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**ACMO 2000
CERTIFICATION MANUAL
PROVIDING SUPERIOR QUALITY SERVICE
TO CONDOMINIUM CORPORATIONS**

**Association of Condominium Managers of Ontario
Toronto**

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1.0 General Requirements

1.1 Impetus

Since ACMO's earliest days, members have contemplated the concept of government licensing of individual property managers. In 2013, the Provincial Government announced their commitment to licensing the Condominium Management Industry; and in 2017 licensing of condominium property managers will come into effect.

The R.C.M. educational program has proved to be the recognized standard and the program has been adopted by the Provincial Government for the first years of licensing.

The International ISO program has recognized service industries as being capable of developing measurable processes which result in predictable levels of service quality. At the same time, the recognition of the supremacy of clients is now accepted as a method of achieving service quality and long term success for service firms in all business sectors.

Since 2000, ACMO has been administering the ACMO 2000 Certification Program in an effort to measure and recognize the quality of services provided by the management firms servicing this industry. The program was designed to meet the demands for increased professionalism, quality of service and self-management. 2017 goals are to rebrand and re-position this corporate certification program as a *higher* standard designed to meet the needs and expectations of the end-user: corporation boards of directors and homeowners.

1.2 Principles

There are four key principles underlying the program.

- 1) Firms can choose to be ACMO corporate members and to embark on the certification process.
- 2) Second, The threshold for seeking certification is not biased towards large or established firms. This continues to meet government's concern over non-discriminatory access.
- 3) The program is based upon measurement (audit) to a common standard by an independent party. This ensures the program has fairness and credibility.
- 4) Recipients of the certification will be periodically reviewed for compliance to ensure the common standard is being maintained in practice.

1.3 ACMO 2000 Program Mission

- 1.3.1** To provide superior quality management service to condominium corporations by:
- a) developing a series of core operational standards which when followed will provide for consistently high quality service;
 - b) measuring condominium management firm's performance against the operational standards and certifying those firms who meet the standards;
 - c) providing a structure for the ongoing measurement of the firm's performance.
 - d) monitoring those firms carrying the certification to ensure maintenance of the integrity of the program.

1.4 Organization of ACMO 2000 Program

1.4.1 General

The organization of the ACMO 2000 program is designed to meet four key goals.

First: the program must be credible in the eyes of ACMO members and condominium communities. This is achieved by having ACMO supervise and manage the certifica-

tion process. Independent audits of the requirements and ongoing compliance is also critical to the credibility of the program.

Second: the program must be financially self-sustaining without utilizing ACMO's general operating funds.

Third: the benefits of hiring a firm that has achieved this level of distinction must be effectively communicated to the condominium community .

Fourth: firms will be held accountable for non-compliance.

1.4.2 Structure

- a) ACMO's Certification and Standards Committee, has been mandated to supervise and manage the certification process.
- b) The Council shall consist of no more than 11 members and shall include one lawyer, one condominium accountant, one engineer, six Registered Condominium Managers, the President/CEO of an ACMO Corporate Member with an ACMO 2000 Certification, and one person with extensive Board Member experience.
- c) No member of the Certification & Standards Committee shall serve for more than (2) consecutive, three (3) year terms without expressed written permission of the ACMO Board of Directors.
- d) The detailed mandate of the Certification & Standards Committee shall be to:
 - i. select an independent auditing firm and award certification
 - ii. *provide adjudication on ACMO 2000 audit disputes*
 - iii. *produce an annual report on statistics and performance measurements*
 - iv. *make recommendations to the ACMO Board on any changes to the standards or the Program operation.*
 - v. provide a higher profile in the condominium community by making recommendations to the ACMO Board of Directors for communication to the Condominium Community.
- e) On an annual basis, the Certification and Standards Committee shall be required to:
 - i. produce an annual operating budget, including the setting of fees charged to corporate members for initial certification and compliance audits, and to operate the program within that budget.
 - ii. review of the program, including the standards, to ensure that the programs mission is being fulfilled.
 - iii. Make recommendation to the ACMO Board of Directors for approval or removal of any member to sit on the Certification & Standards Committee.

1.4.3 Audits

1) Initial Certification Audit

- a) Audits of the firms shall be carried out by an independent auditor approved by the Certification & Standards Committee to ensure consistency, credibility and confidentiality.
- b) The application for the Certification Audit must be authorized by a senior officer of the company and that person's name must be clearly detailed on a Certified Cor-

porate Profile Report issued by the Province of Ontario, Ministry of Government Services and accompanied with the application.

- c) The initial certification audit shall ensure that the firms have implemented the requirements as outlined in this manual.
- d) The initial certification audit shall include a financial management review of industry specific procedures performed for clients by a recognized condominium auditor.
- e) If the report of the independent auditor identifies one or more deficiencies in the firm's compliance with the program requirements, the firm shall correct such deficiencies to the auditor's satisfaction within ninety (90) days of being notified by the Certification & Standards Committee. If necessary, the firm may make written request to the Certification & Standards Committee for an extension of this period which may be granted at the Committee's discretion, with or without terms, but such extension shall be limited to a further ninety (90) days.
- f) Corporate members are required to complete their initial certification audit within 18 months of their initial membership in ACMO.

2) Compliance Audits

- a) Audits of the firms will be carried out by an independent auditor approved by the Certification & Standards Committee to ensure consistency, credibility and confidentiality.
- b) A scheduled compliance audit shall confirm that the firm is continuing to meet the program requirements. This audit could engage in sampling rather than a full review.
- c) The compliance audit shall include a financial management review of industry specific procedures performed for clients by a recognized condominium auditor at least every second compliance audit.
- d) Each compliance audit shall focus on some or all of the 8 Quality Management Principles.
- e) The compliance audit must be completed no later than 36 months (3 years) after the completion of the initial certification audit, and again within three years following each successfully completed compliance audit, failing which the administrative suspension provisions in section 1.4.7 (a.2) shall apply unless the firm requests and is given an extension by the Certification & Standards Committee.
- f) If the report of the independent auditor identifies one or more deficiencies in the firm's compliance with the program requirements, the firm shall correct such deficiencies to the auditor's satisfaction within 90 days of being notified by the Certification & Standards Committee. If necessary, the firm may make written request to the Committee for an extension of this period which may be granted at the Committee's discretion, with or without terms, but such extension shall be limited to a further ninety (90) days.

3) Remedial Audits

- a) Additional audits may be required by the Certification & Standards Committee to be undertaken at various intervals or in appropriate circumstances to ensure continued compliance with the program requirements.
- b) Circumstances for the ordering of a remedial audit may include but not be limited to the registration of a caution or complaint to the Certification & Standards Committee.
- c) The fee for the remedial audit shall be borne by the subject firm if non-conformance issues are discovered.
- d) If no non-conformances are found, costs associated with the remedial audit will be borne by ACMO.
- e) If the report of the independent auditor identifies one or more non-conformances in the firm's compliance with the program requirements, the firm shall correct such non-conformances to the auditor's satisfaction within 90 days of being notified by the Certification & Standards Committee. If necessary, the firm may make written request to the Committee for an extension of this period which may be granted at

the Council's discretion, with or without terms, but such extension shall be limited to a further ninety (90) days.

4) Information Returns

- a) Firms may be required to periodically file information returns at the request of the Certification & Standards Committee in order to ensure compliance with the program and provide statistical data for the enhancement, refinement and promotion of the program.
- b) Information collected in this manner will be treated confidentially and used in a non-identifying manner.

1.4.4 Awarding of Certificate

- a) In considering an application for initial certification or compliance, the Certification & Standards Committee shall review the auditor's report and such other information as may be available or as the Committee may request.
- b) If satisfied that the applicant has met the threshold for initial certification or continues to meet the threshold and remain in compliance, as may be, the Certification & Standards Committee may grant the application and issue an ACMO 2000 Certificate.
- c) An application shall not be granted if the past or present conduct of the applicant, its principals or senior operations personnel affords the Certification & Standards Committee reasonable grounds for belief that the applicant will not carry on business in accordance with the law and ACMO's codes and with integrity and honesty.
- d) A certificate issued under this section remains the property of ACMO and is subject to recall and cancellation by the Certification & Standards Committee if the firm's membership in ACMO is suspended or terminated or if the firm's ACMO 2000 certification is suspended or revoked.

