

This checklist will help you identify what steps HOA needs to take to prepare proper internal documentation, enhance its creditworthiness and get ready to energy audits as part of cooperation with the Energy Efficiency Fund of Ukraine and applying for bank financing to implement EE measures. Quite often, it takes weeks or even months to act upon bank's recommendations to the loan application submitted by HOA. Therefore, the sooner HOA makes efforts to meet the requirements below, the more likely it will be to secure bank funding without delays.

Is your HOA prepared to cooperation with EE FUND and applying for bank financing?

Self-Assessment Checklist

Requirement	Comment	Completed Yes/no
Bring HOA's internal documentation in order		
HOA charter meets requirements of the current legislation and HOA Model Charter.	<p>Otherwise, it may miss or have incorrectly formulated provisions enabling a decision on the thermal renovation of the building</p> <p><i>Therefore, if the HOA's Charter is outdated, it is necessary to make amendments to it in the manner prescribed by the Law "On HOAs" and register them in accordance with the procedure established by the Law of Ukraine "On State Registration of Legal Entities, Individual Entrepreneurs and Public Formations".</i></p> <p><i>Currently in effect is the version of the HOA Model Charter, approved by Order of the Ministry of regional policy and construction "On Amendments to the Model Charter of the Homeowner Association in an Apartment Building" dated April 3, 2017 No. 67.</i></p>	
HOA has a non-for-profit status, meaning there is a decision to have the HOA included into the Registry of Non-for-profit institutions and organizations	<p>Otherwise the funds obtained by HOA from the Energy Efficiency Fund may be subject to taxation.</p> <p><i>Decision on a HOA inclusion into the Registry of Non-for-Profit Institutions and Organizations is made by the State Fiscal Service of Ukraine.</i></p> <p><i>The Procedure of keeping the Registry of Non-for-Profit Institutions and Organizations, inclusion and exclusion of non-for-profit enterprises, institutions and organization into/from the Registry is approved by the CMU Regulation of July 13, 2016 № 440</i></p>	
Excerpt from the Single State Registry of Legal Entities and Individual Entrepreneurs and Public Formations is available	<p>This excerpt is the key document required to entering into any agreement. Formerly, the State Registration Certificate was used for this, which is no longer in effect.</p> <p><i>It may be obtained in the procedure established by the Law of Ukraine "On State Registration of Legal Entities, Individual Entrepreneurs and Public Formations".</i></p>	
Document evidencing selection/ appointment of the HOA CEO (Chair of the Management Board) is available	<p>HOA CEO is the person authorized to sign contracts on behalf of HOA, therefore, documents evidencing his/her selection are needed</p> <p><i>The HOA CEO selection procedure is set forth in the HOA Charter. Decisions on selection of the Chair of the HOA Management Board are released in the form of minutes.</i></p> <p><i>Where the HOA CEO is a HOA employee, his/her appointment should be evidenced by an internal order to that effect.</i></p>	

