credit union accounts, term deposits and reserve funds;
- m) to review the month-end cash report;
- n) to review the month-end arrears report and accounts receivable reconciliation;
- o) to review the month-end Member Deposits reconciliation;
- p) to review the general ledger each month to:
 - make sure that the total of the housing charges, CMHC subsidies and provincial subsidies account balances in the general ledger are equal to the budgeted housing revenue. The Treasurer should make sure that the vacancies are posted to a separate account;
 - make sure that the sector support, parking revenue and any other additional revenue accounts received, at least equals the budgeted revenue accounts. Vacancies should be posted to a separate account.
 - make sure that late payment fines are charged and that NSF cheques are charged back;
 - make sure that the balance of the asset account, replacement reserve funds in the general ledger equals the combined balances of the liability accounts, Capital Replacement Reserve and Interest on the Replacement Reserve;
 - make sure that the month-end balance of the Subsidy Surplus Reserve Fund account is equal to the combined month-beginnings balances of the liability accounts, Unexpended CMHC Subsidies and Interest, Subsidy Reserve.

1.6 COMMITTEE LIAISON OFFICER

The Committee Liaison Officer is a Director, chosen by the Board to:

- a) make sure that the Board and the committee work on the same goals;
- b) make sure that the Board and the committee keep each other fully informed;
- c) make sure that the committee is carrying out its responsibilities and following its guidelines;
- d) make sure that the Board gives the committee the help and advise it needs to do its job;
- e) keep the committee informed about the work going on in the rest of the co-op. That way everyone works for the same goals.

Responsibilities of the Committee Liaison Officer:

The responsibilities of the Committee Liaison Officer are:

- a) to sit down with the committee and agree on which committee meetings the Committee Liaison Officer will attend;
- b) to meet regularly with the committee Chairperson. They should go over the work the committee is doing. Is the committee carrying out its responsibilities? Is there any other work going on the co-op that affects what the committee is doing?
- c) to help the Board deal with committee recommendations. To give the Board any facts not included in the committee's written reports.
- d) to help the Chairperson find new committee members;
- e) to help the committee set its goals and write its annual review.

1.7 STAFF LIAISON OFFICER

Purpose:

The Staff Liaison Officer is a director, appointed by the Board. The Staff Liaison Officer deals with the co-op's senior employees, the Administrative Co-ordinator and the Maintenance Co-ordinator. Any other employees are supervised by the senior employees or as otherwise designated.

A co-op has a Staff Liaison Officer to:

- a) supervise the co-op's senior employees between meetings of the Board;
- b) oversee employee performance;
- c) make sure someone on the Board is familiar with and understands the routine of the employees. Then the Board representative can deal with employees concerns and recommend Board action;
- d) make sure that there are good communications and positive relations between the employees and the board;
- e) make sure that a Board representative with the necessary skills is responsible for hiring, supervising and directing the employees;
- f) to make sure that co-op staff work effectively together.

Responsibilities of the Staff Liaison Officer:

- a) to make sure that the employee-related by-laws and procedures are established, reviewed and amended, when necessary;
- b) to make sure that each employee has a detailed job description. A written agreement should describe the responsibilities of the position and the terms of employment;
- c) to set up and chair ad hoc Hiring Committees, in an objective and impartial manner, to arrange the hiring of staff;
- d) to make sure new employees are properly introduced to their job and the co-op;
- e) to make sure that employees are carrying out the decisions of the Board by meeting with employees at least twice a month;
- f) to review at each meeting with employees the work done and to set goals and priorities for the future;
- g) to take part in the annual performance evaluation as set out in the employee's contract;
- h) to set the employee's work schedule and time off as stated in each employee's contract;
- i) to review from time to time the employee's working conditions, contract and job description. To recommend solutions to any problems to the Board;
- j) to help the employees solve problems on the job;

- k) to be the voice of the employee on the Board and make recommendations to the Board on employee matters;
- l) to help solve problems between the staff. These problems may be brought to the Staff Liaison Officer by any of the staff;
- m) to deal with staff complaints in the manner set out in the employee's contract.

1.8 DELEGATE TO THE CO-OPERATIVE HOUSING FEDERATION OF CANADA**Purpose:**

The Delegate to the Co-operative Housing Federation of Canada (CHF) represents a member organization at the Federation. The delegate must be a member, director, officer or staff of the CHF member organization and is appointed by the member organization.

