
Condo Smarts

Headline: Fees for Forms

Topic: Forms

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Written by: Tony Gioventu

Dear Tony: Our strata council is in dispute with our management company over the fees collected and charged for the production of forms when there is the sale of a strata lot. The source of the complaint started when a buyer was forced to pay \$750.00 in rush fees for a Form F Payment Certificate and Form B Information Certificate. We have read our service agreement closely, and the standard fees of \$15 and \$35 plus copying applies. In addition, our strata agrees to compensate the company for \$75 per hour it requires to research and complete the forms. We challenged the rush fees and how they are reported and the manager simply advised it was an industry standard, and the management companies make up their costs when a law office or notary requests the forms in less than 7 days. As a strata council we don't see a monthly invoice because the company pays themselves directly from our accounts. How do we control or at least account for the fees that are being charged to our strata corporation, buyers and sellers? As a large strata, we have several sales every month.

Kevin W. Burnaby

Dear Kevin: Any fees charged for the production of forms and documents are fees being charged by your strata corporation. The strata management company is an agent of the corporation and under their agency agreement they are permitted to charge the fees prescribed by the *Strata Property Act* and Regulations, and as defined and agreed within your service agreement. If the service agreement does not permit rush fees, and the amount is not prescribed, the management company does not have the authority to represent as your agent to impose those fees.

Both a Form B and Form F require accuracy and review, which the management company and the strata corporation will assume liability. It is critical to provide

accuracy in financial and property matters in the forms, because buyers will rely on this information when purchasing. It is also essential to complete the Form F Payment Certificate accurately to verify funds owing to the strata corporation are collected when there is a sale. Rush fees are not uncommon as a designated staff person(s) will be required to service that request; however, rush fees are included in many management service agreements. The fees permitted by the *Act* are drastically insufficient to meet the staffing requirements and time required for production.

Any forms produced by the management company are part of the records of the strata corporation. Your treasurer and council may request copies of all forms (without attachments) along with a monthly detailed invoice to cross reference to the monthly financial reports the management company is required to provide. Until your council agrees to an amendment to the service agreement to approve a rate and provision for rush fees, the management company needs to be advised they are not authorized to charge any such fees. It may be time for your strata corporation to renegotiate your service agreement and define who is really paying for the production of forms and under what circumstances.