1.4.5 Awareness

- a) Only a certified firm is permitted to use the ACMO 2000 logo in its marketing materials. The use of such logos is subject always to ACMO by-laws, rules, terms, conditions and directives.
- b) The ACMO website has information posted detailing the benefits of hiring an ACMO 2000 Certified firm as well as a complaint handling process.

1.4.6 Fees

- a) A separate annual fee, payable to ACMO, may be assessed to all Corporate & ACMO 2000 member companies, to recover overhead costs of the program.
- b) A fee structure has been developed by the Certification and Standards Committee based on the ongoing operation of the program being funded by the certified firms. The cost of the audit shall be borne directly by the applicant.
- c) Should a remedial audit be ordered by Certification & Standards Committee, an additional fee will be assessed and payable by the firm, if such an audit reveals substantial non-compliance issues.

1.4.7 Administrative Suspension and Revocation of Certification

- a) ACMO 2000 certification is automatically suspended upon the resignation, removal or cancellation of the firm's membership in ACMO. Such administrative suspension is deemed to be lifted if the firm returns its membership in ACMO to good standing prior to its certification being revoked.
 - a.1) ACMO 2000 certification is automatically suspended upon the firm losing the requisite legal status set out in section 2.6.2(a). Such administrative suspension may be lifted if the firm restores its legal status and provides satisfactory proof to the Certification & Standards Committee prior to its certification being revoked.
 - a.2) ACMO 2000 certification is automatically suspended if the firm has not completed a compliance audit within 36 months of the date of the firm's initial certification audit or its most recent compliance audit. Such administrative suspension may be lifted if the firm successfully completes its compliance audit prior to its certification being revoked.
- b) Once suspended, the firm's certification is automatically revoked 30 days after the delivery of written notice of the suspension.
- c) Revocation of the ACMO 2000 certification creates an automatic revocation of corporate member status. Should a member firm have its ACMO 2000 certification revoked by the Certification & Standards Committee, it is deemed that the firm's corporate membership is also revoked without any further action by the Board of Directors.
- d) Upon receipt of written notice of the suspension or revocation of the firm's certification, the firm shall immediately discontinue the use of ACMO and ACMO 2000 certificates, logos, marks or crests and shall not hold itself out to the public as an ACMO 2000 certified firm or corporate member.
- e) The name of the firm, the effective date and reason for the revocation of the firm's certification may be published by ACMO after 30 days from delivery of written notice of the revocation of the firm's certification.
- f) A firm whose certification is revoked under this section may apply to the Certification & Standards Committee for the reinstatement of its certification at any time, so long as its ACMO membership is then in good standing. This application process shall include a new compliance audit, with all fees being borne by the firm. The Certification & Standards Committee shall consider the application and grant its acceptance based on a successful audit and any such terms and conditions as the Committee, in its sole discretion, deems appropriate.

1.4.8. Disciplinary Suspension and Revocation of Certification

- a) All matters of discipline are referred to the ACMO Ethics Committee. Should the Ethics Committee find a complaint has merit, the matter shall be forwarded to a Discipline Hearing through the Ethics Committee.
- b) All matters involving obligations set out in section 2.7 (except for Ethics Issues) are referred to the Certification & Standards Committee, this Committee may, order suspension of the firm's use of the ACMO 2000 certification. The firm shall first be afforded reasonable notice and particulars of the complaint or alleged infraction and given a fair hearing before the Certification & Standards Committee.
 - a.1) In an extraordinary case where prompt action appears necessary to protect the public interest, the Certification & Standards Committee may, without notice or a hearing, order an interim suspension of the firm's ACMO 2000 certification pending the commencement and out-

come of a disciplinary proceeding. An interim suspension is deemed to be lifted 60 days after the order is served upon the firm unless a disciplinary proceeding is commenced by the Certification & Standards Committee or the ACMO Discipline Committee by that date, in which case the interim suspension remains in place until lifted by either of the Certification & Standards Committee or the ACMO Board of Directors.

- c) The firm may appeal the Certification & Standards Committee's order suspending or revoking its certification as though the decision was made by the ACMO Discipline Committee and using the same appeal procedure as prescribed in ACMO's by-laws.
- d) ACMO 2000 certification may also be suspended or revoked by the ACMO Discipline Committee as part of an order given by that Committee that suspends or terminates the firm's membership in ACMO. The applicable procedures, rights and obligations for Discipline Committee proceedings are as provided in ACMO's by-laws.
- e) The name of the firm, the effective date and brief reason(s) for the suspension or revocation of the firm's certification or other penalty may be published by ACMO after 30 days from delivery of the written decision of the Certification & Standards Committee, the ACMO Discipline Committee or the Appeal Committee, as may be.
- f) A firm whose certification is revoked under this section may, after the expiry of 12 months from the date of the revocation order, apply to the Certification & Standards Committee for the reinstatement of its certification, so long as its ACMO membership is then in good standing. This application process shall include a new compliance audit, with all fees being borne by the firm. The Certification & Standards Committee shall consider the application and grant its acceptance based on a successful audit and any such terms and conditions as the Committee, in its sole discretion, deems appropriate.
- g) Upon receipt of an order suspending or revoking its certification, the firm shall immediately discontinue the use of ACMO 2000 certificates, logos, marks or crests and shall not hold itself out to the public as an ACMO 2000 certified firm. If the firm's membership in ACMO is suspended or terminated by the ACMO Discipline Committee, the firm shall immediately discontinue the use of any other ACMO certificates, logos, marks or crests and shall not hold itself out to the public as an ACMO member firm.

2.0 Overview of the Program

2.1 Overall Concept

2.1.1 The program is based upon the 8 principles of management [see appendix 1] to identify key operational components and establishing methods of measuring to common basic requirements. The premise is that when a firm passes an audit of the requirements, a consistent level of service quality can be expected from that firm. The establishment of core requirements (primarily by indicies) will not restrict the firm's ability to compete with more extensive requirements nor will the program be restrictive to flexible management of the firm.

2.2 Threshold

2.2.1 Minimum criteria are established to provide assurance that the firm has sufficient experienced resources to carry out the performance requirements.

2.3 Key Operational Components

2.3.1 The program identifies operational components: Management responsibility, Board Relations, Purchasing & Supplier Relations, Accounting, Administration & Insurance, Human Resources, Field Operations, and Measurement & Improvement. It is intended that these components reflect the key functions of the condominium management firm.

2.4 Measurable Requirements

2.4.1 Key measurable functions are identified within the operational components. These Measurable functions must:

- a) Conform to the requirements of ACMO 2000 and to those established by the firm, and
- b) Is effectively implemented and maintained.
- c) Takes into consideration the status and importance of the process.
- d) In many cases the measurement may be an identified process and effectively operational.

2.5 Operations

2.5.1 The certification program will be self-funding with control over the requirements maintained by ACMO. The day-to-day operations will be supervised by the Certification & Standards Committee .

2.5.2 A logo will be granted to certified firms and a marketing effort will establish a high acceptance profile for the logo in the condominium community.

2.6 Threshold for Certification

2.6.1 General

In order to be accepted for certification the firm must meet certain minimum criteria. These criteria will ensure that the firm has sufficient experienced resources to carry out the performance requirements.

