

SUBSIDY BYLAW

BYLAW 13

TABLE OF CONTENTS

Introduction...	page 3
Article 1	Definition...page 3
Article 2	Confidentiality...page 3
Article 3	Administration...page 4
Article 4	Eligibility...page 5
Article 5	Income...page 5
5.1	Acceptable Verification of Income
5.2	Earned Income
5.3	Unearned Income
5.4	Excluded Forms of Income
Article 6	Application Process...page 8
Article 7	Mid-Year Income & Household Composition Verification...page 9
Article 8	Termination...page 9
Article 9	Appeals...page 10
Article 10	Amendment...page 11
Appendix A – Acceptable Forms of Verification of Income...	page 12

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

Introduction

A Bylaw respecting the provision of subsidies to members of the Co-operative.

BE IT ENACTED as a Bylaw of Windfield Co-operative Homes Inc. (hereafter referred to as the “Co-op”) as follows:

Article 1 Definition

1.1 The subsidy referred to herein is defined in the section 95 of the National Housing Act and the Operating Agreement signed by the Co-op and Canada Mortgage and Housing Corporation. The Agency for Co-operative Housing oversees the agreement on behalf of CMHC.

Article 2 Confidentiality

2.1 Every effort will be made to ensure confidentiality during the subsidy process. All provincial and/or federal legislation regarding privacy rules and regulations will be followed. Accordingly, the following steps will be taken:

1. All applications will be submitted directly to the Co-op Coordinator.
2. The processing of applications will be conducted by the Co-op Coordinator.
3. The outside bookkeeper will verify all subsidy calculations and review income verification documents before the final approval is made by the Board of Directors.
4. The Board of Directors will be given the calculation information only using a file number and not the member’s name or unit number for making subsidy decisions.
5. All subsidy agreements will be signed by the members in private with the Co-op Coordinator as the witnessing signature.
6. All records including subsidy applications, supporting documents and agreements will be kept confidential and stored in the Co-op Coordinator’s office.

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

7. The only individuals who will have access to the subsidy records will be the Co-op Coordinator, the outside bookkeeper and the auditor unless there is an appeal of a subsidy decision. If an appeal is initiated the subsidy files of the member/unit will be made available to the Board of Directors and/or the co-op's lawyer for this purpose only.

Article 3 Administration

- 3.1 The subsidy will be administered in accordance with the terms of the Section 95 Agreement signed by the Co-op and Canada Mortgage and Housing Corporation. In the case of dispute between this Bylaw and the 95 Agreement, the 95 Agreement will prevail.
- 3.2 The Co-op Co-ordinator will be responsible for the day-to-day administration and management of the funds in the Subsidy Pool. The Board will have final approval over the allocation of those funds to applicants for subsidy.
- 3.3 The Co-op Coordinator will review the operations of the Subsidy Pool and make periodic reports to the Board of Directors regarding the number of members receiving subsidy, as well as summarizing the income and expenses of the Subsidy Pool for that period. These reports will be verified on a monthly basis by the outside Bookkeeper.
- 3.4 The auditor will verify all subsidy files and calculations as part of the annual audit process and as required by the Co-op's Operating Agreement with CMHC.

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

Article 4 Eligibility

- 4.1 Only members who meet the following criteria are eligible to apply for subsidy...
- have resided in the Co-op for at least three consecutive years
 - have a valid Occupancy Agreement with the Co-op
 - are in good standing with the Co-op (meaning no arrears without payment arrangements made and adhered to)
 - are legal residents of Canada
- 4.2 Regulations governing specific criteria for eligibility will be reviewed and approved by the Board of Directors on an annual and/or as needed basis.
- 4.3 Subsidy is applied for and granted on a unit to unit and not a member to member basis. When applying for subsidy and/or administering the subsidy program, the financial information of ALL members of the household/unit must be provided.
- 4.4 Eligibility will be contingent on the availability of subsidy funding from both the annual subsidy grant as provided to the Co-op by CMHC and the subsidy reserve fund. If funding is not available, applicants will be placed on a waiting list until or if more funding becomes available.
- 4.5 Required subsidy must be a minimum of \$50.00 per month in order to qualify.
- 4.6 The housing charge must be a minimum of 35% of the unit's total household income.

Article 5 Income

5.1 Acceptable Verification of Income

All of the following forms of income must be reported on the subsidy application and supported with documents to verify the income, including but not limited to...

- original payroll cheques (copies will be made for the file)
- original payroll cheque stubs (copies will be made for the file)
- employment confirmation letter on company letterhead with original signatures (originals will be kept on file)
- audited financial statements if self-employed (copies will be made for the file)

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

- the Canada Revenue Agency annual “notice of assessment” that is received with your income tax documentation is also required for the current or previous year depending on the date of the application (copies will be made for the file)

See appendix A for full details.

