



Do I Need a Licence?

Interpreting the Definition of “Providing Condo Management Services”

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**CMRAO**

Condominium Management
Regulatory Authority of Ontario

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Introduction

Whether someone needs to hold a condo manager licence to provide condominium management services is not always straightforward and must be decided by a review of the provisions of the [Condominium Management Services Act, 2015 \(CMSA\)](#), as well as the General Regulation made under this Act. The information in this document will provide guidance and useful examples to help with this decision making. The interpretation provided here should be used by condo managers, condo management companies and by condominium corporations that directly hire managers and other staff to help them carry out their condo management services. The same framework will be used by the Condominium Management Regulatory Authority (CMRAO) to assess compliance with the requirement for a person to hold a licence to provide condo management services.

It is possible that job titles such as Site Administrator, Building Superintendent, Office Manager, Property Manager and Operations Director can mislead people into believing that someone with one of these job titles would not require a condo manager licence to provide services to a condominium. Deciding whether a person is providing condo management services must take into consideration the kind of job activities and responsibilities the person is doing. The CMRAO's review of job descriptions for "site administrators" and "office managers" shows that the role descriptions often include activities that would fall within the CMSA definition of condominium management services. This would mean that people in these positions would need to have applied for a condo manager licence before January 29, 2018, or hold a condo manager licence to continue to carry out the same job activities after January 29, 2018.

In the Appendix to this document, there are detailed examples of condo management activities that the CMRAO considers to be within the legal definition of "providing condo management services." There are also detailed examples of administrative activities to help clarify and better understand when a person is required to hold a condo management licence.

The CMRAO is available to answer specific questions to help explain and define condo management services. Please contact us at info@cmrao.ca.

Legislative Framework

CMSA – Definition of Providing Condominium Management Services, Section 1 (1)

““condominium management services” means any of the following services provided to or on behalf of a condominium corporation:

1. Collecting or holding contributions to the common expenses or other amounts levied by, or payable to, the corporation.
2. Exercising delegated powers and duties of the corporation or its board of directors, including,
 - i. making payments to third parties on behalf of the corporation,
 - ii. negotiating or entering into contracts on behalf of the corporation, or
 - iii. supervising employees or contractors hired or engaged by the corporation, but does not include an activity excluded by the regulations;”

[Please refer to ON Reg 123/17 for the complete list of exemptions.](#)

There are additional legislative provisions that inform the interpretation of the definition and the nature of activities that would be considered providing condo management services. They are listed below to provide context for differentiating condo management services from the more administrative services carried out to support condo management.

Work Experience Requirements

The meaning of “providing condominium management services” can be informed by the description of the work experience required to progress from a Limited Licence to a General Licence. It is set out in Section 11. (4) (a)-(f) as follows:

- (a) planned and participated in meetings of the board of directors of a client;
- (b) planned and participated in meetings of owners, including at least one annual general meeting within the meaning of the Condominium Act, 1998;
- (c) participated in preparing a budget for a condominium corporation that the applicant has presented to the board of directors of a client;
- (d) interpreted financial statements for a client prepared under section 66 of the Condominium Act, 1998 and presented them to the board of directors of the client;
- (e) prepared and presented reports to the board of directors of a client; and
- (f) overseen the maintenance or repair of units, common elements within the meaning of the Condominium Act, 1998 or client assets, if any.

Limited Licence Supervision Requirements

The meaning of condo management services can also be informed by the requirements for supervising a condo manager who holds a Limited Licence. If a Limited Licence holder is prohibited from carrying out specified activities, or requires prior approval of a supervising condo manager who holds a General or Transitional General Licence, then these activities clearly fall within the definition of providing condominium management services. These activities are as follows:

- enter into, extend, renew or terminate a contract or other agreement on behalf of a client
- make expenditures of more than \$500 of the client's money
- give anything to an owner or mortgagee that the client is required to give to an owner or mortgagee under the [Condominium Act, 1998](#)
- sign status certificate under the [Condominium Act, 1998](#)
- make expenditures out of, invest or otherwise make dispositions of a client's reserve fund

(from [ON Reg. 123/17, Section 8. \(1\) 2-6](#))



Exemptions in the General Regulation

The meaning of the “providing condo management services” is further informed by some of the exemptions set out in [Section 2 of the General Regulation](#) made under the CMSA. Specifically noted are paragraphs 16 and 17, which provide an exemption under some circumstances for a security guard or person employed by a condo management company who collects money and then promptly delivers it to the condo corporation or to the licensed condo manager who provides condo management services to that corporation. Note that the exemption applies to persons who are not licensed security guards, but only if they are in a position that has a written job responsibility to collect or hold contributions to the common expenses or other amounts payable to the condo corporation.