2.6.2 Criteria

a) Legal Status

- i) The “firm” is defined in this program to be a duly incorporated corporation in good standing or the division thereof, a registered partnership or a registered sole proprietor and for greater clarity does not include a condominium corporation or employee thereof. The firm must submit proof of current incorporation or registration with the application for certification.
- ii) The firm is deemed to have lost the requisite legal status if;
 1. The firm, if a corporation or division of a corporation, is dissolved for any reason;
 2. The firm’s partnership or sole proprietorship registration expires or is cancelled;
 3. The firm becomes a bankrupt as defined in the Bankruptcy and Insolvency Act;
 4. The firm makes a proposal to creditors under the Bankruptcy and Insolvency Act;
 5. A proceeding is brought against the firm as an insolvent debtor;
 6. A receiving order is made against the firm; or
 7. The firm ceases to actively carry on the business of condominium management.

b) Organization of the Firm

The criteria recognize that some firms may operate other businesses and that condominium management may be a division of the company. Where the condominium management is not its sole business, the firm must be able to demonstrate a commitment to the business by:

- i. managing a minimum of 3 condominium corporations or total units in excess of 500 units,
- ii. having specific personnel, office space and equipment allocated to the condominium management business.

c) **Experience**

A senior operating manager or an owner must have a minimum of 10 years condominium management experience and hold the R.C.M. designation.

d) **Financial References**

A financial reference from the firm’s bank must be submitted with the application.

e) **Membership**

The firm must be a corporate member of ACMO in good standing and actively engaged in the management of at least three condominium corporation in the Province of Ontario or total units in excess of 500 units.

f) **Accountability**

The firm shall ensure that no manager on staff is given total responsibility for the management of a condominium corporation except under the supervision of a manager who holds the R.C.M. designation.

2.7 Ongoing Obligations

2.7.1 Compliance Required

In order to maintain ACMO 2000 certification, the firm must comply with the following obligations:

- a) Adhere to the requirements provided in this manual and in ACMO's by-laws and Code of Corporate Ethics, as may be amended;
- b) Pay applicable program fees when requested;
- c) Undertake, submit to and successfully pass audits as directed by the Certification & Standards Committee ; and
- d) File information returns with the Certification & Standards Committee when requested to do so.

2.7.2 Penalty for Non-Compliance

Failure to comply with the obligations described above may result in the suspension or revocation of the firm's certification or such further or other penalties as may be decided by the Certification & Standards Committee and / or the ACMO Board of Directors.

3.0 Management Responsibility

3.1 Introduction

3.1.1 Leadership and the active involvement of the senior management are essential for developing and maintaining an effective and efficient ACMO 2000 program to achieve benefits for the firm. To achieve these benefits senior management should consider the following:

- a) establishing a vision, policies and strategic objectives consistent with the purpose of the firm,
- b) communicating the corporate direction and values regarding service quality and the ACMO 2000,
- c) obtaining feedback directly on the effectiveness and efficiency of ACMO 2000,
- d) identifying the support processes that influence the effectiveness and efficiency of the service,
- e) creating an environment that encourages the involvement and development of people, and
- f) provision of the structure and resources that are necessary to support the corporate strategic plans.

3.2 Policy Statement

3.2.1 Senior management must establish a policy statement based on the requirements of ACMO 2000 and must ensure:

- a) it is consistent with senior management's vision and strategy for the firm's future,
- b) it permits corporate objectives to be understood and pursued throughout the firm,
- c) it demonstrates senior management's commitment to ACMO 2000 and the provision of adequate resources for achieving the established objectives,
- d) it promotes a commitment to service quality throughout the firm, with clear leadership by senior management,
- e) it is measurable, effectively formulated and efficiently communicated.
- f) It is reviewed at least annually, for continuing suitability.

3.3 Code of Corporate Ethics

3.3.1 The certified firm must abide by the ACMO Code of Corporate Ethics. (See appendix 2 attached) The firm must be able to demonstrate that all employees are aware of the Code of Corporate Ethics. The code must be displayed prominently in a public area of the firm's office(s).

3.4 Strategic objectives

3.4.1 The policy statement provides a framework for the setting of the strategic objectives.

3.4.2 Senior management should establish these objectives, leading to improvement of the firm's performance.

3.4.3 The strategic objectives should be communicated in such a way that people in the firm can contribute to their achievement.

3.4.4 Responsibility for deployment of strategic objectives should be defined.

3.4.5 Strategic objectives should be systematically reviewed and revised as necessary.

3.5 Responsibility and authority

- 3.5.1** Senior management shall ensure that responsibilities and authorities are defined and communicated within the firm.

3.6 Management review

- 3.6.1** Senior management shall review the firm's ACMO 2000 manual, at a minimum once per annum, to ensure its continuing suitability, adequacy and effectiveness.
- 3.6.2** This review shall include assessing opportunities for improvement and the need for changes to comply with the ACMO 2000 manual, including the policy statement and the strategic objectives.
- 3.6.3** Records from management reviews shall be maintained.

3.7 Review inputs

- 3.7.1** The input to management review shall include information on:
- a) follow-up actions from previous management reviews,
 - b) ACMO 2000 performance,
 - c) results of internal and external system evaluation,
 - d) status of preventive and corrective actions
 - e) recommendations for improvement.

3.8 Review output

- 3.8.1** The output from the management review shall include any decisions and actions related to:
- a) improvement of the effectiveness of the ACMO 2000,
 - b) improvement of service related to board requirements, and
 - c) resource needs.

3.9 ACMO 2000 Leader

- 3.9.1** Senior management shall appoint a member of management who, irrespective of other responsibilities, shall have responsibility and authority that includes:
- a) ensuring that processes needed for the ACMO 2000 are established, implemented and maintained,
 - b) reporting to Senior management on the performance of the ACMO 2000 and any need for improvement, and
 - c) ensuring the promotion of awareness of stakeholders' requirements throughout the firm.

4.0 Board Relations

4.1 Introduction

- 4.1.1 The management firm's contract with the client is a critical component of the firm's overall service delivery.
- 4.1.2 This section will set out core requirements for a management contract, board reports and a new board member's guide. A corporate mission statement that reflects the firm's commitment to quality service will also be required.
- 4.1.3 The management contract section will set out the index of the items, which must be addressed. Each index item must be fully developed in the actual contract. ACMO 2000 guarantees that the above items are addressed in each management agreement. However, the actual terms of each item are to be negotiated individually between the client and the manager.
- 4.1.4 The board reports section will set out an index of the items that must be covered in the management firm's reports to its client's board.
- 4.1.5 The new director's guide will set out an index of the items, which must be covered in a report to any new board member.
- 4.1.6 It is expected that firms will exceed these requirements in some or all areas.

4.2 Management Contract (Index)

- 4.2.1 **Nomenclature** – The contract should be subject to the Condominium Act 1998, the Protecting Condominium Owners Act 2015, the Condominium Management Services Act 2015, and the client's corporate documents
- 4.2.2 **Term** – Or effective date with provisions for automatic renewals
- 4.2.3 **Role of Management** – Acceptance and acknowledgement of manager's responsibilities
- 4.2.4 **Duties of the Manager** – Description of each item
 - a) enforce corporate documents
 - b) advise Board re documents
 - c) communication to owners
 - d) maintain corporate register
 - e) Collect corporate funds
 - f) Banking arrangements
 - g) Monthly financial reports
 - h) Maintenance and repair of property
 - i) Meeting notices
 - j) Attendance by manager
 - k) Arranging for audits
 - l) Annual budgets
 - m) Long term Reserve Fund planning
 - n) Certificates of lien (status certificates)

- o) Maintaining corporation's insurance
- p) Manager's fidelity bonding and professional liability
- q) Spending limitations
- r) Dealing with emergencies
- s) Provisions for extra charges

4.2.5 Affiliated Companies – Terms under which manager may or may not deal with such firms

4.2.6 Firm's Compensation – Clear outline of fee being charged and details of when due, compensation amounts, provisions for increases (if any).

4.2.7 Indemnification – Outline of the terms under which the corporation indemnifies the manager

4.2.8 Termination – A clear description of the terms which must be consistent with the AC-MO Code of Corporate Ethics provisions - Notice – Address of either party giving notice to the other.

4.2.9 Industry Relations (Management Company Transition)

4.2.9.1 Commencement of Agreement

At the commencement of this Agreement, the Manager shall be provided with a detailed inventory of all documents and other property of the Corporation (the "Corporation's Property") over which the Manager is assuming possession or control for the duration of this Agreement (the "Property Inventory") by the Corporation. The Manager shall update the Property Inventory from time to time to accurately reflect the Corporation's Property that is in the Manager's possession or control.

