

APPLICABLE TO:

DATE: July 27, 2009

<input checked="" type="checkbox"/>	Municipal & Private Non Profit
<input checked="" type="checkbox"/>	Co-operatives
<input type="checkbox"/>	Federal Non Profits
<input type="checkbox"/>	OCHAP/CSHP
<input type="checkbox"/>	Rent Supplement

<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

SUBJECT: Combined Annual Information Return & Financial Monitoring Tool (AIR/FMT)

BACKGROUND

The benchmark funding formula established in 2006 set benchmarks for certain revenue and expense items (i.e., housing charges, administration and maintenance, etc). Other revenue and expense lines (rent-geared-to-income subsidy, property taxes, and mortgage) are reconciled to actual in the year end reconciliation. The reconciliation process can impact on a housing provider's bottom line surplus/deficit position because of the subsidy that is calculated as due to (or from) NRH.

To assist housing providers, NRH has developed a *Financial Monitoring Tool (FMT)* that allows providers to monitor their financial position throughout the year, and calculates the amount due to (or from) NRH at any point during the year. Two training sessions were offered in May 2009 to review the tool.

The **FMT** has been combined with the *Annual Information Return (AIR)* and is identified as the **AIR/FMT**. A sample of an *AIR/FMT* is available on our website at www.nrh.ca/providers/ under Forms/Documents.

IMPLEMENTATION

At the start of each housing provider's fiscal year, Niagara Regional Housing will email an electronic version of the AIR/FMT to the each provider. The AIR/FMT will be specific to the provider's program type, noted as:

- Former Provincial - Section 110 (*providers who also have a Federal section 95 building will use this form*);
- 100% RGI – Section 106
- Combined Provincial Reformed - Section 110 & Municipal Non-Profit (MNP) - Section 95

The electronic version of the AIR/FMT will contain the housing provider's approved operating budget. A hard copy of the operating budget and subsidy schedule will continue to be mailed to the provider. Many of the budget numbers from the budget will automatically populate some sections of the AIR, which will streamline the year end process for providers.

AIR/FMT General Tips

- Follow the tip sheet specific to your program type
- Enter unit information in *Form A7-UAD* of the AIR/FMT on a monthly basis
- Use the AIR/FMT on a regular basis (minimum quarterly) to determine the true financial position of the corporation
- Ensure that the person delegated to complete the AIR (i.e., auditor, accountant and/or staff) is given and uses the electronic version of the AIR/FMT
- Follow the Guide to the AIR to complete the Annual Information Return
- Ensure that the auditor uses the current Accountant's Report and Appendix A available on our website

If a housing provider has a significant accumulated deficit and is required to manage within an approved deficit reduction plan, the AIR/FMT may be required to be electronically submitted to NRH on a regular basis for monitoring purposes.

Tipsheets have been developed that provide detailed instructions on completing and using the AIR/FMT. The tipsheets, AIR guide and a *sample* AIR/FMT are available on our web-site at www.nrh.ca/providers/ under Forms/Documents. Please ensure, however, that you refer to your appropriate program type.

Service Manager's Role

At the start of a housing provider's fiscal year, NRH will email an electronic copy of the AIR/FMT containing the provider's approved operating budget. Depending on the financial position of the provider, NRH may require regular electronic submissions of the AIR/FMT for monitoring purposes.

Housing Provider's Role

Housing providers are required to use the AIR/FMT for financial monitoring purposes and for completing the yearly Annual Information Return.

If you have any questions regarding this notice, please contact your Housing Administrator at (905) 682-9201.

Lora Beckwith,
General Manager