

Seminar for owners

July 2015

Capitol
BODY CORPORATE ADMINISTRATION

Disclaimer

While all care has been taken in the preparation of this material, no responsibility is accepted by the presenter, Capitol Body Corporate Administration or its team, for any errors, omissions or inaccuracies.

This presentation provides general information only. It should not be relied upon or be a substitute for legal or other professional advice.

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BODY CORPORATE ADMINISTRATION

Introduction

Welcome – safety doors and telephones

What and who is Capitol Body Corporate Administration

Established 1996

Capitol Directors

Ian D'Arcy, Josephine D'Arcy and Ashley Fox



Introduction

The Capitol team – introduce the team

- Community Relationship Manager (CRM)
Body Corporate Manager
- All CRMs are supported by a Community Relationship Assistant
- Accounts team
- Insurance team
- Marketing and events



Introduction

Our culture at Capitol

Followers of: Fish! Philosophy and Speed of Trust

Currently our team is receiving training from National College of Business

What we do

- Agreed services (secretarial and treasury)
- Non agreed services (maintenance coordination)

We proudly support Act for Kids as our chosen charity



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Introduction

Where are our offices located?

Brisbane | Gold Coast | Redcliffe

How to contact our team via our website

www.capitolbca.com.au

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Introduction

Session topics

Question time at end of seminar

- Resident Unit Managers
Juliette Nairn, OMB Solicitors
- Capitol's new website
Matthew Savage, Capitol
- Where does your money go?
Carol Cooper, Capitol

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A Body Corporate perspective – who is your Resident Unit Manager (RUM)

Presented By
OMB Solicitors



Agenda

- What are Management Rights and how are they normally formed?
- Assignments
- Variations
- Common Complaints
- Practical ways to work with your RUM?
- Worst case – how to enforce Duties and Performance by your RUM

Management Rights



Assignments

- Normally a Committee decision
- Consent – Five (5) Key Factors
- What is the current status of the performance/condition of common property?
- Interview
- Searches
- Concerned about the new/incoming RUM? – 2nd Interview – Expert engagement
- Documents/information - Deeds, Motions and Legal Advice

Management Rights

Variations

- Normally requested just prior to Management Rights being sold
- Lot Owner Motion
- Opportunity to Negotiate (if strong Committee) – support of lot owners?
- Documents/information – Deeds, motions and Legal Advice

Management Rights

Common Complaints

- Length of Term
 - Check if contract is valid, options exercised (RUM responsibility), term remaining, licences and insurance, last review of terms and conditions (including duties)
- Amount of Salary
 - Salary review clause
 - CPI should be annual review – should be reflective of market
 - Any further review? – ought to be market value determined by appropriate valuer
 - ‘Stuck’ with salary clause in Caretaking Agreement
 - Pressure from term reducing may lead to negotiation of salary and more
 - QCAT Proceedings
 - Brought by RUM– most likely due to non-review of salary
 - Expert appointment – time and motion study = not appropriate or reflective of market value of caretaking agreements
 - Costs – defence insurance cover for bodies corporate (check your insurance!)

Management Rights



Common Complaints cont..

- Duties and Enforcement
 - Nominating a Committee liaison person
 - All Committee members need to know Caretaking Agreement and duties
 - Determining why there are performance concerns?
 - Does RUM understand Agreement and duties?
 - Is RUM not fit to undertake some duties?
 - Is the RUM enjoying being on a 'good wicket'?
 - Issuing monthly, quarterly, bi-annually directions by the Committee
 - "Walk around's"
 - Open communication
 - Negotiating with RUM
 - What does RUM want?
 - Negotiate – sometimes difficult to get parties to "the table"
 - Maybe not all Committee – liaison person only

Management Rights



Common Complaints cont..

- Strategies for difficult RUM
 - Conduct a Review – time limits apply (normally 3 years)
 - Performance Reviews – time consuming, costly and stressful
 - Allow contract to expire – no extensions
 - Purchase contract (caretaking agreement only)
 - Applying pressure by allowing term of Caretaking Agreement to reduce
 - Lot owners removing lots from letting pool
 - Combination of all
 - Final step is Remedial Action Notice and legal advice on termination
- Options for bodies corporate
 - Consider the type of scheme – small? Amount and type of facilities?
 - Consider the need or necessity of a full time, live on site RUM
 - Costs of a full time, live on site RUM per year (and over full term of agreement) vs separate contractors (i.e. Jim's mowing, local pool shop)

Management Rights



Conclusion

- Lot Owners and Committees becoming more aware
- Implementing strategies
- Negotiating
 - What does the RUM want?
 - Why is the RUM not carrying out the duties?
 - What are the solutions?

Management Rights



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Management Rights 101

Frank Higginson, Director

How about



- Them Maroons
- The first day of the Ashes

(I hope)

What are management rights?



They are contracts which include:

- Caretaking component
- Letting component – letting appointments

Property (or property usage rights)

How are they created?



