

Article 11: Financial

11.1

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

11.2

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.

11.3

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.

11.4

Auditor's Report

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

11.5

Signing Officers

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

11.6

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 11.6(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.

11.7
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.

Article 12: Membership in Federations

12.1
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.