

Please join us on February 19, 2026, 12:00 pm – 1:00 pm for an Informational Webinar outlining the Coalition’s concerns related to CLBC’s Terms and Conditions Changes

Summary

The Coalition’s position is that Community Living British Columbia introduced new Terms and Conditions effective June 1, 2025, without adequate consultation. The Coalition’s concerns focus on how the revised terms alter the relationship between funder and provider, particularly through expanded definitions that, in the Coalition’s view, increase audit reach into internal operations.

The Coalition reports that it has retained legal counsel and is working to address its concerns with CLBC through the dispute resolution process as laid out in Schedule F (Dispute Resolution Protocol) of CLBC’s Terms and Conditions. The next step in that process is formal mediation, which is expected to commence in February 2026.

The Coalition believes its concerns and legal case are strong. The Coalition is seeking broader participation to ensure additional perspectives are represented and that the breadth of concerns from across the sector and across agency types, sizes, and accreditation status is clearly reflected.

1. What changed in the T&Cs?

The Coalition’s concern: the revised Terms and Conditions substantially broaden what is captured under the definition of “Services”, without sufficient notice, consultation, or negotiation with the sector. The Coalition states that “Services” now includes areas beyond direct service delivery, including administration, overhead, facility costs, staff supervision, and vendor agreements.

The Coalition’s concern: CLBC has also redefined “Services”, “Cost Estimate” and how the new definition of “Services” intersects with the audit requirements for Subcontractors.

A separate attachment titled “Significant Changes” outlines key differences between previous versions and the June 1, 2025 Terms and Conditions.

2. Why the Coalition is mobilizing

CLBC has left critical terms undefined, creating uncertainty about operational decision-making, expectations, and audit interpretation.

The revised terms also increase funder control over how services are delivered, reducing providers' autonomy to deliver supports through the lenses of their own initiatives, inspiration, vision, and philosophies. The Coalition's position is that an independent provider-led approach supports individuals served's choice, enrichment, and meaningful options, and that these unique qualities can be diminished in government-directed program models.

3. Operational autonomy concerns

The Coalition's position is that, by capturing administration, facilities, and vendor agreements under "Services," CLBC is treating providers more like direct arms of government than independent third-party service providers.

The Coalition's concern is that this threatens provider autonomy in operational management, budgeting decisions, staffing flexibility, and business decision-making.

4. Treatment of efficiencies, surpluses, and reserves

The Coalition's concern is that agencies may lose operational efficiencies in cost estimates if surpluses and efficiencies are treated as "unearned revenue" under the new definition of "cost estimates" and the expanded audit scope.

The Coalition's position is that not all surpluses are "profit," but necessary reserves that support operational stability, including emergency repairs, training and retention, technology improvements, and bridge funding during payment delays. The Coalition's concern is that restricting the ability to retain modest reserves forces agencies into ongoing financial fragility, which, the Coalition argues, creates downstream risk to service stability.

5. What the Coalition reports it has achieved so far

The Coalition reports that a catalyst for its formation was an attempt by auditors to apply the June 1, 2025, rules retroactively to prior financial years.

The Coalition reports that CLBC has confirmed that for contract periods prior to June 1, 2025, CLBC will not seek reimbursement for audit and review costs and will not seek repayment for supervision and administration services.

The Coalition's concern is that, while this is a meaningful concession, CLBC intends to continue auditing providers' funding for past years in the normal course, and the Coalition believes the revised definitions could still influence how future audits are interpreted.

6. What is being sought in mediation

1. **Restore the Prior Definition of "Services":** Returning this definition to its pre-June 1, 2025 state allows agencies the operational autonomy to allocate resources effectively and innovate without being unduly constrained by restrictive terms.
 2. **Define Administration Costs:** Clearly define and communicate exactly which costs are included in "administration" to prevent scope creep into other operational areas.
 3. **Explicit Definition of "Surplus":** Provide a clear definition to set consistent expectations for agencies and auditors.
 4. **Define Unearned Revenue:** Strictly define "unearned revenue" (e.g., failing to deliver agreed service levels) to prevent it from being used as a catch-all for operational savings.
 5. **Protect Operational Efficiency (The under 5% Rule):** Allow providers to retain surpluses of up to 5% generated from efficiencies (cost-saving measures and effective financial management).
 6. **Fair Process & Consultation:** Ensure a guaranteed process for any future changes, including adequate advance notice, a clear consultation window, and sufficient time to ensure compliance.
 7. **Preserve Partnerships:** Protect existing provider and vendor partnerships, ensuring they are respected and not treated as subcontractors subject to intrusive audit.
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7. Timeline and engagement

The Coalition is organizing a sector briefing call to share details, answer questions, and collect additional perspectives from the broader sector.

The webinar is scheduled as a **'Lunch and Learn' via Microsoft Teams on February 19th, from 12:00 pm to 1:00 pm.**

Please RSVP by February 18th at 3 pm to info@coalitionbc.com. A link will be sent to interested agencies closer to the date.

The Coalition continues to invite agencies to join in advance of mediation to strengthen sector leverage and protect contractual autonomy.

8. Contact line

The Coalition's email address is info@coalitionbc.com, and it can also be reached by phone at 236-558-4706. Feel free to reach out at any time if you have questions or comments regarding the Coalition's aims.