5.2 Earned Income

Self-Employment Income – for subsidy purposes “self-employed” consists of members who own or co-own a business. This includes sole-proprietorships, incorporated companies owned by a single individual and/or incorporated companies owned by a partnership of which the member is at least one. Whether or not the company has “self-employed” status with the Canada Revenue Agency or not has no bearing on the “self-employed” status with the co-op for subsidy purposes.

Full Time, Part Time and Casual Income

Bonus/Incentive Pay - For subsidy purposes it will be allocated out over a 12 month period in determining the monthly income amount.

Commission/Flat Rate – Net commissions after expenses have been deducted.

Gratuities/Tips

Overtime – if the applicant earns and is paid overtime on an ongoing regular basis above and beyond the “regular income” as stated above, this amount must be declared for the year and allocated over a 12 months period in determining the monthly income amount.

Seasonal/Irregular Income

Work Incentive Programs/Social Assistance – All sources of assistance/welfare income must be included in the income amount for the household.

Foster Child (deduction to be given per child in subsidy calculations)

See appendix A for full details.

5.3 Unearned Income

Accident Compensation – This includes Worker’s Compensation and any payments received from an insurance company (excluding a lump sum payout or settlement) as the result of a form of accident.

Training Allowance (including payment from the employment insurance program)

Employment Insurance Benefits (including parental/maternity/sick benefits etc.)

Annuities/Registered Retirement Plans – including life and fixed term annuities along with registered retirement saving plans and income funds.

Income Yielding Assets/Investments – includes but is not limited to saving accounts, stocks and bonds, debentures, bank deposits, bank notes or term deposits, trust accounts credit unions, mortgages or loans.

Support Payments/Alimony – legal documentation reflecting the amounts to be paid must be received for verification. If the payment is not being received even though legally required, evidence to this effect must be submitted to the Board of Directors.

Disability Support Payments (includes but is not limited to ODSP)

Private Pensions & Canada Pension Plan (CPP)

See appendix A for full details.

5.4 Excluded forms of income

The following forms of income are EXCLUDED from the subsidy process and do NOT have to be declared on the subsidy application.

Scholarships/Bursaries for adult children of the household in regular attendance at a recognized educational institution.

Travel Allowances as these are normally reimbursed dollar for dollar for expenses incurred.

The first \$900 earned by a working spouse/partner for the year. All income earned after this amount must be reported and verified.

Family Allowance Benefits/Child Tax Credit

Capital Gains – includes but is not limited to insurance settlements, inheritances, disability awards, lottery winnings, death benefits, tax credits and the sale of personal effects.

Gifts and contributions from extended family members not living within the household.

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

Article 6 Application Process

- 6.1 All subsidy monies will be allocated on an annual first come first serve basis.
- 6.2 All subsidy agreements will terminate automatically at the end of each fiscal year of the Co-op (June 30th) regardless of when the subsidy application was submitted, approved and/or the subsidy agreement signed.
- 6.2 All applications for subsidy must be accompanied by appropriate documentation from the source of the income verifying the income of the applicant (see 5.1). The most recent income tax return and/or notice of assessment from Canada Revenue Agency is also required at the time of application. Subsequently, the current year's income tax return and/or notice of assessment from Canada Revenue Agency is required to be submitted to the office before June 30th.
- 6.3 No subsidy will be granted retroactively.
- 6.4 The terms and conditions under which any subsidy is granted will be the subject of an agreement signed by the member(s) requesting subsidy and the Co-op, and no monies will be allocated unless and until such agreement is signed.
- 6.5 Not later than four months prior to the end of the fiscal year (by March 1st), written notification will be circulated to all members stating that all written subsidy agreements will end and any new applications and income verification for the coming fiscal year must be received in the Co-op office within thirty (30) days from the date of the letter.
- 6.6 Written notice will be given to all subsidy applicants at least two months and five days' notice prior to the end of the fiscal year (by April 25th). The notice will include the decision of the member's subsidy application and/or the amount of the subsidy allocated.

- 6.7 New applications for subsidy may be submitted by members at any time during the fiscal year, with the understanding that any agreement that may be signed will terminate at the end of the fiscal year in which it was signed.
- 6.8 Any applicant who is denied subsidy may appeal the decision to the Board of Directors or to a committee designated by the Board of Directors to hear such appeals.

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

- 6.9 No subsidy application will be processed or entered into the subsidy system until all required documentation and income verification has been received.