Responsibilities:

- a) attend the Annual General Meeting of the Federation or make sure that the alternate delegate attends;
- b) raise issues of concern to the co-operative housing sector and take part in making decisions that benefit the sector;
- c) keep informed by reading the minutes of CHF meetings, board meetings, and publications;
- d) develop and keep links, both formal and informal, with other CHF members, including attendance at occasional regional meetings;
- e) contribute articles to CHF publications on items of interest and issues of concern to the co-operative housing sector;
- f) make regular reports to his or her organization's members and directors to keep them informed of CHF activities and services.

1.9 DELEGATE TO THE LOCAL HOUSING FEDERATION**Purpose:**

The Delegate to the local housing federation represents his or her co-op at the federation. The delegate reports to the Co-op Board and the members. In order to serve in this position, the delegate must be an individual member, director, officer or staff of a member co-op.

SCHEDULE F

Conflict of Interest Guidelines

DEFINITIONS:

The following are definitions of words and phrases used in this schedule.

- director** a member of the board of directors
- officers** includes the president, chair, vice-president, secretary, treasurer, manager, or anyone else designated an officer in the by-laws.
- family member** includes a parent, spouse or partner, household member, child, sibling, uncle, aunt, niece or nephew, mother-in-law, father-in-law, or sister-in-law or brother-in-law.
- household member** any person who lives in the same household with another person, whether they are related or not. This may not include tenants in the household.
- housing provider** a housing provider is any one of the following:
- a private non-profit housing corporation
 - a charitable non-profit housing corporation
 - a non-profit housing co-operative
 - a municipal non-profit housing corporation, or
 - a municipal share capital housing corporation
- "party"** a person or a business entity that has entered into a verbal or written relationship, contract or agreement with the housing provider. A party includes:
- a) a director or officer of the housing provider, or their appointees,
 - b) an employee of the housing provider,
 - c) a development consultant/resource group of the housing provider,
 - d) a property manager/management/operational services of the housing provider,
 - (e) an architect of the housing provider,
 - (f) any professional (for example, a lawyer, accountant or auditor) of the housing provider, and
 - (g) anyone else who has a contract or agreement with the housing provider (e.g. includes one who provides goods and services to the housing provider).

1. Deciding if a Conflict of Interest Exists

The following definition must be applied when determining if there is a conflict:

A Conflict of Interest is a situation where the other personal or business interests of a party are in conflict with the best interests of the corporation. A conflict of interest may occur when a party, or one of its family members, gives or receives a direct or indirect personal gain or benefit or a direct or indirect advantage or privilege.

2. Avoiding Conflicts of Interest

- a) No two members of a family or household, whether they reside together in the same unit or another unit, may serve concurrently on the Board of Directors or Finance Committee (if one exists), during the same period of time. They may serve on any other co-op committee or committees which are not involved in major financial policy making decisions.
- b) No member may serve on the Board of Directors, the Finance Committee (if one exists) or the committee selecting to the membership during the same period of time. There will be one exception to this policy, the Treasurer may serve as a full members of the Finance Committee (if one exists) with full voting ability on any motion or decision.
- c) The board must closely monitor its relationships, contracts, arrangements and agreements and not engage in any that may result in a conflict of interest.
- d) As well as actual conflicts of interest, there must be no perceived conflicts of interest which are not resolved to the satisfaction of the Co-op or Canada Mortgage and Housing Corporation.

A perceived conflict could be said to exist when a person having thought the situation through, would think it was possible that a person might be adversely influenced in the performance of his/her duties for the housing provider by his or her other interests.

- e) The board will promote fair, open and objective business practices in all its purchasing, contracting and hiring in accordance with the guidelines of Canada Mortgage and Housing Corporation and the by-laws or policies of the co-operative.
- f) Contracts or agreements costing over \$5,000.00, in any fiscal year must contain a clause allowing the Corporation to terminate the contract or agreement without penalty for failure to comply with the Co-op's *Conflict of Interest* guidelines.

3. Payment of Directors

- a) Directors and officers must serve without profit or remuneration of any kind whether direct or indirect except for reasonable expenses incurred in the performance of their duties for the corporation as provided in paragraph 9.02 of the Organizational By-law.
- b) No former director or officer may apply for employment with the corporation or seek to enter into a contract to supply services to the corporation, either directly or indirectly, for a period of two years, following withdrawal from membership and occupancy in the co-op.

4. Declarations

All new directors, officers, their appointees and employees must submit a conflict of interest declaration, recorded as *Appendix A* below, to the board before the corporation enters into a relationship with them.

They must also submit a declaration any time in the future when they believe that a conflict of interest may exist.

Note: Existing directors, officers, their appointees and employees must also submit a declaration if they have not done so before.

