

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-216

Condo Smarts

Headline: Strata treasurer has no right to keep financial information from owners

Topic: Access to financial information

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Dear Condo Smarts: We live in a 101-unit self-managed strata. All of our construction, maintenance and financial management is coordinated by our council members, who are volunteers.

I recently noticed a double charge on my bank statement for my monthly strata fees. Several of our neighbours have also discovered the double charge.

When we approached the strata treasurer we were brushed off with a comment about the bank's technical errors.

We contacted the bank and discovered that it was an intentional transaction negotiated by the strata, specifically the treasurer.

A group of owners has been demanding an answer but the treasurer advised that they records are protected under the Privacy act and could not be released. So, how do we get the information? We pay the bills, it's our money and our records, so why shouldn't we be able to see them?

- *Money troubles in Vancouver*

Dear Money Troubles: Firstly, your financial records are not protected by privacy legislation.

That is being used to prevent you from accessing what I would suspect to be a financial mess and possibly fraud in your strata. Whether your strata corporation is self-managed or managed by a licensed managing broker, you need to be vigilant about your money at all times.

Your strata council should be receiving copies of bank statements for all of your strata accounts and investments on a monthly basis. One type of investment that is particularly vulnerable are GICs. So are special levies. Those accounts should be closely reviewed to ensure they are in trust in the name of the strata corporation and that all earned interest is deposited into those accounts.

The operating accounts should also be reviewed by the council to ensure that you are not double-paying bills, or double-dipping into strata-fee payments. Those bank statements must also be available on the request of an owner.

All of my alarm bells go off the moment I hear of a treasurer or strata manager who will not release financial records. In the past week, our office has received more than 20 separate complaints where the strata council or manager would not release financial information.

Even licensed companies are vulnerable. For example on Feb. 16th, a company called SwiftSure Strata Services Inc. were suspended by the Real Estate Council as a result of the failure of the company to properly account for the trust monies it was holding on behalf of strata property clients.

In many circumstances, losses can be prevented if the council and owners properly review their financial records monthly.

Before you discover the money is gone, actively get involved in your financial management and reporting.

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