



CMRAO Inspections:
**Administering Owners' Meetings,
and Voting Processes**
August 2022

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This document is not legal advice. If there is any conflict between this document and the applicable legislation or rules, the legislation or rules take precedence.

Overview

As part of its consumer protection mandate, the Condominium Management Regulatory Authority of Ontario (CMRAO) is authorized to conduct inspections of licensed condominium managers and condominium management provider businesses (“providers”).

The CMRAO conducts inspections of licensees in relation to key areas of the *Condominium Management Services Act, 2015* (CMSA) and its regulations.

About the Inspection

Condominium managers are licensed professionals who are expected to set a good example of professional conduct when providing condominium management services. When executing the administrative requirements of owners’ meetings, condominium managers are expected to act as neutral and impartial administrators.

The Board of Directors at each condominium corporation may delegate responsibilities, such as the administrative and operational management of organizing meetings and administering elections, to the designated condominium manager and/or condominium management provider business under contract with the corporation. The degree of delegation is established by the management services agreement (contract) and the corporation’s governing documents, and is overseen by the corporation’s Board of Directors.

This document provides licensees with a series of checklists that will be used to assess the licensee’s performance with regards to operationalizing meetings and administering voting processes — including elections — on behalf of the client, the condominium corporation.

The inspection will begin with an interview. The inspector will contact the principal condominium manager of the provider to schedule this interview. The principal condominium manager may invite any other staff of the provider to help answer the inspector’s questions. Among other items, the interview will be focused on business processes and policies that the licensee uses to manage and facilitate owners’ meetings and voting processes.

After the interview, the licensee will be asked to fill out the checklists and upload copies of **all records noted in these checklists** to a secure file location for review by the CMRAO. If the records are not available in an electronic format, the licensee may be asked to provide the inspector with physical access to buildings, filing cabinets, etc. to review records in-person.

Specific instructions about the inspection will be given to the provider before the inspection begins.

Checklists

When a licensee is selected for an inspection, they will be asked to complete the following checklists in relation to one or more of their clients. The provider is then expected to supply all the documents listed in the checklists to the inspector.

If there are any issues locating a record or any issues with the quality of a particular record, the provider is required to provide an explanation in the notes column of the checklist.

1. Management Agreement

In accordance with [section 48 of the CMSA](#), the condominium management provider business must have a written contract governing the services provided to the client, the condominium corporation, and must only provide services in accordance with the contract.

The CMRAO will be reviewing specific provisions, if any, related to administering meetings and managing voting processes on behalf of and/or in collaboration with the client.

Item	Item Exists?	Notes
Management Agreement		

2. Governing documents of the condominium corporation

The governing documents of a condominium corporation may have specific provisions in place to guide the process of elections, voting, meetings, etc. The management provider business is expected to operate in accordance with the governing documentation of the corporation.

Item	Item Exists?	Notes
Corporation's declaration, including copies of any amendments (being sure to highlight any provisions related to elections, voting, meetings, etc.)		
Corporation's by-laws, including copies of any amendments (being sure to highlight any provisions related to elections, voting, owners' meetings, etc.) Ensure the inclusion of by-laws to allow for electronic, telephonic, and mail-in voting		
Corporation's rules or policies, including copies of any amendments (being sure to highlight any provisions related to elections, voting, meetings, etc.)		

3. Procedures for distributing preliminary notices and notices of meeting

The CMRAO is seeking to review any business processes the management provider business may have created for the purposes of issuing notices on behalf of the condominium corporation.

The *Condominium Act, 1998* (“Condo Act”) establishes that the condominium corporation must send out two different notices when calling an owners’ meeting:

1. A Preliminary Notice of Meeting before the subsequent Notice of Meeting, sent to the owners at least 20 days before the Notice of Meeting and using the mandatory form. (For owner-requisitioned meetings, the timeline is at least 15 days, as per [section 67 of Ontario Regulation 48/01.](#))
2. The Notice of Meeting is sent at least 15 days before the meeting is held and in the mandatory form. For AGMs, the corporation must also attach a copy of the financial statements approved by the board and the auditor’s report, as per the Condo Act.

COVID-19 Related Provisions: pursuant to *the Response and Reforms to Modernize Ontario Act, 2020*, condominium corporations can use electronic means to deliver meeting-related materials to unit owners, even if there is not an existing agreement between the owner and the condo corporation to allow this.

This transitional period is scheduled to end on September 30, 2022. This means that any materials to be presented at an owners’ meeting can be presented through electronic means, and any forms required under the Condo Act can be modified to reflect these temporary changes.