5. Board Procedures

When a potential conflict of interest is raised before or during a board meeting, then:

- a) The board must decide if there is an actual or perceived conflict of interest; the parties to the conflict must not participate in the decision making process;
- b) If a conflict of interest is determined to exist, the involved party or parties must not participate in any decision making regarding the resolution of the conflict of interest and must leave the meeting while the item is under discussion.
- c) If the conflict of interest is avoided (the contract, agreement relationship or arrangements is not entered into) the minutes must show this.
- d) If the board believes it can resolve the adverse consequences of the conflict of interest, (a decision is made to go ahead with the contract, agreement, relationship or arrangement), the minutes must show the options considered and resolution.

6. Example of Procedure

If the conflict is disclosed or exists, any party to the conflict must fill out a declaration. The declaration should be tabled at the next board meeting and options as to avoiding or resolving the conflict should be discussed.

Below is an example of a conflict of interest situation that may happen.

A family member (daughter, spouse, etc.) of a board member wishes to apply for the position of property manager with the housing provider. The holder of this position reports to the board of directors through the Executive Director.

The following steps must be taken:

1. The board member must fill out a declaration form to be tabled at the next board meeting.
2. The board must determine if there is an actual or perceived conflict of interest, If yes, the board must determine if it is a prohibited conflict under the conflict of interest policy. The board should discuss options to avoid or resolve the conflict.

In the example above, this is a prohibited conflict so the options are limited:

- a) the board member must resign so there is no longer a conflict, or
 - b) the family member must not apply for the position so a conflict is not created.
3. The board must record in the minutes all discussions and decisions made and file any relevant documentation in the conflict of interest file.

Appendix A

Conflict of Interest Declaration

Board of Directors, Employees
and Committee Members

Winkleigh Co-operative Housing Corporation

I agree that I will act honestly, in good faith, and in the best interest of the co-op. I must avoid conflicts of interest, both direct and indirect. I will always put the interests of the co-op before my personal interests. I promise to declare in writing any possible conflict of interest that I have, or may have, in connection with any co-op contract, business or proposed business as soon as it occurs. The board will deal with the conflict of interest using the procedures set out in the Organizational By-law, By-law No. 10 and the Conflict of Interest Guidelines.

(Name)

(Signature)

(Date)

SCHEDULE G

AGREEMENT OF ETHICAL CONDUCT FOR DIRECTORS

I, _____, am a Director of **Winkleigh Co-operative Housing Corporation**, (hereafter called the "Co-op"), I declare that in carrying out my duties as a Director of the Co-op during my term of office:

1. I will use the powers and undertake the duties of my office honestly, in good faith and in the best interests of the Co-op. In doing so, I will exercise the care, skill and diligence of a reasonably prudent person in comparable circumstances.
2. I will observe and honour the Co-op's:
 - Articles of Incorporation, by-laws, policies and procedures as adopted and approved by the Board of Directors and/or the members';
 - the Operating Agreement, directives and guidelines of Canada Mortgage and Housing Corporation and all legal obligations and requirements;
 - decisions taken by resolution of the Board of Directors and/or the members.
3. I will publicly support the policies and positions of the Co-op as adopted and approved by the Board of Directors and/or the members.
4. I will keep confidential all information I learn about matters relating to members personal files and more specifically as determined by a Board of Directors motion to be matters of confidence. Where I am uncertain in determining whether something is a matter of confidence, I will seek direction by way of a resolution of the Board of Directors.
5. I will publicly support actions taken by the Co-op's management to implement programs and achieve objectives contained in the approved plans and budgets.
6. I will, at all times, strive to place the interests of the Co-op ahead of my personal interests and to immediately declare any conflicts of interest that arise.
7. I will be deemed to have resigned as a Director on the date:
 - I am no longer a member in good standing
 - I make an assignment into bankruptcy
 - I am refused a bond
 - I am deemed mentally incompetent
 - I am no longer a citizen or landed immigrant of Canada

8. When I am in a situation where my continued presence on the Board of Directors would cause embarrassment to the Co-op, or would undermine member confidence, including failing to maintain good standing with the Co-op of which I am a member:

- I will immediately resign, or
- I will ask the Board of Directors to determine the matter and then resign if there is a determination not in my favour, or
- I will resign where the Board makes a determination not in my favour after the board raises the matter itself.

A Board determination must be made by a vote of two-thirds of the Directors attending a Board meeting after I have been given the opportunity to be heard by the other members of the Board.