4.2.10 Limitations – An outline of partial invalidity, warranties, collateral agreements, successors, gender and number

4.2.11 Survival of legal obligations – Provisions setting out any requirements for legal liability following termination of the contract

4.3 Board Reports

4.3.1 The Financial Statement – The unaudited financial statements should be prepared in accordance with Canadian generally accepted accounting principals for not-for-profit organizations and Section 66 of the Condominium Act, 1998. The management company shall deliver to the corporation, on a monthly basis, unless there exists within the management agreement an option to deliver them on a quarterly basis, but under no circumstances shall they be delivered less frequently, financial reports, which must include:

- a) Balance Sheet
 - i. Assets:
 - 1) Bank Operating account
 - 2) Bank Reserve account
 - 3) Investments
 - 4) Accounts receivable
 - 5) Prepaid items

- 6) Petty cash
- ii. Liabilities:
 - 1) Accounts payable
 - 2) Accrued liabilities
 - 3) Mortgages payable
 - 4) Loans payable
 - 5) Leased equipment
- ii. Equity:
 - 1) Reserve Fund(s)
 - 2) Other Funds (i.e. contingency or capital)
 - 3) Prior year surplus (deficit)
 - 4) Current year surplus (deficit)
- b) Statement of Operations - breakdown of income and expense on an accrual basis in each budgeted category/account with current month figures and year-to-date figures compared to monthly and year-to-date budgets for each category/account.
- c) Cash Disbursement Statement - cheques register itemizing vendor name, amount and date of cheque, account name or number to which it was charged including supporting documentation and disbursements in accordance with established approval levels (e.g. pre-determined \$ value approval thresholds).
- d) Accounts Receivable Listing -List of accounts receivable showing name of unit owner, number of days in arrears and amount owing, including equitable actions to be taken should thresholds be exceeded (e.g. \$ value or number of days outstanding)
- e) Investment Summary - list of investments including location, due date and interest rate, validated against third-party statements
- f) Accounts payable and accrued liabilities
- g) Bank Statements -copies of bank statements of the operating account, and the reserve account.
- h) Statement of Reserve Fund - a list of the expenditures year to date.

4.4 The Management Report and Industry Updates

4.4.1 General

- a) Due to the many varied types and sizes of condominium firms throughout Ontario and the resultant various expectations of the clients, it is not possible to provide a single guide on management reports to the Boards of Directors.
- b) Firms must demonstrate a regular reporting of management issues as well as general industry updates. The method and style of reporting should be left to the firm and the client to negotiate. At minimum items should include:
 - i. Completed Items from the last Board Meeting.
 - ii. Items in progress from the last Board Meeting.

- iii. Outstanding Items from the last Board Meeting.
- iv. Items for Board approval along with quotations or other documentation
- v. Items for Board information only including correspondence

4.5 New Director's Guide

4.5.1 As new directors are elected or appointed to the Board, it is incumbent upon the manager to make them informed about their duties and responsibilities in general and information about their condominium in particular. The firm is required to demonstrate it prepares and issues a new board member guide, which contains at least the following items:

- a) Director's Binder (containing):
 - i. Corporate documents (*i.e.* Declaration, By-laws, Rules)
 - ii. Owners' list
 - iii. Current Operating Budget
 - iv. Insurance certificates including D&O
 - v. Minutes
 - vi. Unaudited Monthly Financial statements
 - vii. Last Audited Financial Statement
 - viii. Newsletters
 - ix. Resolutions and/or policies
 - x. Committee(s) mandate, composition and term
- b) Information lists (containing):
 - i. Names, mail addresses, email addresses and phone numbers of directors
 - ii. Tradespersons
 - iii. Insurance information – deductibles, term, premium
 - iv. Property Management contact information
 - v. After-hours emergency procedures/contacts
 - vi. Orientation information, including location of emergency keys, equipment:
 - vii. The Condominium Act
 - viii. Books/articles regarding directors' responsibilities

5.0 Purchasing & Supplier relationships

5.1 Purchasing process

5.1.1 General

- a) Securing goods and services from suppliers for their clients is a key responsibility delegated to the condominium management firm.
- b) The firm shall ensure that purchased goods and services conform to specified purchase requirements.
- c) The type and extent of control applied to the supplier and the purchased goods and service shall be dependent upon the availability and effect of the purchased goods or service on the quality of the service.
- d) The firm shall evaluate and select suppliers based on their availability and ability to supply goods or services in accordance with the firm's requirements.
- e) Criteria for selection, evaluation and re-evaluation shall be established by the firm.
- f) Records of the results of evaluations and any necessary actions arising from the evaluation, including termination of the supplier or service provider, shall be maintained.
- g) The firm is required to have a written policy on purchasing practices.

5.1.2 Disclosure

- a) the firm shall have a policy of complete disclosure in its dealing with its suppliers and trades or has a contractual agreement with a supplier which benefits the firm:
- b) the firm shall inform the Board of Directors of their affiliation with any existing or potential supplier of services to the Corporation.
- c) the disclosure should be provided in writing from the firm to the Board of Directors and form part of the minutes of a duly called meeting of the Board of Directors.
- d) all other aspects of providing competitive bids to the Board of Directors should still be followed to ensure that all potential suppliers have an equal opportunity to acquire the contract.

5.2 Purchasing information

5.2.1 Purchasing information shall describe the service to be provided or the goods to be purchased, including where appropriate;

- a) requirements for approval of services or goods, procedures, processes and equipment,
- b) requirements for qualification of personnel providing service, and

5.2.2 The firm shall ensure the adequacy of specified purchase requirements prior to their communication to the service provider or supplier.

5.3 Verification of purchased goods & services

5.3.1 The firm shall establish and implement the inspection or other activities necessary for ensuring that purchased goods and services meets specified purchase requirements.

5.4 Use of External Experts

5.4.1 Introduction

The industry has indicated that proper recognition of when and how to engage external experts is a key responsibility of a condominium property management firm. Undertaking a task with internal resources that do not have the proper skills will invariably lead to poor service. This section requires that the firm have a policy on the use of external experts and that it contain, at a minimum, the policies and procedures for those items described in the index set out below.

5.4.2 Index on External Use Policy

- a) Categories of external professional services
 - i. Legal
 - ii. Engineers
 - iii. Insurance Appraiser
 - iv. Reserve Fund Studies
 - v. Human Resources
 - vi. Accountants/auditors
 - vii. Insurance Brokers
 - viii. Investment Brokers
 - ix. Architects
 - x. Interior design
 - xi. Others
- b) Procedures for engaging experts
 - i. Define scope and objectives
 - ii. Establish fees and budget
 - iii. Investigate references
 - iv. Obtain client approval
 - v. Manage logistics and/or information supplied

6.0 Accounting, Administration & Insurance

6.1 Accounting Procedures

6.1.1.1 General

- a) These requirements ensure that the firm keeps a current set of books for its own operation. Proper accounting records are a key sign of good management.
- b) This element of the Certification or Compliance Audit, the Financial audit shall be conducted by a Chartered Accountant or Certified Professional Accountant. The person(s) or firm(s) conducting the audit shall be selected from a list who do not practice in the geographic area of the property management firm and would not have occasion to audit any condominium corporation in the portfolio of that property management firm. The cost for this additional step shall be borne by the property management firm.
- c) This requirement is not an audit of the firm's books nor does it attest to the financial viability of the firm. It is one of several measurable tests of good internal management controls. Proof of this requirement shall be as follows:
- d) The firm at a minimum shall maintain quarterly financial statements.
- e) The firm shall produce evidence the client corporation funds are not pooled and that each corporation must have a separate Electronic Funds Transfer file and Originator ID Key.

6.2 Administrative Procedures

6.2.1 General

This requirement ensures that key administrative procedures are set out in writing and are consistent with minimum industry standards. The measurable requirement is for an Administration Manual to contain, at a minimum, the written policies and procedures for each item listed in the index set out below.