How the Definition applies to Condo Corporation Officers and Directors

The definition of providing condo management services applies to all individuals and condo management companies that are compensated to provide condo management services, unless specifically exempt. It applies regardless of job title and regardless of whether the person who is performing the activity is supervised by a licenced condo manager or not. What is important is whether the person or firm is performing any activity that falls within the definition, unless the person is exempt. The requirement to hold a licence applies even if the activity makes up a small portion of a person’s or company’s regular activities.

Of note are [subsections 14 and 15 of the General Regulation](#) which do not extend any exemption to the requirement to hold a condo manager licence for condo corporation directors and officers who receive compensation for providing condo management services. Note that an officer or director of a condo corporation (for example, a board member, president, secretary-treasurer) must apply for a licence if they are being compensated for their condo management activities (for example, their common expenses fees are waived).

Management Versus Administrative Activities

A number of terms in the [CMSA](#) and the [General Regulation](#) used to define “providing condo management services” are further described in this guide for the purpose of giving greater clarity to the question of who needs to be licensed. These terms are as follows:

1. exercising delegated powers and duties of the corporation or its board of director
2. supervising employees and contractors
3. collecting or holding contributions to the common expenses or other amounts levied by or payable to, the corporation
4. preparing status certificates
5. overseeing maintenance and repairs
6. preparing and presenting reports



1. “Exercising delegated powers and duties of the corporation or its Board of Directors”

The powers and duties of condominium corporations primarily centre around their fiduciary responsibility to manage the condo assets and ensure that the affairs of the corporation are conducted in a way that complies with all applicable laws. The [Condominium Act, 1998 \(CA\)](#), specifically states that, “the corporation has a duty to control, manage and administer the common elements and the assets of the corporation.” The [CA](#) also says that, “the corporation has a duty to take all reasonable steps to ensure that the owners, the occupiers of units, the lessees of the common elements and the agents and employees of the corporation comply with this Act, the declaration, the by-laws and the rules (Section 17).”

Many activities related to the above stated duties must be carried out by the condo’s Board of Directors. The areas of activity most likely to see delegation from the condo boards relate to the following functions:

- managing the financial affairs of the condo corporation including collection of funds, budgeting, maintaining adequate reserve funds, entering into contracts, making payments, appropriate accounting and reporting as well as giving specific notices
- maintaining and giving access to records
- maintaining the common elements
- maintaining insurance for common elements

For more examples, please see [Appendix A - Financial Management](#).



2. “Supervising” employees and contractors

Condo management activities related to supervising employees and contractors include the following:

- Giving direction to the contractors and/or employees – clarifying purpose, desired results and specifications.
- Assessing/inspecting the work of contractors and/or employees for quality and meeting specifications with the purpose of providing feedback to the contractor or employees.
- Managing the performance of contractors and/or employees by giving feedback to them and directing corrective actions.
- Critically monitoring the productivity and progress of contractors and/or employees and participating in troubleshooting or problem solving – making sure that things are done correctly.
- Being responsible for the process to develop and issue work orders and for the content and quality of work orders that set out the purpose of the work and specifications. This includes monitoring the content and quality of straightforward/simple work orders prepared and executed by an employee.
- Preparing work orders involving setting out detailed specifications and results to clarify the expected performance and outcomes.

