
Financial Controls 6: Guardrails on Personnel and Paying Members

Most housing co-operatives in BC do not have employees. Co-ops currently prefer support from volunteer members and paid management companies and other contracted professionals. If your co-op does have employees (or those who may be deemed to be employees*), it will have to comply with employment and tax law. This also applies if the co-op pays members (outside reimbursement for co-op expenses).

Employment and tax law lie outside the scope of the advice we are offering here, but we do have a couple of observations:

- Personnel are entitled to appropriate compensation for time worked.
- Co-ops may extend the benefits they offer to their staff through paid leave and other benefits.
- Financial transactions related to personnel must be recorded accurately as they impact how the co-op remits to government agencies and other institutions (e.g. Canada Revenue Agency or group benefit providers).

Recommendations

- If your co-op has employees or pays members, the co-op should consult with its lawyer or accountant to confirm the content of relevant policies before implementing them or when reviewing them.

Sample Procedures

- Develop the resources needed to carry out co-op policies and other procedures.
- Standardize an expense reimbursement form (including any provisions for travel costs).
- Create accounting codes so expenses can be properly attributed.
- Remit appropriately (and regularly) to Canada Revenue Agency.
- Develop fair and transparent hiring practices that take into account relevant accreditation and education.
- Ensure employment contracts include documentation of salary increases and sufficient approvals.
- Ensure honoraria are properly credited for income tax purposes (e.g. through a T4A form).

* Ultimately, co-ops do not determine the status of a worker, whether as a “contractor” or an “employee”. Bodies like [Canada Revenue Agency](#) make this determination based on the facts of the working relationship. A solo manager “hired on contract” would almost certainly be considered an employee.

Indicator	Yes/ True	No/ False	Don't know
The co-op has procedures for hiring or terminating employees.			
The co-op has procedures to implement changes in compensation (salaries or hourly rate wages).			
The co-op provides access to the range of co-op policies and procedures for those expected to comply with them (and education or training where relevant).			
The co-op complies with WorksafeBC requirements.			
The co-op makes sure that hours of work (including overtime) and expense reimbursement approvals are required prior to processing.			
Policies and procedures exist to address key non-salary items (e.g. personal items, mileage reimbursement or per diems connected to travel for co-op work).			
Payroll deductions are properly calculated and remitted.			
The co-op ensures accurate record-keeping related to employment contracts and salary increases.			
Procedures for honoraria and gifts are in place.			

Version dated: 2025-05-05