

The Service Charges of Society to be contributed Members

A Co-operative Housing Society collects/ recovers different charges from its Members. These charges can be largely grouped in four categories namely;

- A. Service charges to be collected equally from all the members.
- B. Member specific charges; such as Parking, Non Occupancy, Property Tax, Interest on defaulted dues etc.
- C. Fixed charges as prescribed by the Byelaws such as Repairs and Maintenance Fund, Sinking Fund, Education and Training Fund, etc.
- D. The charges, the contribution to which can be decided by the General Body of the Society.

The above referred groups are explain in nut shell as under:

A. Service charges to be collected equally from all the Members:

It is observed that whenever a Co-operative Housing Society has flats of very small area as well as that of very big area in the same building, serious disputes arise about the charges which are equally collected from all the Members. However, if minutely observed, the Bye-Law are very clear about what charges are to be contributed equally by all Members irrespective of the size of the flat. These expenses are mainly as under:

1. Salaries of Office Staff, Liftman, Watchman, Gardeners and other employees. These persons should be the employees of the Society. Difference of opinion may be there, whether the persons who provide these Services as contractor or as employees.
2. Property Tax, Electricity charges, Water charges for office of Society.
3. Printing Stationary, Postage, Courier, Internet, Telephone Communication expenses etc.
4. Audit fees for internal audit, Statutory audit and Structure Audit.
5. Meeting expenses for General Body Meetings, Managing Committee Meetings and Sub Committees Meetings.
6. Legal charges and Retainership fees including statutory enquiry fees.

The above noted expenses are specifically included under Service Charges and therefore the same need to be collected equally from all the Members of the Society.

B. Member specific charges; such as Parking, Non Occupancy, Property Tax, Interest on defaulted dues etc.

1. Property Tax : The amount fixed by local authority
2. Parking charges : If Member is allotted Parking space.
3. Non Occupancy Charges : If Members has inducted licensee.
4. Interest : If Member has defaulted dues of the Society.

C. Fixed charges as prescribed by the Byelaws such as Repairs and Maintenance Fund, Sinking Fund, Education and Training Fund, etc.

1. Repairs and Maintenance Fund : To be decided by General Body subject to minimum 0.75% per annum of the construction cost of each flat.
2. Sinking Fund : To be decided by General Body subject to minimum 0.25% per annum of the construction cost of each flat.
3. Education and Training Fund : Education and Training fund at the rate of Rs. 10/- per month per flat.
4. Non Agricultural Tax : In proportion to built up area.
5. Lease Rent : In proportion to built up area.
6. Lift Repairs, Maintenance and Running Expenses. : To be contributed equally by all the Members of the building of the Society.
7. Major Repair Contribution : To be fixed by the General Body on the basis of area of the flat.
8. Insurance Premium : To be contributed in proportion to built up area of the flat.
9. Water charges : On the basis of number and size of inlets in each flat.

D. The charges, the contribution to which can be decided by the General Body of the Society.

The expenses under this category of the charges, the contribution to which can be decided by the General Body of the Society, may be decided by the General Body. These expenses normally constitute major chunk of the charges contributed by Members. It is up to the General Body to decide whether these expenses should be contributed in proportion to the area of the flat or equally by the Members, these expenses are mainly the followings.

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| a. Security contract | - | As may be decided by General Body |
| b. Service contract | - | As may be decided by General Body |
| c. Management contract | - | As may be decided by General Body |
| d. Service Provider contract | - | As may be decided by General Body |
| e. Club house | - | As may be decided by General Body |
| f. Gymnasium | - | As may be decided by General Body |
| g. Sports club | - | As may be decided by General Body |
| h. Playgrounds | - | As may be decided by General Body |
| i. Swimming pools | - | As may be decided by General Body |
| j. Community hall | - | As may be decided by General Body |
| k. Special utility services | - | As may be decided by General Body |

As such if the General Body decides that these expenses should be contributed by Members in the ratio of built up area of the flats most of the disputes will be mitigated. However, it is observed that for whatever reasons, these expenses are also recovered equally from all the Members, which leads to disputes, differences, ego clashes and litigation.

We have given hereunder the note about some specified expenses heads.

Some of the expenses are of such nature that the expenses for maintaining those facilities, which are availed by some of the Members only, can be accordingly contributed by those persons who take benefit of such facilities. This will help reduce burden on regular service charges collected from Members. These expenses are:-

1. Major Repair Expenses.
2. Lift Repair & Maintenance Expenses.
3. Insurance charges.
4. Electricity charges.
5. Club house Expenses
6. Gymnasium Expenses.
7. Sports club Expenses.
8. Playgrounds Expenses.
9. Swimming pools Expenses.
10. Community Hall Expenses.
11. Special Utility services.