Item	Item Exists?	Notes
Business process ¹ for issuing paper notices to unit owners and mortgagees on behalf of the client (preliminary notice of meeting and notice of meeting)		
Business process for issuing <i>electronic</i> notices to unit owners and mortgagees on behalf of the client (preliminary notice of meeting and notice of meeting)		
Electronic communication agreements		

1. A business process is a procedure set out in writing that describes an activity or set of activities to accomplish a specific organizational goal.

4. Procedures for holding meetings and managing elections and voting processes of the client

The CMRAO is seeking to review any materials the provider may have created for the purposes of operationalizing meetings and facilitating elections of the client.

COVID-19 Related Provisions: pursuant to the *Response and Reforms to Modernize Ontario Act, 2020*, condominium corporations can hold a meeting of owners by electronic or telephonic means despite any by-law. **This transitional period is scheduled to end on September 30, 2022.** This means that any materials to be presented at an owners' meeting can be presented through electronic means, and any forms required under the Condo Act can be modified to reflect these temporary changes.

Item	Item Exists?	Notes
By-law to allow for electronic and/or telephonic meetings		
Business process for administering client's <i>in-person meetings</i> (AGMs, owners' meetings, requisitioned meetings)		
Business process for administering client's <i>electronic meetings</i> (AGMs, owners' meetings, requisitioned meetings). The document should highlight the platform used to host electronic meetings, how said platform operates, and the role of the condominium manager in an electronic meeting		
Business process for administering client's <i>hybrid meetings</i> (i.e., meetings held virtually and in-person)		
Business process for administering client's <i>elections</i> (i.e., role of the condominium manager/management provider business during the election process)		
Business process for chairing client's meetings (applicable if the condominium manager or a representative of the management provider business acts as the Chair)		
Business process for rescheduling client's meetings (i.e., corporation was not able to meet quorum and the meeting had to be moved)		
Business process for acting as a meeting mediator (i.e., the on-site condominium manager is selected to act as a mediator for the meeting)		

5. Procedures for distributing and collecting proxy forms and ballots

The CMRAO is seeking to review any business processes the management provider business may have created for the purposes of distributing and collecting proxy forms and ballots (for example, when proxy forms are distributed, how they are collected, etc.). In addition and in accordance with [section 53 of the CMSA](#), the CMRAO is also seeking to review whether the management provider has established any processes to prevent solicitation of an instrument appointing a proxy.

Please review the following guidelines for more information about the use of proxies and proxy forms: [A Guide for Licensees: The Use of Proxies and Proxy Forms](#)

Item	Item Exists?	Notes
Business process for distributing physical proxy forms		
Business process for distributing electronic proxy forms		
Business process for collecting proxy forms (electronic and physical)		
Business process for collecting ballots		
Training materials for management staff regarding solicitation of an instrument appointing a proxy		



6. Procedures for accepting, reviewing, and rejecting votes

Condominium corporations can utilize more than one of the following voting methods when conducting an AGM or other owners' meeting, such as using proxies, a show of hands during the meeting, and advance electronic voting.

COVID-19 Related Provisions: pursuant to the *Response and Reforms to Modernize Ontario Act, 2020*, which amended the Condo Act with a number of temporary provisions to help condo communities during the COVID-19 pandemic. These temporary provisions, which includes the ability to cast electronic and telephonic votes without a by-law in place, will stay in effect **until the extended transitional period ceases on September 30th, 2022**. These temporary provisions do not cover mail-in votes. Votes cast in advance through mail-in ballots can only be counted if the condo corporation's bylaws allow for mail-in voting.

Item	Item Exists?	Notes
Business process for accepting ballots and/or votes before or during the meeting		
Business process for counting ballots and/or votes		
Business process for accepting and counting votes <i>from the floor</i> (for example, show of hands)		
Business process for announcing the results of the election to unit owners and mortgagees		



7. Procedures for registering unit owners or mortgagees for a meeting

Typically, each condominium corporation has a registration process for any meetings held by the corporation. The registration process may cover some of the following points:

- How are attendees registered for the meeting?
- Who is attending the meeting?
- Who is eligible to vote?
- Are the attendees planning on voting in-person, by proxy, or through telephonic or electronic means?