6.2.2 Administration Manual Index

- a) Communications Systems
 - 1) Definition of the communications system including assurance of accessibility by clients.
 - 2) Procedures for handling in-coming and out-going mail, faxes and email.
 - 3) Procedures for handling 24 hour emergencies.
- b) Filing Systems
 - 1) Must be consistent with minimum industry standards.
 - 2) Procedures for filing corporate and client files.
 - 3) Procedures for archiving files.
- c) Payroll
 - 1) Procedures on payroll.
 - 2) Procedures on payment of deductions at source.
 - 3) Procedures on submitting government filings, e.g. EHT, T-4s, WSIA, R.O.E., etc.
 - 4) Procedures for personnel filing.

6.3 Insurance Coverage

6.3.1 General

- a) Today's condominium property management firm carries significant responsibilities and liabilities in its ongoing business. Part of delivering quality service to clients is risk management by the firm. This section sets out the minimum insurance requirements by key function. It is assumed that the firm will purchase insurance in a rational manner, i.e.
 - i. deductibles are within the firm's financial resources and
 - ii. the levels of coverage are commensurate with the risk.
- b) There are some insurance items listed in this section which are only required if that particular activity is undertaken by the firm.

6.3.2 Requirements

- a) Building and Contents
- b) Business Interruption
- c) Computer Equipment
- d) Fidelity – for activities within their offices
- e) Tenant Legal Liability
- f) Comprehensive General Liability – minimum \$5,000,000
- g) Errors and Omissions Liability – minimum \$1,000,000
- h) Machinery Breakdown
- i) Other all Risk Coverage
 - i. valuable papers and records
 - ii. accounts receivable records

7.0 Human Resources

7.1 General

7.1.1 Personnel performing work affecting service quality shall be competent on the basis of appropriate education, training, skills and experience.

7.1.2 Treatment of employees is a key component of delivering quality service to clients. The requirements in this section ensure that management has policies on employment practices and that the policies are set out in writing and that all applicable laws are followed.

7.2 Competence, awareness and training

7.2.1 The firm shall

- a) determine the necessary competence for personnel performing work affecting service quality,
- b) provide training or take other actions to satisfy these needs,
- c) evaluate the effectiveness of the actions taken,
- d) ensure that its personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the corporate objectives,
- e) screen personnel who will be entrusted with clients' financial resources and instruments for undischarged bankruptcy, pending criminal charges and unpardoned criminal convictions (by way of "non-vulnerable" police check or clearance letter),
- f) establish and maintain adequate financial controls, safeguards and oversight in respect of personnel with pending charges or unpardoned criminal convictions of a fiduciary nature or who are undischarged bankrupts and who may have access to clients' financial resources or instruments,
- g) provide appropriate, effective oversight of its personnel generally.

7.2.2 The firm must have a Human Resources Manual which contains policies and procedures concerning each of the following:

- a) Hiring procedures
 - i. Hiring letter
 - ii. Job descriptions
 - iii. Employment agreements
 - iv. Orientation of new employee
- b) Discipline and termination procedures
 - i. Notice
 - ii. Severance
- c) Performance review procedures
- d) Absence from work policy
 - i. Sick days
 - ii. Religious holidays

- iii. Bereavement days
- iv. Pregnancy and parental leave
- v. Statutory days
- vi. Vacation
- e) Hours of operation
 - i. Overtime policy
 - ii. Time off policy
- f) Pay administration
 - i. Payment periods
 - ii. Benefit plans
 - iii. Deductions
 - iv. Record keeping

7.2.3 The firm must comply with the applicable federal and provincial legislation. The audit will seek proof that copies of the legislation and all pertaining regulations of the following provincial laws are filed at the firm's head office:

- a) Provincial
 - 1) Employment Standards Act
 - 2) Occupational Health and Safety Act
 - 3) Labour Relations Act
 - 4) Pay Equity Act
 - 5) Workplace Safety and Insurance Act
 - 6) Employer Health Tax Act
 - 7) Human Rights Code
 - 8) The firm will also have to demonstrate access to the following federal laws and have on premises all guidelines or regulations required to effect compliance.
- b) Federal
 - 1) Income Tax Act
 - 2) Employment Insurance Record of Employment
 - 3) Canada Pension Plan

7.3 Education and Reference Material

7.3.1 Introduction

As noted in the previous section, treatment of employees is a key component of delivering quality service to clients. Employees must be constantly upgraded in the knowledge required to perform their functions. They should also have access to reference materials to assist them to perform in the increasingly complex condominium field. The requirements in this section are a reference library, procedures for accessing information and ongoing education of staff.

7.3.2 Requirements

- a) Reference Library Containing
 - 1) Condominium Act and regulations (as amended)
 - 2) ACMO educational course manuals
 - 3) Precedents of Condominium by-laws and rules
 - 4) Precedents of Condominium procedures, resolutions, notices, agendas
 - 5) Materials from conferences/seminars
 - 6) Condominium related publications including CM Magazine
 - 7) Publications on management topics
 - 8) Copies of the following legislation, as may be amended, and the applicable regulations there under:
 - i. Technical Standards and Safety Act;
 - ii. Fire Protection and Prevention Act, 1997
 - iii. Ontario Building Code;
 - iv. Residential Tenancies Act, 2006;
 - v. Human Rights Code;
 - vi. Health Protection and Promotion Act
 - vii. Occupational Health and Safety Act
 - viii. Relevant Municipal by-laws and regulations; and
 - ix. Such other applicable statutory materials as may be reasonably required to effectively practice property management in Ontario.
- b) Access to information
 - i. Demonstrate that employees have regular and open access to reference materials, e.g. a distribution list procedure.
 - ii. Demonstrate regular in-house or third party training of employees.
 - iii. The firm shall require all condominium managers, newly employed by their firm, to be Registered Condominium Managers or be working towards their RCM designation within 6 months of their initial hire.
 - iv. At least 65% of the firm's condominium managers shall be working towards or already hold the RCM designation. Property managers employed by the firm with more than ten years' condominium management experience in the province of Ontario will not factor into this requirement.
 - v. If a firm does not qualify under the 65% requirement contained in [iv] above, the firm may apply to the Certification & Standards Committee for a special exemption.
 - vi. Effective January 2018, all of the firm's condominium managers must meet licensing requirements applicable to their experience and education as established by the Province of Ontario and administered by the Condominium Management Regulatory Authority of Ontario.

8.0 Field & Building Operations Manuals

This section sets out requirements that will assist in the delivery of a consistent level of service to the client.

First, the Field Operations manual shall encompass all items set out in sections 8.1 below. This manual shall remain the property of the condominium corporation.

Second, there is a requirement for a Building Operations Manual. This manual will ensure that on-site processes and practices are clearly understood by all field operations personnel. This manual shall remain the property of the condominium management company.

8.1 Field Operations Manual

8.1.1 The delivery of day-to-day services to the client by employees or contractors at the site of the condominium corporation can have a significant effect on the overall quality of service delivered to the client. This section does not refer to the individual property manager although that person will likely have training in all areas. The manual will exclude any management company proprietary documentation that may be in support of site specific documentation or materials.

Proprietary shall mean developed and/or marketed exclusively by the management company and owning the exclusive legal right to utilize the aforementioned documentation.

i) Job Descriptions and/or Contracts (In-House or Contract)

- a) Superintendent
- b) Asst./Relief Superintendent
- c) Concierge
- d) Roving Patrols
- e) Security Personnel
- f) Cleaning Staff
- g) Maintenance Manager
- h) Recreation Director
- i) Site Administrator/Secretary
- j) Other

ii) Training

- a) **Personal Safety**
 - i. First-Aid
 - ii. CPR
 - iii. WHMIS
 - iv. Other
- b) **Emergency Procedures**
 - i. Fire/Fire Safety Plan
 - ii. Flood

- iii. Elevators
- iv. Utility Shutdown
- v. Death/Suicides
- vi. Bomb Threats/Handguns
- vii. Media Handling
- viii. Other

c) **Human Resources**

- i. Time Management
- ii. Employment Standards
- iii. Human Rights
- iv. Harassment & Sexual Harassment
- v. Owner/Board Relations
- vi. Condominium Hierarchy

d) **Health and Safety**

- i. Workplace Inspections
- ii. Hazard Controls
- iii. Emergency Plans
- iv. Workplace Injury Procedures
- v. Accident/Incident Reporting and Investigations
- vi. Training for employees

iii) **Training Matrix**

There are requirements for training of building operations personnel. The training will vary by job description. A matrix of training requirements is found in Appendix 3. This matrix can also be used as criteria when hiring contractors.

