



NIAGARA  
REGIONAL  
HOUSING



# NRH Notice

NUMBER: 04-02  
DATE: March 1, 2004

Mandatory  
 For Information

## Applicable to:

- Municipal & Private Non Profit
- Co-operatives
- Federal Non Profits
- OCHAP/CSHP
- Rent Supplement

## Subject: Financial Year-End Requirements and Capital vs. Operating Expenses

### Background

The Board of Directors has a fiduciary responsibility for the overall management, supervision and financial position of the corporation. As a reminder, for the purpose of financial year-end reporting to Niagara Regional Housing (NRH), the Board is responsible for:

### Financial Year-End Requirements

As a reminder, housing providers should submit the following reports within four (4) months of their year end:

- Audited financial statements/auditor's reports re: income verification;
- Annual Project Data Report;
- Copy of the Corporate Profile Report (as required);
- Names and addresses of current Board members.

### Capital vs. Operating Expenses

Please be advised that capital expenditures that exceed the following formula require prior written approval from NRH as per CMHC program guidelines:

#### Section 27 and 95 Non-Profit

The lesser of:

1. 10% of the opening capital reserve balance; or,
2. \$15,000

#### Section 95 Urban Native

All expenditures require NRH approval.

To assist housing providers in allocating expenses between capital and operating, attached is a comprehensive listing of expenses that are deemed to be capital (Appendix “A”) and those that are deemed to be operating (Appendix “B”). Please reference these lists when you are accounting for your expenses.

### **Implementation**

The attached lists should be referenced when accounting for your expenses.

### **Service Manager’s Role**

Niagara Regional Housing will review and reconcile the year-end financial reports to ensure compliance with the Operating Agreement and program guidelines.

### **Housing Provider’s Role**

Housing Providers should ensure that cost allocations are made according to the attached appendices.

If you have any questions regarding this Notice, please contact your Housing Administrator or Donna Mino, Cost Analyst at (905) 984-3816.

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Lora Beckwith  
General Manager

#### Attachments:

- 1) Appendix “A” – Capital Expenditures
- 2) Appendix “B” - Operating Expenses