The condominium corporation is responsible for ensuring that individuals who are not entitled to vote (e.g., guests) are not accidentally included in a vote. Typically, this task would be delegated to the condominium manager. In addition, owners should be kept up-to-date and provided with ongoing communication. Normally, the condominium manager would send such communication alongside the Notice of Meeting, or any time before the meeting. The type of information that should be circulated to owners includes:

- type of electronic platform (online or telephone) that will be used to hold the meeting;
- instructions for how attendees can access and set-up the platform (e.g., any dial-in number, access code, or other requirements to join the meeting);
- information for any backup system that might be used in case of a technical issue; and
- meeting materials, presentations, and visual aids to being sent to the attendees ahead of time.

Item	Item Exists?	Notes
Business process for registering unit owners and mortgagees for owners' meetings (AGMs, owners meeting, requisitioned meeting)		
Business process for validating unit owners' and mortgagee's' eligibility to vote		
Instructions issued to unit owners and mortgagees regarding any upcoming meeting		

8. Retention of proxy forms and ballots

Pursuant to section 13.1 of Ontario Regulation 48/01 under the Condo Act, all instruments appointing a proxy or ballots for a meeting of owners that are submitted at the meeting, and a record of all recorded votes submitted by telephonic or electronic means, must be maintained for at least 90 days following the date of the meeting, unless the corporation receives written notice of actual or contemplated litigation relating to the record during the 90 days or such longer time period that the corporation retains the record.

Item	Item Exists?	Notes
Retention policies for ballots and proxy forms		
Business process for destroying ballots and proxy forms		
Copies of all proxy forms and ballots from a recent meeting (<i>if applicable</i>)		
Record of all recorded votes submitted by telephonic or electronic means (<i>if applicable</i>)		

9. Other training material

Item	Item Exists?	Notes
Any other training materials the provider issues to its managers regarding administering elections and operationalizing meetings		
Training materials or business process regarding the transition of Board members (for example, on boarding and off boarding Directors)		

Requirement to Hold a Contract with Client Condominium Corporations

As part of this inspection, the CMRAO may also request to see copies of management agreements that the licensee holds with a sampling of its clients. This is to ensure compliance with section 48 of the CMSA, which states:

Contract required

48 (1) Every licensee that provides condominium management services to a client shall have a written contract governing the services and shall not provide such services except in accordance with the contract.

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(2) The contract shall comply with the prescribed requirements.



Appendix A – Prohibition Regarding Proxy Instruments

Section 53 of the *Condominium Management Services Act, 2015*:

Prohibition re: proxy instruments

53 A licensee, or any person acting on behalf of a licensee, shall not solicit an instrument appointing a proxy for a meeting of owners where the subject matter of the meeting includes,

- (a) any matter directly related to the licensee;
- (b) the removal or the election of one or more of the directors of the client; or
- (c) any other prescribed matter.

Section 33 of Ontario Regulation 123/17:

Proxies

33. (1) In section 53 of the Act,

“solicit” means to petition for, or to try to directly obtain, an instrument appointing a proxy, but does not include,

- (a) collecting or holding instruments appointing a proxy or providing a location in which the instruments can be collected or held respectively,
- (b) notifying or reminding owners or mortgagees to submit instruments appointing a proxy if the owners or mortgagees respectively are unable to attend a meeting of owners,
- (c) making information available on how to submit an instrument appointing a proxy,
- (d) providing a form of an instrument appointing a proxy as part of anything that a client gives to owners or mortgagees, or
- (e) providing a copy of a form described in clause (d) to owners or mortgagees on request.

(2) A licensee shall not modify or attempt to modify an instrument appointing a proxy for a meeting of owners.

(3) A licensee or any person acting on behalf of a licensee is exempt from section 53 of the Act if the licensee or the person, as the case may be, solicits an instrument appointing a proxy for a meeting of owners where the form or content of the instrument does not authorize or require the proxy to vote on any matter at the meeting, including matters of routine procedure.

Appendix B – Key Section of the Code of Ethics Regulation

Conscientious and competent service, etc.

5. In providing condominium management services, a licensee shall provide conscientious, courteous and responsive service and demonstrate reasonable knowledge, skill, judgment and competence.

Current documents

6. A licensee shall ensure that forms and documents used by the licensee in offering or providing condominium management services are current.

Business records

7. In addition to the records required under the Act and regulations, a licensee shall make and keep all records that the licensee reasonably requires for the purpose of providing condominium management services.



The CMRAO is committed to providing valuable information and useful resources to help condominium managers understand and meet their legal and professional obligations. For further information or any questions, please contact the CMRAO.

Connect with Us!



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