8.2 Building Operations Manual (Index).

8.2.1 This sections sets out the requirements for the creation of a Building Operations Manual for clients, which shall ensure all building operations personnel who may provide service to the client Corporation will be able to have access to essential “property specific” information which shall, in turn, ensure a consistent level of service. This section will be designed by the Company to show how to create the information. The actual schedules and/or information below created for the client shall remain the property of the client.

The Building Operations Manual shall at a minimum contain the following sections:

a) **Maintenance Equipment and Supplies**

- i. Inventory Control System
- ii. Ordering Policies and Procedures
- iii. Equipment Servicing Manuals
- iv. Equipment Servicing/Maintenance

- b) **Maintenance Schedules**
 - i. Daily
 - ii. Weekly
 - iii. Monthly
 - iv. Quarterly
 - v. Semi-Annual
 - vi. Annual

- c) **Maintenance Record System**
 - i. Ongoing record of maintenance of equipment in building
- d) **Corporation Specific Emergency Contact List**
 - i. Available to handle all emergencies on site
- e) **Corporation Specific Trades List**
 - i. Used on site in the normal daily operations
- f) **Plans and Drawings** – These should whenever possible be scanned and put on electronic media in a safe / fireproof container.
 - i. Plumbing and Heating Valve Chart
 - ii. Electrical Panel Chart/Emergency Lighting
 - iii. Building Plans
 - 1) White Prints / Description Drawings
 - 2) Site Plan
 - 3) Architectural Drawings
 - 4) Structural Plans
 - 5) Mechanical and Electrical Drawings
 - 6) Landscaping
 - 7) Elevators
 - 8) Schedule A Declaration Reference Plans
 - iv. Other

8.3 Training

- a) **Personal Safety**
 - i. First-Aid
 - ii. CPR
 - iii. WHMIS
 - iv. Other
- b) **Emergency Procedures**
 - i. Fire/Fire Safety Plan

- ii. Flood
- iii. Elevators
- iv. Utility Shutdown
- v. Death/Suicides
- vi. Bomb Threats/Handguns
- vii. Media Handling
- viii. Other
- c) **Human Resources**
 - i. Time Management
 - ii. Employment Standards
 - iii. Human Rights
 - iv. Harassment & Sexual Harassment
 - v. Owner/Board Relations
 - vi. Condominium Hierarchy
- d) **Building/Site Systems**
 - i. HVAC
 - ii. Plumbing
 - iii. Envelope
 - iv. Structural
 - v. Pool/Spa & Recreation
- e) **Plans and Drawings** – These should whenever possible be scanned and put on electronic media in a safe / fireproof container.
 - v. Plumbing and Heating Valve Chart
 - vi. Electrical Panel Chart/Emergency Lighting
 - vii. Building Plans
 - 9) White Prints / Description Drawings
 - 10) Site Plan
 - 11) Architectural Drawings
 - 12) Structural Plans
 - 13) Mechanical and Electrical Drawings
 - 14) Landscaping
 - 15) Elevators
 - 16) Schedule A Declaration Reference Plans
 - viii. Other

9.0 Measurement and Improvement

9.1 Control of documents and records

- 9.1.1** Internal and external documents required by ACMO 2000 shall be controlled.
- 9.1.2** A procedure shall be established to define the controls needed:
- a) to approve documents for adequacy prior to issue,
 - b) to review and update as necessary and re-approve documents,
 - c) to ensure that changes and the current revision status of documents are identified on the document and charted,
 - d) to ensure that relevant versions of applicable documents are available at points of use,
 - e) to ensure that documents remain legible and readily identifiable,
 - f) to ensure that documents of external origin are identified and their distribution controlled, and
 - g) to prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.
- 9.1.3** Records required for the operation of ACMO 2000 certified firm shall be established and maintained to provide evidence of conformity to requirements and of the effective operation of ACMO 2000 management system.
- 9.1.4** Records shall remain legible, readily identifiable and retrievable. Controls needed for the identification, storage, protection, retrieval, retention time and disposition of records shall be identified.

9.2 Control of nonconformance

- 9.2.1** The firm shall ensure that goods or service which does not conform to the requirements is identified and controlled to prevent its unintended use or delivery. The controls and related responsibilities and authorities for dealing with nonconforming goods or services shall be defined in a documented procedure.
- 9.2.2** The firm shall deal with nonconforming goods and services by one or more of the following ways:
- a) by taking action to eliminate the detected nonconformity;
 - b) by authorizing its use, release or acceptance under concession by a relevant authority and, where applicable, by the customer;
 - c) by taking action to preclude its original intended use or application.
- 9.2.3** Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, shall be maintained
- 9.2.4** When nonconformance is corrected it shall be subject to re-verification to demonstrate conformity to the requirements.
- 9.2.5** When nonconformance is detected after delivery or use has started, the firm shall take action appropriate to the effects, or potential effects, of the nonconformity.

9.3 Corrective action

- 9.3.1** The firm shall take action to eliminate the cause of nonconformities in order to prevent recurrence.

9.3.2 Corrective actions shall be appropriate to the effects of the nonconformities encountered.

9.3.3 A documented procedure shall be established to define requirements for;

- a) reviewing nonconformities (including customer complaints),
- b) determining the causes of nonconformities,
- c) evaluating the need for action to ensure that nonconformities do not recur,
- d) determining and implementing action needed,
- e) records of the results of action taken, and
- f) reviewing corrective action taken.

9.4 Preventive action

9.4.1 The firm shall determine action to eliminate the causes of potential nonconformities in order to prevent their occurrence. Preventive actions shall be appropriate to the effects of the potential problems.

9.4.2 A documented procedure shall be established to define requirements for

- a) determining potential nonconformities and their causes,
- b) evaluating the need for action to prevent occurrence of nonconformities,
- c) determining and implementing action needed,
- d) records of results of action taken, and
- e) reviewing preventive action taken.

Appendix: 1: Quality Management Principles

This document introduces the eight quality management principles on which ACMO 2000 is based. Senior management can use these principles as a framework to guide their organizations towards improved performance.

Principle 1: Customer focus

Organizations depend on their customers and therefore should understand current and future customer needs, should meet customer requirements and strive to exceed customer expectations.

Benefits:

- Increased revenue and market share obtained through flexible and fast responses to market opportunities.
- Increased effectiveness in the use of the organization's resources to enhance customer satisfaction.
- Improved customer loyalty leading to repeat business.

Applying the principle of customer focus typically leads to:

- Researching and understanding customer needs and expectations.
- Ensuring that the objectives of the organization are linked to customer needs and expectations.
- Communicating customer needs and expectations throughout the organization.
- Measuring customer satisfaction and acting on the results.
- Systematically managing customer relationships.
- Ensuring a balanced approach between satisfying customers and other interested parties [such as owners, employees, suppliers, financiers, local communities and society as a whole].

Principle 2: Leadership

Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.

Benefits:

- People will understand and be motivated towards the organization's goals and objectives.
- Activities are evaluated, aligned and implemented in a unified way.
- Miscommunication between levels of an organization will be minimized.

Applying the principle of leadership typically leads to:

- Considering the needs of all interested parties including customers, owners, employees, suppliers, financiers, local communities and society as a whole.
- Establishing a clear vision of the organization's future.
- Setting challenging goals and targets.
- Creating and sustaining shared values, fairness and ethical role models at all levels of the organization.
- Establishing trust and eliminating fear.
- Providing people with the required resources, training and freedom to act with responsibility and accountability.