Article 7 Mid-Year Income & Household Composition Verification

- 7.1 As part of the income verification process, the Board of Directors may elect to have a mid-year income verification and household composition form completed by each unit, a random unit and/or a specific unit that is on subsidy at the time. This will be completed by the Co-op Coordinator accordingly.
- 7.2 As in the subsidy application process, documentation and income verification will be required. If this is not provided the subsidy being received may be terminated. See Appendix A for full details on acceptable form of the income verification.
- 7.3 Any income change of 10% or more than originally reported in the subsidy application for the household must be reported within 30 days of such change.
- 7.4 Any change to the composition of the household must be reported to the Co-op Coordinator within 30 days of such change. This includes any guest(s) requiring guest status and/or guest(s) who have been living in the unit for 90 days and are now required to apply for membership. If membership is approved for the guest(s) this will affect the subsidy calculations for the household.
- 7.5 If any changes to subsidy are required as the result of the mid-year verification process, the members will be notified in writing accordingly.

Article 8 Termination

- 8.1 Any subsidy agreement may be terminated prior to the end of the fiscal year by resolution of the Board of Directors for any one of the following reasons:

- (a) failure to abide by the Bylaws of the Co-op;
- (b) failure to abide by the Occupancy Agreement;
- (c) failure to abide by the Subsidy Agreement;
- (d) wilful falsification of the income verification;

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

- (e) failure to report additional household income (earned and unearned of 10% more than previously reported) within thirty (30) days of any such change;
- (f) failure to provide adequate income verification;
- (g) failure to provide the original “notice of assessment” from Canada Revenue Agency as required;
- (h) failure to report any changes in the household size and composition within (30) days of any such change.

8.2 If subsidy application, documentation and/or income verification information is found to be false, the member(s) will be required to reimburse the Co-op retroactively for the subsidy funds allocated to their account unjustifiably.

8.3 Where a member(s) has been found to have falsified the information as stipulated in item 9.2 and refuses to reimburse the Co-op, eviction proceedings will be initiated by the Board of Directors along with possible legal action.

Article 9 Appeals

9.1 Any member who applied for subsidy funding can appeal a subsidy decision by submitting a Subsidy Appeal form to the Co-op Coordinator. The initial appeal will be given to the Board of Directors by the Co-op Coordinator using a file number while keeping the identity of the member(s) confidential. A decision will be provided in writing to the member accordingly.

9.2 If after the initial appeal process is completed the member(s) wish to speak with the Board of Directors regarding the matter, the member’s subsidy file will be made available to the Board of Directors. A board meeting will be scheduled and the

member(s) along with a representative (if desired) will be invited to the board meeting accordingly.

- 9.3 After the second meeting of the Board of Directors and the member(s), the Board's decision will be final.

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

Article 10 Amendment

- 10.1 This Bylaw may be amended by resolution of the General Members at a meeting called for that purpose.
- 10.2 All rules and regulations as outlined in Article 3 of Bylaw 11 will be applicable for the meeting of the members.

Appendix A – Acceptable Forms of Income Verification

Windfield Co-operative Homes Inc.
Bylaw 13 - Subsidy
Revised April 15, 2012

Bylaw 13 – Appendix A

ACCEPTABLE FORMS OF INCOME VERIFICATION

EMPLOYMENT INCOME	A letter from your Employer stating your salary before deductions, total number of hours worked per pay period, frequency of pay period (weekly, bi-weekly, semi-monthly) and six (6) consecutive pay stubs.
SEASONAL EMPLOYMENT	A copy of your most recent income tax return with all applicable schedules and a copy of the notice of assessment when received.
E.I.	Letter stating the weekly benefit and start of benefits
SOCIAL ASSISTANCE	A letter from your worker indicating the maximum shelter component for household size and number of dependants and/or Benefit Stub with dependents portions
PENSION	A letter from the appropriate source indicating the total received before deductions and/or Benefit Stub
SELF EMPLOYED	Original copies (to be returned to member once copied) of the member's T4 (payroll income), T5 (owner's equity withdrawals) and T2125 (statement of business practices) along with an up to date copy of the business financial

statements prepared and signed off as accurate by a bookkeeper or a certified accountant as well as the member's CRA Notice of Assessment for the previous year.

STUDENTS (16 years or older)	Proof of full time enrolment in school.
CHILD SUPPORT/ALIMONY	A legal document from a lawyer or Court Order Alimony from Family Court.
RENTAL INCOME	Copies of cheques or written agreements made for any rental property which income is received from.
INCOME YIELDING	Bank Statements or tax forms relating to dividends or interest paid on Assets, stock/investments, savings accts, bond debentures, bank deposits, or notes, trust accounts. The first \$1,000.00 in a chequing account does not have to be reported.
NO INCOME	Income tax returns and/or notice of assessment form Canada Revenue Agency.

Gross Income from **all sources** must be disclosed for **all** members of the household (16 year of age or older) including all children not in full time attendance in school.

Along with the above verification documents, the Co-op requires the most recent "Notice of Assessment" from Canada Revenue Agency in order to verify the sources of income submitted. A copy will be taken for the subsidy file and the original returned to the member.