For the purposes of clarifying what is and what is not condo management, the following activities are **not** considered to be condo management activities related to supervising contractors and employees:

- scheduling
- preparing routine work orders within established process and policies (but not determining the specification for the work)



3. Collecting or holding contributions to the common expenses or other amounts levied by or payable to, the corporation

Protecting condo communities from financial abuse or financial mismanagement is an important feature of the condo management regulatory system and there are multiple provisions in the legislative framework that deal with this. In spite of the specific provisions, clarifying the meaning of “providing condo management services” must:

- consider where responsibility lies for the systems and controls needed to ensure the accuracy and accountability in the management of funds
- reduce the risk of financial mismanagement and theft

Condo management companies are required to be licensed and as licence holders are responsible for the financial management systems and controls as well as the personnel involved in the collection of common charges, bookkeeping, accounting, depositing and banking, and disbursement of funds. Unless specifically exempted by the provisions in [Section 2 of the General Regulation](#), individuals who are not working within the systems and controls of a licensed condo management company must hold a condo manager licence if they handle or account for a condo corporation’s funds. Similarly, unless exempt, an individual working for a licensed condo management company who is responsible for establishing and maintaining the financial controls must hold a condo manager licence.

[Section 2. \(1\) 17](#) of the General Regulation, however, exempts a person from the requirement of holding a licence if they have a position that has been delegated the authority (in writing) to collect and hold funds for common expenses – on the condition that the person in the position “promptly after receiving money...delivers the money to the condo corporation or licensed condominium manager who provides condominium management services to the corporation.”

For the purposes of clarifying what is and what is not providing condo management services, the following activities are **not** considered to be condo management activities related to collecting or holding contributions:

- physically receiving the payment if the payments are delivered to the responsible entity (permission must be delegated in writing by the Board)
- recording receipt of the payment

It is important to note, however, that anyone who carries out these activities, as well as other activities that fall within the definition of providing condo management services, needs to hold a condo manager licence.



4. Preparing status certificates

Compiling materials for inclusion in a status certificate can be considered an administrative activity, whereas the control of the content and quality of the status certificates is considered condo management.

Being responsible for the comprehensiveness and accuracy of the status certificates and similar documents is considered condo management and includes reviewing status certificates and other documents, verifying content and accuracy to ensure the certificate includes current information as required in the CA. It also includes monitoring the process in place that ensures delivery of the status certificates within the timeframe set out in the CA.

For the purpose of clarifying what is condo management, preparing status certificates and other such documents is not condo management if it involves administrative activities such as accessing files, pulling in data, formatting, dating, printing, and presenting the certificates for review and execution by a condo manager or condo board director.

For more examples, please see [Appendix A - Financial Management](#).



5. Overseeing maintenance and repairs

The condo management service of overseeing maintenance and repairs includes the following activities:

- Developing a schedule of maintenance and repair activities that reflects the directions of the condo board, policies, available resources, safety obligations, legal obligations and the needs of residents.
- Defining and estimating maintenance and repair costs for budget preparation and advising the condo board.
- Within the direction and policies of the condo board, convening the development and issuance of requests for proposals (RFPs) for maintenance and repair contracts, assisting the board with reviewing and selection of vendors and/or selecting vendors, developing and executing contracts for maintenance and repairs or hiring employees and supervising the maintenance and repair work (please see Page 6).
- Negotiating the terms and conditions of contracts.
- Managing the delivery of maintenance and repair services, including ensuring appropriate scheduling, quality control, work completion, payment within policies and contractual provisions and problem solving.
- Reporting to condo boards about maintenance and repairs that are needed, scheduled or completed.
- Advising the condo board about maintenance and repair needs, contract/vendor issues, opportunities for efficiencies and cost savings.
- Identifying potential reserve fund projects not within the reserve fund plan or in-year budget.

For the purposes of clarifying what is “providing condominium management services,” overseeing maintenance and repairs does **not** include the following activities:

- scheduling contractors and employees
- preparing (routine) work orders within established processes and policies (but not determining the specification for the work)
- verifying work completion (but not inspecting the work to determine if the specifications were met satisfactorily)
- providing construction, repair and maintenance services, landscaping services and cleaning services

For more examples, please see [Appendix A - Financial Management](#).



6. Preparing and Presenting Reports

Clarifying the administrative and the management activities related to reporting may provide further assistance in determining what is providing condo management services.