NOTES: For the purpose of this agreement:

- Member in good standing means that I , or any member of my household, do not owe money to the co-op for housing charges, considering that all charges are housing charges.
- The Board of Directors of the Co-op may determine matters of embarrassment or matters tending to undermine member confidence, which may include, by way of example, charges under the Criminal Code including charges relating to spousal assault, theft from an employer or other income source, or other matters which in the sole and absolute discretion of the Board of Directors could bring the reputation of the Board, the Co-op and it's members into disrepute either with the members or generally.

Date: _____
_____ (Signature of Board Member)

Date: _____
_____ Witness

Confirmed: **WINKLEIGH CO-OPERATIVE HOUSING CORPORATION**

Date: _____
_____ President

_____ Corporate Secretary

SCHEDULE H

FRAUD POLICY

Policy and Procedures:

The Board of Directors is responsible for taking all reasonable steps to prevent and detect fraud, misappropriation and other irregularities. Each member of the management team should be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

Any irregularity detected or suspected must be reported immediately to the Board of Directors. If the matter involves a board member, it may be reported on a confidential basis to the Portfolio Management Officer at the regional office of Canada Mortgage and Housing Corporation.

Whenever there is any evidence of fraud or other irregularity of concern, the regional office and other affected parties, both internal and external. In some circumstances, information supplied to CMHC could be subject to release under *The Freedom of Information and personal Privacy Act*.

Scope of Policy:

The conditions of this policy apply to any irregularity, or suspected irregularity, involving not only employees but also vendors, members and/or others.

Actions Potentially Constituting Fraud/Irregularities:

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- forgery, alteration or destruction of documents and records
- misappropriation of funds, supplies, or other assets
- impropriety in the handling or reporting of money or financial transactions
- accepting or seeking anything of material value from vendors or persons providing services or material to the co-op
- destruction or disappearance of records, furniture, fixtures or equipment
- any similar or related irregularity or dishonest act

Investigation Responsibilities:

Decisions to prosecute to turn matters over to appropriate law enforcement and/or regulatory agencies for independent investigation may be made by the co-op board itself in conjunction with the regional office.

Action Required:

It is recommended that the following procedures be followed when the board has reason to believe that a fraud or other irregularity has taken place.

1. The board should immediately prepare a detailed written summary describing the incident. This summary should include the following information:
 - a full and complete description of the circumstances
 - relevant dates (when the incident or series of incidents happened, when they were discovered)
 - how the co-op became aware of the matter
 - the estimated financial impact to the organization and to CMHC, if known
 - other impacts (health and safety concerns, etc.)
 - **do not include the names of the suspects, informants or other affected individuals**
2. The board should then refer the matter on a confidential basis to the regional office of CMHC. CMHC will advise the board what further action should be considered. Such action could include (but is not limited to) pursuing civil action or conducting a forensic investigation. In some circumstances, information supplied to CMHC could be subject to release under *The Freedom of Information and Personal Privacy Act*.

If there is a situation in which there are allegations against a board member, the property manager, staff or other board member should follow the same procedures as above, and submit a written report on a confidential basis to CMHC.

Member misrepresentation is also considered fraudulent activity. In such situations the board should have procedures in place to analysis source documents, make inquiries, and contact the necessary authorities, including consulting legal counsel. Such authorities may include the Canada Mortgage and Housing Corporation, Ministry of Community and Social Services, Ministry of Finance, Revenue Canada, Regional Social Services (G.W.A./F.B.A.) and the police.

Confidentiality:

The board is receptive to receiving relevant information on a *confidential basis* from an employee who suspects dishonest or fraudulent activity. The information may, of course, be conveyed to the police or to CMHC directly. In some circumstances, information supplied to CMHC could be subject to release under *The Freedom of Information and Personal Privacy Act*.

Board members should not discuss or disclose the details of investigations contemplated or underway with anyone other than those people associated with the co-op who have a legitimate need to know. This is important in order to avoid damaging the reputations of people suspected, but subsequently found innocent of wrongful conduct, and to protect the housing provider from potential civil liability.

Employee Reporting Procedure:

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

An employee who discovers or suspects fraudulent activity would not attempt to personally conduct investigations, interviews or interrogations on his or her own. Rather, he or she should contact the board immediately. All inquiries from the suspected individual and his or her attorney or representative should be directed to the board or its solicitor. Proper response to such an inquiry is "I am not at liberty to discuss this matter". *Under no circumstances* should any reference be made to "what you did", "the crime", "the fraud", "the forgery", "the misappropriation" or any other specific reference.

The reporting individual must adhere to the following:

- do not contact the suspected individual in an effort to determine facts or demand restitution
- do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the board.

Termination:

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed and approved by the board and its counsel.