- Inspiring, encouraging and recognizing people's contributions.

Principle 3: Involvement of people

People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.

Benefits:

- Motivated, committed and involved people within the organization.
- Innovation and creativity in furthering the organization's objectives.
- People being accountable for their own performance.
- People eager to participate in and contribute to continual improvement.

Applying the principle of involvement of people typically leads to:

- People understanding the importance of their contribution and role in the organization.
- People identifying constraints to their performance.
- People accepting ownership of problems and their responsibility for solving them.
- People evaluating their performance against their personal goals and objectives.
- People actively seeking opportunities to enhance their competence, knowledge and experience.
- People freely sharing knowledge and experience.
- People openly discussing problems and issues.

Principle 4: Process approach

A desired result is achieved more efficiently when activities and related resources are managed as a process.

Benefits:

- Lower costs and shorter cycle times through effective use of resources.
- Improved, consistent and predictable results.
- Focused and prioritized improvement opportunities.

Applying the principle of process approach typically leads to:

- Systematically defining the activities necessary to obtain a desired result.
- Establishing clear responsibility and accountability for managing key activities.
- Analyzing and measuring of the capability of key activities.
- Identifying the interfaces of key activities within and between the functions of the organization.
- Focusing on the factors such as resources, methods, and materials that will improve key activities of the organization.
- Evaluating risks, consequences and impacts of activities on customers, suppliers and other interested parties.

Principle 5: System approach to management

Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its objectives.

Benefits:

- Integration and alignment of the processes that will best achieve the desired results.
- Ability to focus effort on the key processes.
- Providing confidence to interested parties as to the consistency, effectiveness and efficiency of the organization.

Applying the principle of system approach to management typically leads to:

- Structuring a system to achieve the organization's objectives in the most effective and efficient way.
- Understanding the interdependencies between the processes of the system.
- Structured approaches that harmonize and integrate processes.
- Providing a better understanding of the roles and responsibilities necessary for achieving common objectives and thereby reducing cross-functional barriers.
- Understanding organizational capabilities and establishing resource constraints prior to action.
- Targeting and defining how specific activities within a system should operate.
- Continually improving the system through measurement and evaluation.

Principle 6: Continual improvement

Continual improvement of the organization's overall performance should be a permanent objective of the organization.

Benefits:

- Performance advantage through improved organizational capabilities.
- Alignment of improvement activities at all levels to an organization's strategic intent.
- Flexibility to react quickly to opportunities.

Applying the principle of continual improvement typically leads to:

- Employing a consistent organization-wide approach to continual improvement of the organization's performance.
- Providing people with training in the methods and tools of continual improvement.
- Making continual improvement of services, processes and systems an objective for every individual in the organization.
- Establishing goals to guide, and measures to track, continual improvement.
- Recognizing and acknowledging improvements.

Principle 7: Management by facts

Effective decisions are based on the analysis of data and information

Benefits:

- Informed decisions.
- An increased ability to demonstrate the effectiveness of past decisions through reference to factual records.
- Increased ability to review, challenge and change opinions and decisions.

Applying the principle of factual approach to decision making typically leads to:

- Ensuring that data and information are sufficiently accurate and reliable.
- Making data accessible to those who need it.
- Analyzing data and information using valid methods.
- Making decisions and taking action based on factual analysis, balanced with experience and intuition.

Principle 8: Supplier Relationships

An organization and its suppliers are interdependent and a mutually beneficial relationship enhances the ability of both to create value

Benefits:

- Increased ability to create value for both parties.
- Flexibility and speed of joint responses to changing market or customer needs and expectations.
- Optimization of costs and resources.

Applying the principles of mutually beneficial supplier relationships typically leads to:

- Establishing relationships that balance short-term gains with long-term considerations.
- Pooling of expertise and resources with partners.
- Identifying and selecting key suppliers.
- Clear and open communication.
- Sharing information and future plans.
- Establishing joint development and improvement activities.

Inspiring, encouraging and recognizing improvements and achievements by supplier.

Principle 8: Management Agreement Termination

Management agreements should be drafted so as to provide mutual protection for the management company and the client.

- Termination of Agreement
 - (i) Upon termination of this Agreement:
 - (1) if termination is for cause, notwithstanding that the Manager may believe that it is owed monies hereunder, the Manager shall within 15 calendar days make available for pick-up all Corporation's Property in the

Manager's possession or control (as reflected in the Property Inventory) to the Corporation or to such person as the Corporation may designate. The Manager hereby agrees and acknowledges that, if it fails to make available for pick-up the Corporation's Property as aforesaid, the Corporation shall be entitled to take steps before a court of competent jurisdiction to obtain an order for prompt return of the Corporation's Property, and the Manager agrees that it shall be liable for the Corporation's costs of taking such steps on a full indemnity basis; or

- (2) if termination is without cause and with notice (or pay in lieu of notice), and if the Corporation (at its sole option) so elects, the fees payable to the Manager for the final 30 days of the notice period, if working notice is given for all or part of the notice period, or
- (4) the duration of the notice period, if pay is given in lieu of the entirety of the notice period shall not be paid to the Manager, but shall instead be paid by the Corporation to an escrow agent (the "Escrow Agent") who shall, in the absence of an agreement to the contrary between the parties, be the Corporation's solicitor. The Corporation shall not, by virtue of having paid these monies to the Escrow Agent, be considered to be in breach of its obligations pursuant to this Agreement. On the effective date of termination of this Agreement, the Manager shall forthwith make available for pick-up all Corporation's Property in its possession or control (as reflected in the Property Inventory) to the Corporation or to such person as the Corporation may designate. The Manager hereby agrees and acknowledges that, if it fails to forthwith make available for pick-up the Corporation's Property as aforesaid, the Corporation shall be entitled to take steps before a court of competent jurisdiction to obtain an order for prompt return of the Corporation's Property, and the Manager agrees that it shall be liable for the Corporation's costs of taking such steps on a full indemnity basis. Upon receiving written confirmation from the Corporation or its designated representative that all Corporation's Property in the Manager's possession or control (as reflected in the Property Inventory) has been picked-up by the Corporation or by such person as the Corporation may designate, the Escrow Agent shall be irrevocably directed to pay the monies held by it to the Manager. Any fees or costs of the Escrow Agent shall be paid by the Corporation.

Appendix: 2: Code of Corporate Ethics

To establish and maintain public confidence in the honesty, integrity, professionalism and ability of the CONDOMINIUM MANAGEMENT FIRM (hereinafter "the FIRM") is fundamental to the future success of the enjoyment of condominium living in Ontario. This Code and performance pursuant to its provisions will be beneficial to the continued development of a mutually beneficial relationship among condominium managers, condominium corporations, condominium residents, suppliers, employers of managers and the general public.

The FIRM is instrumental in molding the nature of the condominium community and the living conditions of its residents.

The FIRM shall:

Support the advancement of professional management through the mutual efforts of members of the Industry and by any other proper means.

Seek and maintain an equitable, honourable and cooperative association with fellow members of the Industry. Place honesty, integrity and industriousness above all else, to pursue gainful efforts with diligent study and dedication to the end that service to clients shall always be maintained at the highest possible level.

Comply with the principles and declarations of ACMO as set forth in its By-Laws, Regulations and this Code.

1. JOINT OBLIGATIONS

The firm owes a duty jointly to its clients and employees to be competent to perform the managerial services offered to clients.

It is recognized that the FIRM must balance the joint obligation in a manner which reflects positively on the profession of condominium management. In exercising judgment in matters of joint obligation, the FIRM must keep foremost in mind the guidance found in this CODE. The FIRM shall not place its employees in a position of conflict of loyalties between the employer and the client.

