

Arrears

Purpose of the policy

To protect the financial viability of the co-op by:

- Collecting housing charges and other debts on time
- Dealing with arrears promptly
- Setting out procedures for when members do not pay

Definitions

Arrears: Arrears are unpaid and overdue debts. If any housing charge, share instalments or other debt due to the co-op is not paid by the required date, the member is in arrears. When members are following an arrears payment agreement, they are not in arrears. A returned cheque is unpaid and in arrears.

Returned cheque: A cheque returned because there are not sufficient funds (NSF) or other reasons.

Members are responsible for paying their housing charges, share instalments and any debts to the co-op on time.

Payment

1. Housing charges are due in full on the first day of each month by 9 am, the “due date”.
2. Members will pay with post-dated cheques, submitted annually. The co-op will not accept cash for any payment.
3. New members will pay their share purchase by cheque or money order when they sign their Occupancy Agreement.



Late Payment and Fees

4. Arrears payments are due by 9:00 a.m. of the date set out in an arrears payment agreement.
5. The co-op will charge a late fee of \$5 per day for any housing charges, additional or supplemental charge, or any other amounts due the co-op not paid in full by their due dates, unless the member has made arrangements to pay with the Finance Committee or the co-op's bookkeeper before the due date.
6. If a member does not submit their housing charge by the due date they must pay the full balance due including any fees, no later than the Friday following the 1st of the month. Failing this the member must sign a payment agreement with management staff via the co op office no later than close of business on the Friday following the 1st of the month.
7. A member may use a payment agreement to repay an amount of arrears no greater than one month's housing charges, plus any fees.
8. If a member's total arrears are greater than on month's housing charge, then they must immediately pay the amount in excess.
9. Management staff may authorize payment agreements to a maximum term of three months, meaning all arrears must be paid in full within a three month term, with minimum monthly payments of not less than 1/3 of the arrears balance.
10. The Finance Committee may, at its discretion, authorize payment agreements for a longer term than set out in Point #9 only in cases of genuine hardship or extraordinary circumstances.
11. If a member has not paid the full balance owing or signed a payment agreement, management staff will report this breach to the Finance Committee and send a demand for payment notice to the member.
12. The Finance Committee will decide how to proceed including:
 - Arrears payment agreement
 - Termination of membership
 - Termination of Occupancy Agreement
 - Other appropriate steps
13. While an arrears payment agreement is in effect:



- The member must pay all housing and other charges in full and on time
 - The member must make all payments, including housing charge payments, by certified cheque or money order if an NSF cheque has been submitted by that member previously
 - The member may not sign another payment agreement or alter the terms of their existing payment agreement without appearing before the Finance Committee.
14. If the member fails to meet any of the terms or conditions of their payment agreement, the Finance Committee will immediately inform them of the acceptance of their 30 days notice to terminate their occupancy agreement, as per payment agreement.
15. The Finance Committee may waive any or all late fees at its discretion.

Returned Cheques

16. The co-op will charge members all administrative costs for any cheque that is returned. Returned cheques, until paid in full, are subject to the daily late fee.
17. Members who have a housing charge cheque returned must make future payments by certified cheque or money order, unless excused in writing by the Finance Committee (refer to Occupancy Agreement 4.10).

Collection of Other Arrears

18. Management staff is responsible for collecting any other debts from members in addition to housing charges. Where a member fails to make payment, management staff will inform the Finance Committee.
19. Management staff is required to inform the Finance Committee and full Board whenever a Director is in arrears and has not signed a payment agreement. (refer to Rule 17.5[g])

Approved 26 February, 2008