Administration:

The board is responsible for the administration, interpretation and application of this policy.

Appendix A

Common Types of Fraud

Common types of fraud or irregularities that could be encountered by a housing provider.

Asset Misappropriation from Within:

1. Rent, Receivable, Receipts Cycle
 - theft of cash or cheques
 - inappropriate write-offs of receivables to cover up theft or to give advantage to members
 - false statements by members regarding income, income producing assets, household composition, significant non-income producing assets (real estate, family cottage) or other circumstances upon which tenant eligibility and rent/occupancy charge decisions are made
 - requesting or accepting "key" money
 - deliberate miscalculation of housing/occupancy charges

2. Purchasing and Payment Cycle (during both construction and operating phases)
 - payment of false invoices
 - payments to non-existent vendors
 - cheque forgery/manipulation
 - kickbacks from suppliers
 - substitution of inferior goods/inflated prices/unnecessary purchases
 - payment for work not performed
 - bid rigging/price fixing
 - theft of assets (other than cash)
 - shipping of goods for personal use
 - ordering goods to employee residence
 - ordering goods for personal use
 - use of co-op credit card for personal purchases
 - use of funds to finance activities not related to the co-op
 - overstated/fictitious/duplicate employee expense claims
 - overstated/fictitious/medical claims (employee benefit plan)
 - misuse of GST rebates

3. Payroll and Personal Cycle

- pay for work not done
- payment to non-existent employees
- payment to absent employees
- use of unauthorized/excessive pay rates in payroll calculations

Frauds Perpetrated by Outsiders:

Real Estate Fraud

- false appraisals
- land flips

Computer Related Fraud:

Many of the frauds and irregularities listed above can be carried out in either a manual or computerized record keeping environment. A computerized environment introduces an additional element that must be considered. Computer related fraud will often involve unauthorized changes to master records, for example, adding a phony vendor to the accounts payable file or redirecting electronic payments. Computer related fraud often occurs when security over computers and the data contained on them is poor allowing unauthorized access.

Appendix B

Indicators of Fraud

Possible indicators of fraud or irregularities in the co-op (Red Flags)

1. Financial information not submitted on timely basis by property manager or responsible employee.
2. Deliberate non-compliance with corporate policy, procedures and internal controls by board members, staff, property manager, members or suppliers.
3. Noticeable change in employee/board member/property manager's lifestyle, pending habits or travel habits.
4. Exclusive dealings with one supplier, or a particular supplier who will only transact business with one individual.
5. Payments made to suppliers based on copies of invoices or supplier statements, rather than on original invoices.
6. Alterations made to documents upon which payments are based.
7. Expense claims without appropriate documentation.
8. Unexplained cash shortages, missing banking records, difficulty in meeting normal financial obligations, or similar items.
9. Delays in the processing of normal accounting and bookkeeping functions, such as bank reconciliations, accounts payable and accounts receivable reconciliations.
10. A sudden, unexplained turnover in staff, management, or board members.
11. Existence of undeclared conflict of interest.
12. Property manager or employee reluctant to take vacation or be away from office.
13. Unauthorized access to accounting records (either manual or computerized).
14. Unusual or unauthorized journal entries.
15. Unusually high amounts of petty cash payments.
16. Cheques paid out to "Cash".

Appendix C

Prevention of Fraud

Most experts agree that it is much easier to prevent fraud than it is to detect fraud. Increasing the perception that a fraudulent activity will be detected may well be the most effective fraud prevention method. For these reasons an active strategy of fraud prevention can be very beneficial.

Prevention Measures That Can be Undertaken to Decrease Exposure/risk to Fraud:

1. The co-op should have documented procedures and policies which have been approved by the Board of Directors. These policies could include conflict of interest guidelines, a fraud policy and a code of ethics. All members of the Board of Directors and staff should be aware of and be following these policies and procedures.

The Co-op should require that all employees, board members and property managers sign an annual declaration stating that they are aware of the co-op's fraud policy and code of ethics and the conflict of interest guidelines and that they have and will comply with them. In addition, there should be ongoing monitoring by the board to ensure compliance with all policies and procedures.

2. The co-op should develop and use a fraud prevention strategy. This would include effective hiring practices (such as complete and accurate job descriptions, mandatory checking of references), fraud awareness and prevention training for all board members and staff, ensuring all individuals are properly trained for their function and an effective system of internal control.
3. The co-op's internal control system should contain sufficient checks and balances to ensure that no one individual is in a position to both commit and conceal a fraud or irregularity. This is particularly important where access to cash or cheques is available. The internal control system should also include proper approvals and documentation and independent checks on performance. Management should not be able to override internal controls unless it has prior authorization from the board.