The administrative activities related to preparing a report are different from those of management:

- **Administrative tasks** related to “preparing reports” include the mechanics of preparing a report (for example, accessing a file, pulling in data, formatting, typing, dating, printing).
- **Condo management activities** related to “preparing reports” are geared to ensuring the quality of the data/information (comprehensiveness and accuracy), analyzing data and adding any needed analytical information.
- **Condo management activities** related to “presenting reports” include:
 - ensuring that the report contents are presented in a clear way to support understanding by the intended audience
 - writing and delivering an overview of reports
 - addressing any questions or concerns the Board or other audiences have about them

Note: It is assumed that presenting reports is entirely a management responsibility.

Appendix A

Examples of condo management and administrative activities

Financial Management



Budgets

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Projecting revenues and expenses to year end • Calculating future revenues and expenses by line item • Preparing and delivering the budget presentation for the Board of Directors • Recommending changes in compensation and benefits for staff • Reviewing and providing comments to Board of Directors on reserve fund budget • Verifying and issuing the budget notice to owners 	<ul style="list-style-type: none"> • Typing of budget or notice to owners • Researching information to be provided to General Licensee • Providing input to a licensed condo manager about budget preparation (for example, providing number of hours worked by staff by department, requesting rate changes from group benefits provider, insurance provider, changes in rates from utility suppliers, et cetera) • Formatting budget information into the budget template • Preparing the budget notice to owners for licensed condo manager approval



Handling Funds

Condo management companies are required to be licensed, and as licence holders, are responsible for the financial management systems and controls, as well as the personnel involved with the collection, bookkeeping, accounting, banking and disbursement of funds. Unless specifically exempted by the provisions in [Section 2 of the General Regulation](#), which says “individuals who are not working within the systems and controls of a licensed condominium management company must hold a condo management licence if they handle or account for condo funds.”

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Collecting, depositing and accounting for payments for common elements and other condo fees 	<ul style="list-style-type: none"> • Receiving payments for common elements and other condo fees and delivering them to a licensed condo manager or condo corporation officer (permission must be delegated in writing by the Board) • Processing accounts receivable payments received for the condominium corporation within established controls and systems • Processing pre-authorized payments



Banking

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Verifying bank reconciliations and accounting for differences between bank and ledger records • Convening the updating of banking authorities in keeping with Board of Directors decisions (for example, changing signing authorities) 	<ul style="list-style-type: none"> • Reconciling monthly bank statements against accounts receivable and accounts payable records



Purchasing

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Purchasing within the budget and spending policies • Issuing or approving purchase orders for services approved by the Board of Directors within policies of the Board or the provisions of a provider's management agreement • Overseeing and evaluating all expenditures and purchases • Establishing and maintaining controls on petty cash • Approving accounts payable, including staff payroll • Signing cheques on behalf of the Board of Directors of a condo corporation and/or in addition to a board officer 	<ul style="list-style-type: none"> • Preparing purchase orders for products or services that do not need competitive quotes, in keeping with condo board policy (for example, previously approved vendors or services already specified in existing contracts) • Issuing purchase orders approved by a licensed condo manager • Processing accounts payable (no signing authority) • Making disbursements from petty cash • Preparing cheques for signature based on approved invoices • Entering financial data (using electronic ledgers, such as QuickBooks)



Financial Monitoring

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Preparing monthly variance reports for the Board of Directors • Reporting to the Board of Directors on matters related to financial statements • Monitoring investments and advising or arranging for advice on an investment plan 	<ul style="list-style-type: none"> • Monitoring financial statements and flagging anomalies to the licensed condo manager



Status Certificates

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Preparing clauses to be included in all status certificates • Reviewing unit file for Section 98 agreements and other unit specific documents • Obtaining data on accounts receivable status, reserve balance, adequacy of reserve, outstanding judgements against the corporation and other legal actions, special assessments, adequacy of budget statement, et cetera • Obtaining legal opinion on wording of certain clauses or issues 	<ul style="list-style-type: none"> • Obtaining payment for certificates from the parties that request them • Typing of certificates • Submitting certificates to General Licensee for approval and signature • Supplying certificates to third party • Filing of certificates • Providing data to be included in certificates (for example, number of leased units, accounts receivable status, et cetera) • Accumulating/copying documents to be included with certificates (for example, declaration, by-laws, rules, budget, audited statement, insurance certificate, et cetera)

Appendix B

Examples of condo management and administrative activities Building Operations including Supervision of Staff and Contractors