2. OBLIGATION TO CLIENTS

The client is defined to be the condominium corporation or proposed corporation to whom the FIRM is providing service for fee. The FIRM shall at all times exercise business loyalty to the interests of its clients and shall be diligent in the maintenance and protection of the clients' properties with due regard for the rights, responsibilities and benefits of the residents. In order to achieve this goal, the FIRM shall not engage in any activity that could be reasonably construed as contrary to the best interests of the client, its property and the real property. The FIRM may represent private interests, actual or potential, divergent or conflicting with those of the client, as long as the client has been previously notified in writing of the actual or potential conflict of interest, and has also in writing assented to such representation. The FIRM, as a fiduciary for the client, shall not receive, directly or indirectly, any rebate, fee, commission, discount or other benefit, whether monetary or otherwise, that has not been fully disclosed to and approved by the client.

3. OBLIGATION TO EMPLOYEES

The FIRM shall encourage its employees in their pursuit of professionalism and shall treat its employees with dignity and respect.

4. ADVISING CLIENTS AND EMPLOYEES

The FIRM must be both candid and honest when advising its client and employees.

5. DISCLOSURE

Notwithstanding clause 4, the FIRM shall not disclose to a third party confidential information concerning the business of a client without prior written consent of the client, except as may otherwise be required or compelled by law.

6. ACCOUNTING AND REPORTING

The FIRM shall at all times keep and maintain accurate accounting records concerning the properties managed for the client, and that such records shall be available for inspection at all reasonable times by each client. The FIRM shall ensure that the client is furnished, at intervals to be agreed upon with the client, a regular report in

respect to that client's finances. The bank account should be held in the client's name and under the client's ultimate control.

7. PROTECTION OF FUNDS AND PROPERTY

Within the terms of the management agreement, the FIRM shall at all times exert due diligence for the protection of its client's funds, assets and the real property in the possession or control of the FIRM against all reasonably foreseeable contingencies or losses.

8. RELATIONS WITH OTHER FIRMS AND CONDOMINIUM MANAGERS

The FIRM shall not make, publish, authorize or otherwise encourage any derogatory or disparaging comments concerning the practices of another FIRM or condominium manager. The FIRM shall not exaggerate or misrepresent the services offered by the FIRM itself or as compared with other FIRMS.

9. CONTRACT

The contract between the FIRM and its client shall set out the specific terms agreed upon between the parties and shall be in clear and understandable terms, including an accurate description of all services to be provided by and all responsibilities of the FIRM.

No contract shall contain any termination or renewal provision that would make it more difficult for the client to terminate the contract than upon ninety (90) days notice of termination without cause, unless the FIRM has provided the client with written notice quoting this Corporate Code of Ethics provision, and has received a written acknowledgement of receipt of the same from the client before the contract is executed.

10. TURNOVER

Without limiting the FIRM's legal rights in the case of a dispute, the FIRM shall return all the client's property and records, which are required for the ongoing operation of the client, by the commencement date of the new management agreement. All other client's documents shall be returned to the client no later than 45 days thereafter.

11. COMPLIANCE WITH LAWS AND DOCUMENTATION

The FIRM shall at all times conduct its business activities with knowledge of and in compliance with the Condominium Act, all other pertinent legislation, the Declaration, Bylaws, Rules and the written Procedures and Policies of its clients.

12. COMPETITION

Nothing in this Code shall restrict legal and reasonable business competition by and among the FIRMS and the FIRM shall at all times be aware of provincial and federal marketing and competition legislation and shall operate completely within these laws and regulations.

13. INSTRUCTIONS FROM CLIENT

The FIRM must make clients aware, in writing if necessary, of any instructions given to it which are in conflict with the Condominium Act, all other pertinent legislation, the Declaration, Bylaws, Rules, ACMO Codes of Ethics for both Professional and Corporate and the written Procedures and Policies of its clients.

14. ENFORCEMENT

Any infringement by a FIRM of the obligations of this Code shall be dealt with in accordance with the by-laws of ACMO. A FIRM shall cooperate with ACMO and its agents and committees in the investigation and enforcement of this Code or by-laws. No FIRM shall interfere or obstruct the investigation and enforcement of this Code or by-laws. No FIRM shall seek recourse against ACMO, its officers, directors, members, committees or committee members, agents or employees for the investigation or enforcement of this Code or by-laws except as set out in the by-laws. No person shall contact a member of the Ethics Committee, Discipline Committee, Appeal Committee or Board of Directors about the investigation or enforcement of this Code or by-laws except as set out in the by-laws.

Appendix: 3: Field Operations – Training Grid

	FIRST AID	CPR	WHMIS	FIRE SAFETY PLAN	FLOOD	ELEVATORS	UTILITY SHUTDOWN	DEATHS & SUICIDE	BOMB THREATS & HANDGUNS	MEDIA HANDLING	TIME MANAGEMENT	EMPLOYMENT STANDARDS	HUMAN RIGHTS	HARASSMENT & SEXUAL HAR	OWNER & BOARD RELATIONS	CONDO HIERARCHY	HVAC	PLUMBING	ENVELOPE	STRUCTURAL	POOL, SPA & RECREATION	PLUMBING & HEATING CHARTS	ELECTRICAL CHARTS & EMERGENCY	BUILDING PLANS & DRAWINGS	
Superintendent	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	X	X	X	X	X
Asst. Superintendent	X	X	X	X	X	X	X	X	X	X			X	X	X	X		X	X	X	X	X	X	X	X
Concierge	X	X		X		X	X	X	X	X			X	X	X	X									
Roving Patrols	X	X		X		X	X	X	X	X			X	X	X	X							X	X	X
Security	X	X		X		X	X	X	X	X			X	X	X	X							X	X	X
Cleaning Staff	X	X	X	X		X	X	X	X			X	X	X	X	X		X	X	X	X	X	X	X	X
Maintenance Manager	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X		X	X	X	X	X	X	X	X
Recreation Director	X	X	X	X		X	X	X	X		X	X	X	X	X	X									
Site Administrator/Secretary	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X

Appendix 4: Management Agreement Termination

Management agreements should be drafted so as to provide mutual protection for the management company and the client.

- Termination of Agreement
 - (i) Upon termination of this Agreement:
 - (1) if termination is for cause, notwithstanding that the Manager may believe that it is owed monies hereunder, the Manager shall within 15 calendar days make available for pick-up all Corporation's Property in the Manager's possession or control (as reflected in the Property Inventory) to the Corporation or to such person as the Corporation may designate. The Manager hereby agrees and acknowledges that, if it fails to make available for pick-up the Corporation's Property as aforesaid, the Corporation shall be entitled to take steps before a court of competent jurisdiction to obtain an order for prompt return of the Corporation's Property, and the Manager agrees that it shall be liable for the Corporation's costs of taking such steps on a full indemnity basis; or
 - (2) if termination is without cause and with notice (or pay in lieu of notice), and if the Corporation (at its sole option) so elects, the fees payable to the Manager for:
 - (3) the final 30 days of the notice period, if working notice is given for all or part of the notice period, or
 - (4) the duration of the notice period, if pay is given in lieu of the entirety of the notice period shall not be paid to the Manager, but shall instead be paid by the Corporation to an escrow agent (the "Escrow Agent") who shall, in the absence of an agreement to the contrary between the parties, be the Corporation's solicitor. The Corporation shall not, by virtue of having paid these monies to the Escrow Agent, be considered to be in breach of its obligations pursuant to this Agreement. On the effective date of termination of this Agreement, the Manager shall forthwith make available for pick-up all Corporation's Property in its possession or control (as reflected in the Property Inventory) to the Corporation or to such person as the Corporation may designate. The Manager hereby agrees and acknowledges that, if it fails to forthwith make available for pick-up the Corporation's Property as aforesaid, the Corporation shall be entitled to take steps before a court of competent jurisdiction to obtain an order for prompt return of the Corporation's Property, and the Manager agrees that it shall be liable for the Corporation's costs of taking such steps on a full indemnity basis. Upon receiving written confirmation from the Corporation or its designated representative that all Corporation's Property in the Manager's possession or control (as reflected in the Property Inventory) has been picked-up by the Corporation or by such person as the Corporation may designate, the Escrow Agent shall be irrevocably directed to pay the monies held by it to the Manager. Any fees or costs of the Escrow Agent shall be paid by the Corporation.