The co-op should have proper procurement practices (e.g., properly documented quotations, tendering for large purchases, board approvals, etc.).

The co-op should have signing authorities and spending limits in place for management staff and board members.

4. There should be physical safeguards preventing access to assets of the co-op by unauthorized persons. Cash and other documents, such as cheques and purchase orders, the misuse of which may result in a loss to the co-op should be securely stored under lock and key. Access to computers should be restricted physically and by use of passwords. Access to all accounting records should be restricted.
5. The auditor's management report should be carefully reviewed and all deficiencies should be corrected on a timely basis.
6. The co-op should have properly documented and adequately maintained inventory records for all moveable assets.

SCHEDULE I

Nomination Procedures

- 1) The nomination of candidates to the Board of Directors may come from any of the following three sources:
 - a) Those already serving on the board, who wish to run again and may serve an additional term in accordance with this By-law, do not need to be nominated. They may simply "stand for re-election". No director may be elected for more than two consecutive terms or a maximum of four years.
 - b) Nominations in advance of a members' meeting must be provided in written form to the co-op office or to the nominating committee, at least 15 days before the members' meeting with an election is scheduled, and must include the following:
 - the name of the person being nominated
 - the name of the person nominating them, and
 - the candidate and nominator must complete, sign and date the Nomination Form and Agreement, attached as Appendix A.
 - c) Nominations from the floor may also be accepted. (These are verbal nominations that take place at the members' meeting.). Rules applying to nominations from the floor are as follows:
 - the person being nominated must be present;
 - the person being nominated must accept the nomination
 - the candidate and nominator must complete, sign and date the Nomination Form and Agreement.

From these types of nominations, we arrive at the "Slate of Candidates" for election to the Board of Directors.

- 2) A list of all written nominations received by the office or nominating committee prior to the 15 day deadline will be distributed to the members with the advance notice and agenda.

Appendix A

WINKLEIGH CO-OPERATIVE HOUSING CORPORATION

BOARD OF DIRECTORS

ELECTION/NOMINATION DATA SHEET

Member's Name: _____

Address and Unit No. _____

How long have you lived at Winkleigh Co-op _____

Are you familiar with the By-laws of Winkleigh Co-op: _____

Committee and Community Service experience: _____

If elected, what personal assets (skills) will you bring to the Board: _____

What do you hope to accomplish as a member of the Board of Directors: _____

Signed: _____

Date: . _____

Appendix B

WINKLEIGH CO-OPERATIVE HOUSING CORPORATION

BOARD OF DIRECTORS

NOMINATION FORM AND AGREEMENT

Name of Nominee: _____

Address and Unit No.: _____

Telephone No.: _____

Nominated by: _____

Address and Unit No.: _____

Telephone No.: _____

DECLARATION OF CANDIDATE:

I hereby **DECLARE** that I agree to let my name be placed as a **CANDIDATE** for election to the Board of Directors of Winkleigh Co-operative Housing Corporation

I **DECLARE** that I am over the age of 18, mentally competent, a Canadian citizen or landed immigrant and I am not an undischarged bankrupt in accordance with By-law No. 10, Organizational By-law, Article 5, paragraph 5.3 of the by-laws of the co-op and Section 89 of the Act.

I **DECLARE** that I am a **member in good standing** of Winkleigh Co-operative Housing Corporation and that I have **no outstanding housing charges** owing at this time.

I **AGREE** to sign a **Conflict of Interest Declaration** (*Schedule F of this By-law*), an **Agreement To Serve As a Director** (*Schedule B of this By-law*), and an **Agreement of Ethical Conduct** (*Schedule G of this By-law*) and any other document that may be required.

Signature of Nominee: _____ Date: _____

Signature of Nominator: _____ Date: _____

Schedule J
Directors' Code of Conduct and Ethical Agreement

Intent

The intent of this Schedule to the Organizational By-Law #10 is to consolidate all documents regarding the ethical conduct of directors and the community's standards with respects to directors fiduciary/ trustee responsibilities, member/director payment of housing charges, and director interpersonal conduct.

All members, who agree to act as directors for Winkleigh Co-op, will be required to sign this agreement. Directors who do not sign this agreement will not be eligible to act as directors.

1. I, _____, agree to be a director of Winkleigh Co-operative.

2. I agree to use the powers and undertake the duties of my office honestly, in good faith and in the best interest of Winkleigh Co-op. I agree to perform my duties with care, skill and diligence as any reasonably prudent person in comparable circumstances.