All contracts with all service providers to whom HOA pays fees (elevator maintenance, waste removal etc.) are valid and available	A Bank needs these documents to analyze HOA operational activities and confirm calculations of expenses and revenues. <i>Make sure all contracts are available and valid, or have them renewed if needed</i>	
All contracts with companies paying fees to HOA (lease of roof, basements, right of way) are valid and available	Banks consider only those revenues that pass through HOA's official current accounts. No cash payments or payments not confirmed by official contracts will be considered. <i>Make sure that all contracts are available and valid, or have them renewed if needed</i>	
Enhance one's creditworthiness		
No debt to utility companies and other organizations	An outstanding debt to utility companies demonstrates that HOA has certain financial problems. There is also a risk that this company may use court decision to arrest HOA's accounts, thereby making it impossible for HOA to repay loan. <i>If a utility company assigned a debt by mistake and it stays with HOA for years, HOA may want to write off such debt either via negotiations or a court hearing. If the latter is used, HOA should have a court award in its favor.</i> <i>If the debt is real, there are only two ways out of this situation: either to repay the debt or sign a debt restructuring agreement whereunder the debt will be repaid in installments over time.</i>	
Additional revenue boosting opportunities used	Many HOAs, particularly new ones, do not generate revenues for leasing out right of way, non-dwelling premises, attics and basements. <i>Analyze, what additional opportunities exist to increase HOA's revenues and use them to strengthen revenue side on HOA's budget.</i>	
Cost reduction opportunities used	Quite frequently contracts for elevator maintenance, waste removal, or cleaning of adjacent area were closed by HOA with companies that rendered these services at the time of ZhEKs, and their prices have not been revised since then. <i>HOA may want to revise its contracts with these companies and explore other market opportunities with companies offering cheaper and better services.</i>	
Residents' payments in arrears to HOA minimized	Banks may consider it a threat for timely repayment of a loan to HOA if the HOA has significant amounts of overdue payments and a large portion of non-paying co-owners, as fees from co-owners is the major source of HOAs revenues. <i>HOA should take pre-court and court collection measures, to minimize the debt and demonstrate positive dynamics to the bank.</i>	
Internally generated funds as a way to reduce the requested amount of credit or give additional loan repayment guarantee are accrued	Energy efficiency projects are costly. HOA may secure bank financing however availability of internally generated funds may greatly facilitate the process. <i>Therefore, the earlier HOA begins accruing money for thermal renovation (both through savings and formation of repair funds), the more likely it will access bank financing and at a lower cost.</i>	
Get prepared to energy audit		

Potential energy auditor selected	<p>Under the Law of Ukraine «On Energy Efficiency of Buildings», only qualified energy auditors and qualified utility systems engineers are entitled to certify energy efficiency and inspect utility systems in a building.</p> <p><i>Database of qualified energy auditors is available at the website of the State Agency for Energy Efficiency: http://sae.gov.ua/uk/content/energy-auditors-attestation</i></p>	
Baseline data on the building are prepared for energy auditor	<p>HOA must prepare general information about the building for making technical and economic calculation prior to energy audit.</p> <p><i>The data includes:</i></p> <ul style="list-style-type: none"> • Overall and heated footage; • Overall and heated cubature of the building; • Floor-to-floor height; • Number of residents and apartments 	
Documents and records required to conduct certification for the building, is available	<p>The procedure of independent monitoring of energy certificates (Minregion’s Order of 18.10.2018 № 276) requires a package of documents needed for EE certification of a building. Preparation of this package may be time-consuming.</p> <p><i>Therefore, to make the process of energy audit faster and simpler, and to get the building certified, HOA shall prepare/establish availability of the following documents in advance:</i></p> <ul style="list-style-type: none"> • Floor plans; • Heat supply schemes; • Power supply schemes; • Technical passport; • Heat supply agreement; • Design documentation for the building 	
Building’s energy consumption data for the last three years gathered	<p>To conduct a quality energy audit, the auditor must gather and analyze a big amount of data, including on energy and water consumption in the building.</p> <p><i>It is recommended that HOA should collect monthly consumption data for the last three years:</i></p> <ul style="list-style-type: none"> • Heat energy (GCal); • electricity (KW/hour); • cold water (cubic meters); • hot water (cubic meters); • wastewater (cubic meters); • natural gas (cubic meters). <p><i>If this information is unavailable with HOA, it may be obtained from the respective utility companies.</i></p>	
HOA is aware of effective utility prices in its town/city	<p>To have a realistic picture of energy consumption in a building, energy performance of its utilities systems, and energy cost structure during the heating and cooling period, an energy auditor should rely on information on effective prices for utilities in the respective town/city.</p>	

	<p><i>HOA may receive information on prices for heat energy, power, cold and hot water and natural gas supplied to HOA, from companies suppliers of the respective utilities.</i></p>	
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