Condominium Staff

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none">• Being in a direct reporting relationship with a staff member• Generally overseeing all activities of that staff member• Conducting performance reviews, implementing disciplinary action, et cetera• Reporting to the Board of Directors on performance of staff• Scheduling staff and approving timesheets	<ul style="list-style-type: none">• Liaising with staff member on specific issues (such as resident requests for service)• Reporting to licensed condo manager on performance issues reported by residents



Contractors, Suppliers, Trades

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Establishing specifications for contracts and other work to be performed • Arranging for competitive quotes for contracted services • Negotiating terms and conditions of service and administrative elements of a contract • Recommending acceptance of a contract to a Board of Directors • Meeting with contractors to establish work to be done in any tendering process • Coordinating and monitoring all work projects, solving problems as needed • Inspecting and assessing work completed by contractors • Approving work performed by contractors • Reporting to the Board of Directors on performance of contractors 	<ul style="list-style-type: none"> • Visiting and assisting with the inspection of properties periodically • Discussing work in progress with contractors as instructed by the licensed condo manager • Reporting to General Licensee on performance issues reported by residents • Contacting contractors to provide service(s) for residents within existing contracts (such as pest control, window washing complaints, fan coil servicing) • Scheduling maintenance staff to perform specific duties within their job description • Preparing purchase orders for approval by the General Licensee and ordering all the necessary supplies for the office • Matching work and purchase orders to invoices and checking quantities, prices, duplication, et cetera, as well as submitting these to the General Licensee for approval • Following up on service calls with residents



Monitoring and Planning

Condo Management Services

Within definition of condo management services
(a condo manager licence is required)

- Conducting regular building, grounds, and housekeeping inspections and completing follow-up as required
- Planning and implementing preventive and seasonal maintenance programs
- Reviewing and enforcing energy management systems
- Ensuring emergency procedures are current and applied
- Enforcing cleanliness and security standards
- Working with the president, the financial advisor and with the project engineer to complete reserve fund study
- Supervising contracts and contractors and ensuring completion of reserve fund study requirements
- Providing advice and information to the Board regarding possible building defects, ongoing repairs, serious resident complaints and bidding processes for major projects, recommendations for possible contractors and skilled trades

Administrative Service

Not within definition of condo management services
(a condo manager licence is not required)

Appendix C

Examples of condo management and administrative activities Relationship with the Condo Board and Owners and Residents



Residents and Owners

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none"> • Managing relationships with and between boards, residents, committees and employees • Ensuring that the materials required to be given to an owner or mortgagee are accurate and given in a timely manner (such as new resident packages with a copy of the declaration, last audited financial statement, by-laws and condo rules) • Ensuring records are maintained and accessible as required in the Condominium Act, 1998 • Providing advice to administrative personnel and the Board of Directors enforcing provisions of the Condominium Act, 1998, Condo Corporation Declaration, by-laws and rules 	<ul style="list-style-type: none"> • Assisting with the organization of events and activity programs • Issuing keys, pass cards and similar items to tenants and owners in accordance with Board policy • Coding records and issuing receipts • Preparing and sending new resident packages to owners and lawyers, and setting-up relevant owner documentation for files • Making records available to owners upon request • Prioritizing initial complaints from residents, providing information as appropriate and referring to the licensed condo manager as appropriate • Preparing communications to residents or owners about rules and violations as instructed by the licensed condo manager



Board of Directors

Condo Management Services Within definition of condo management services (a condo manager licence is required)	Administrative Service Not within definition of condo management services (a condo manager licence is <u>not</u> required)
<ul style="list-style-type: none">• Preparing (or directing the preparation of) reports, minutes, agendas and other documents for meetings of the Board of Directors, annual general meeting and other meetings at the request of the Board of Directors• Attending meetings of the Board of Directors and reporting on matters as directed by the Board• On behalf of the Board of Directors, ensuring records are maintained as required by law• Filing required reports and notices with government agencies	<ul style="list-style-type: none">• Scheduling and attending Board meetings and Committee meetings as directed, taking meeting notes and distributing materials• Attending condo corporations' annual meetings as directed, acting as scrutineer, typing notices of annual meeting agendas and materials• Circulating reports, agendas and other documents



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