Initial here: _____

3. I will observe, honour and comply with the following:
 - a) The Co-operative Corporations Act of Ontario;
 - b) The Co-op's Article of Incorporation and By-laws;
 - c) Policies adopted and approved by the Board of Directors and the Membership;
 - d) Decisions and resolutions of the Membership;
 - e) Government legislation and regulations affecting the Co-op;
 - f) The rent-geared-to-income service agreement with Canada Mortgage and Housing;
 - g) Agreements and contracts with third parties including The Agency for Co-op Housing and Canada Mortgage and Housing Corporation.

4. Where possible, I agree to avoid conflicts of interest, both direct and indirect. If a conflict of interest situation happens, I agree to declare a conflict of interest when it occurs, or as soon as it comes to my attention. This includes any co-op contract, business or proposed business as soon as it occurs. I agree to follow the rules and procedures about a conflict of interest as set out in the bylaws dealing with Conflict of Interest. These procedures are in addition to, and do not replace,

Code of Conduct and Ethical Agreement

Approved by the Board of Directors - March 16, 2010

Approved by the General Members - April , 2010

Page 1 of 6

- 11. I agree to support the Board of Directors decision, policies and positions outside of board meetings, even if I do not agree with them.

Initial here: _____

- 12. I agree to support the Co-op's staff as they carry out the goals and directions set by the Board of Directors and/or as contained in their job descriptions.
- 13. I understand that as a director I have no individual authority: directors have authority only as a board. Between meetings directors have no authority unless the board has given them authority to do something. For example, the board may ask a director to meet with a member or write a letter.

Initial here: _____

- 14. I agree that any director can participate in a board meeting by telephone or other communication equipment as long as the communication is in the form of a board poll where all directors are given the same information and:
 - a) all directors are contacted regarding the issue (if a director is absent for an extended period of time, with the permission of the board, they may be excluded from the poll);
 - b) all directors agree to the course of action;
 - c) all polls will be confirmed at the next regular board of directors meeting;
 - d) if any director disagrees, the poll fails and no decision can be made unless a meeting of the board is called;
 - e) a failed poll should be addressed at the next regularly scheduled board meeting.

- 15. I understand that the board may delegate authority to any individual director, committee, employee or member, however, the final authority and responsibility stays with the board.

Initial here: _____

- 16. I understand that the board will not tolerate racist slurs from any director. It will not allow any statements which put down, or show lack of respect for, any member or staff person or member of the co-op or public, especially as these may relate to:
 - § Race
 - § Gender
 - § Sexual orientation

Name of the Director

Signature:

Signature for the Co-operative
(Corporate Secretary to Sign)

Date

Winkleigh Co-operative Housing Corporation

Unit 56, 960 Limeridge Road E.

Hamilton, ON L8W 2C4

Tel: 905 385 7819 Fax: 905 385 4144

winkleigh@quickclie.net

Directors' Code of Conduct and Ethical Agreement

Intent

The intent of this By-Law is to consolidate all documents regarding the ethical conduct of directors and the community's standards with respects to directors fiduciary/ trustee responsibilities, member/director payment of housing charges, and director interpersonal conduct.

All members, who agree to act as directors for Winkleigh Co-op, will be required to sign this agreement. Directors who do not sign this agreement will not be eligible to act as directors.

1. I, _____, agree to be a director of Winkleigh Co-operative.
2. I agree to use the powers and undertake the duties of my office honestly, in good faith and in the best interest of Winkleigh Co-op. I agree to perform my duties with care, skill and diligence as any reasonably prudent person in comparable circumstances.

Initial here: _____

3. I will observe, honour and comply with the following:
 - a) The Co-operative Corporations Act of Ontario;
 - b) The Co-op's Article of Incorporation and By-laws;
 - c) Policies adopted and approved by the Board of Directors and the Membership;
 - d) Decisions and resolutions of the Membership;
 - e) Government legislation and regulations affecting the Co-op;
 - f) The rent-geared-to-income service agreement with Canada Mortgage and Housing;
 - g) Agreements and contracts with third parties including The Agency for Co-op Housing and Canada Mortgage and Housing.
4. Where possible, I agree to avoid conflicts of interest, both direct and indirect. If a conflict of interest situation happens, I agree to declare a conflict of interest when it occurs, or as soon as it comes to my attention. This includes any co-op contract, business or proposed business as soon as it occurs. I agree to follow the rules and procedures about a conflict of interest as set out in the bylaws dealing with Conflict of Interest. These procedures are in addition to, and do not replace,

the requirements of the provincial statutes or common law.

Initial here: _____

5. I agree to put my duty to the Co-op and the members before my own interests. I agree to work together with other directors for the good of the co-op. I will not let personal dislikes and grudges affect my decisions.

Initial here: _____

6. I agree to keep secret all information regarding any matter that the board decides is confidential. This means that I will not discuss confidential information outside of board meetings. If I am uncertain or don't know if something is confidential, I will ask the Board for a decision on the issue by way of a resolution of the board of Directors. This shall be recorded in the minutes of the board meeting where a matter of confidence was discussed.

Confidential information is

- personal and financial information about members;
- personal information about co-op employees, and information about co-op;
- business which should be kept secret to protect the co-op.

7. I agree that I will keep secret any confidential information that I know through my position with the co-op unless authorized by the board of the co-op. This applies while I am a member of the co-op and after I leave the co-op.

Initial here: _____

8. I agree to abide by the Confidentiality agreement for directors, members, committee members & staff.
9. I agree that I will carry out my duties as a director or officer of the board as outlined in the Board Responsibilities attached to the Organizational Bylaw.

Initial here: _____

10. I agree to state my position clearly when the board is making an important decision. I also agree to state my opinion when I disagree with a proposal the board is considering. I agree to remain open to other director's points of view and opinions. I will not act defensively when members question or disagree with the board's decision.
11. I agree to support the Board of Directors decision, policies and positions outside of board meetings, even if I do not agree with them.

Initial here: _____

12. I agree to support the Co-op's staff as they carry out the goals and directions set by the Board of Directors and/or as contained in their job descriptions.
13. I understand that as a director I have no individual authority; directors have authority only as a board. Between meetings directors have no authority unless the board has given them authority to do something. For example, the board may ask a director to meet with a member or write a letter.

Initial here: _____

14. I agree that any director can participate in a board meeting by telephone or other communication equipment as long as the communication is in the form of a board poll where all directors are given the same information and:
 - a) all directors are contacted regarding the issue (if a director is absent for an extended period of time, with the permission of the board, they may be excluded from the poll);
 - b) all directors agree to the course of action;
 - c) all polls will be confirmed at the next regular board of directors meeting;
 - d) if any director disagrees, the poll fails and no decision can be made unless a meeting of the board is called;
 - e) a failed poll should be addressed at the next regularly scheduled board meeting.
15. I understand that the board may delegate authority to any individual director, committee, employee or member, however, the final authority and responsibility stays with the board.

Initial here: _____

16. I understand that the board will not tolerate racist slurs from any director. It will not allow any statements which put down, or show lack of respect for, any member or staff person or member of the co-op or public, especially as these may relate to:
 - Race
 - Gender
 - Sexual orientation
 - Place of origin or ethnic origin
 - religion
 - age
 - marital or family status
 - Income and employment
 - Physical, mental or developmental disability.

Initial here: _____

17. I agree not to owe any money to the Co-op other than:
- a) the current month's housing charges;
 - b) scheduled payment for my member deposit;
 - c) arrears that are not greater than one month's housing charges that I have agreed to repay in a repayment agreement;
18. I understand that I will be deemed to have resigned as a director on the date:
- a) I make an assignment into bankruptcy;
 - b) I am refused a bond;
 - c) I carry out my duties as a director while under the influence of drugs and/or alcohol;
 - d) when I have missed three meetings of the board without permission to be absent;
 - e) when I have arrears of more than one months housing charges and do not have, or have broken the terms of a repayment agreement.

Initial here: _____

19. I agree that when I am in a position where my continued presence on the Board of Directors would cause embarrassment to the Co-op or would undermine the members' confidence I will:
- a) resign immediately;
 - b) ask the board to determine the matter and then resign if there is a determination not in my favour; or
 - c) resign where the Board makes a determination not in my favour after the board raises the matter itself.

A board determination must be made by a vote of two-thirds of the directors at the meeting after I have been given the opportunity to be heard by the other members of the board.

I have read, understood and I agree to follow this Agreement regarding Conduct of Directors.

Name of the Director

Signature:

Signature for the Co-operative
(Corporate Secretary to Sign)

Date

Directors Indemnity Agreement
Winkleigh Co-operative

Director's Name: _____
(print name)

You have agreed to be a director. The co-op agrees to indemnify you to the maximum extent permitted by section 110 of the *Co-operative Corporations Act*. This includes paying for any judgment or costs against you, less any costs that result from failing to comply with your duties to the co-op.

Signature for the Co-operative: _____
(Corporate Secretary to Sign)

Date: _____

Seal