- First EGM through developer
- Later AGM through owners
- Never at committee level

Selling management rights



- Can be sold at any time
- Not a job interview – but committee cannot unreasonably withhold consent
- What that means

Current conditions



- Buoyant market
- More informed bodies corporate
- Refusals and conditions

Dealing with poor performance



- You can always go the armageddon option but why start there?
- Treat it as a staff performance issue
- Educate, manage expectations, communicate

Why any action will be contested



- The value of management rights
- Financiers lending
- Body corporate spending

Moral to the story



- How we approach these
- Understand the legal and commercial nature of what they are
- Find a way to solve it without real disputation

Contact



Frank Higginson, Director

Frank.higginson@hyneslegal.com.au

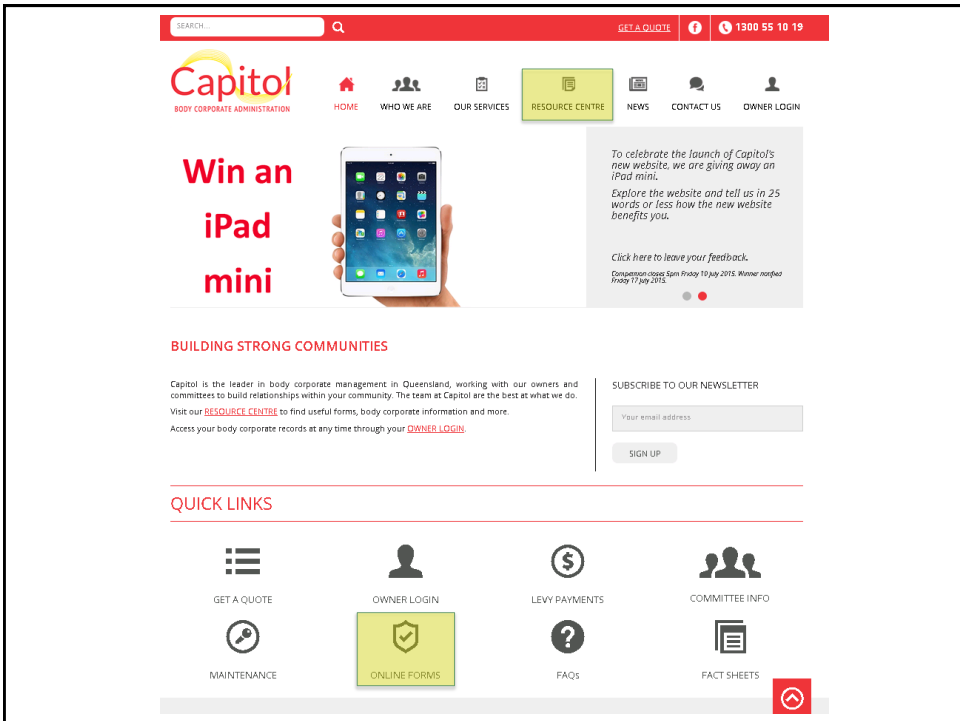


07 3193 0588

Have you subscribed to our free management rights newsletter?

Visit www.hyneslegal.com.au/subscribe

Capitol's new website

Matthew Savage
Community Relationship Manager



SEARCH [input] GET A QUOTE 1300 55 10 19

Capitol BODY CORPORATE ADMINISTRATION

HOME WHO WE ARE OUR SERVICES RESOURCE CENTRE NEWS CONTACT US OWNER LOGIN

Win an iPad mini

To celebrate the launch of Capitol's new website, we are giving away an iPad mini. Explore the website and tell us in 25 words or less how the new website benefits you. Click here to leave your feedback. Competition closes 5pm Friday 10 July 2015. Winner notified Friday 17 July 2015.

BUILDING STRONG COMMUNITIES

Capitol is the leader in body corporate management in Queensland, working with our owners and committees to build relationships within your community. The team at Capitol are the best at what we do. Visit our [RESOURCE CENTRE](#) to find useful forms, body corporate information and more. Access your body corporate records at any time through your [OWNER LOGIN](#).

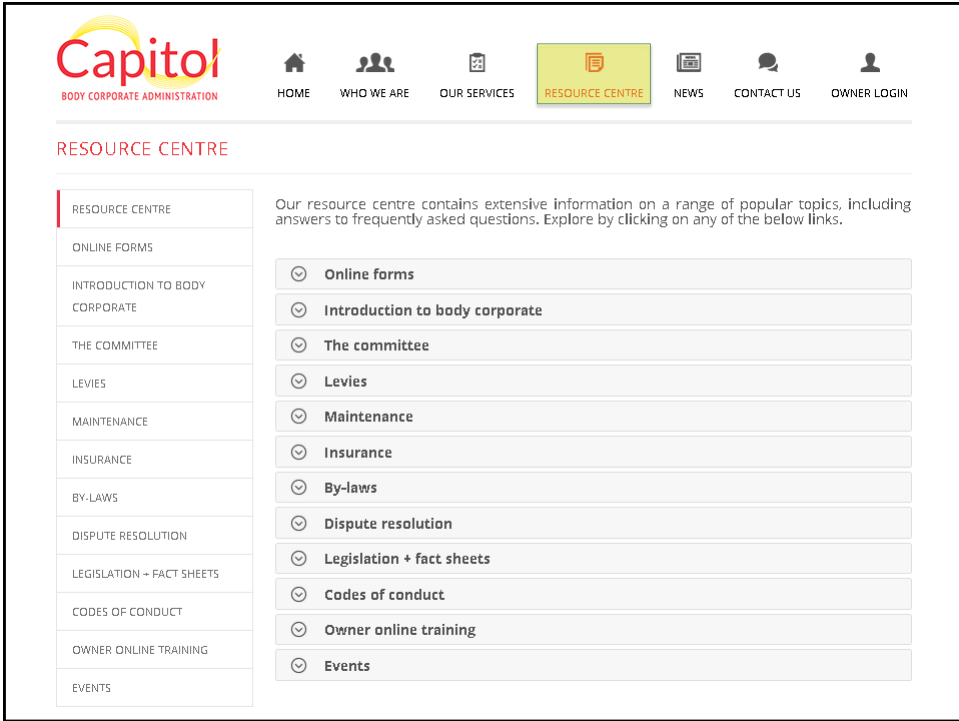
SUBSCRIBE TO OUR NEWSLETTER

Your email address [input]

SIGN UP

QUICK LINKS

- GET A QUOTE
- OWNER LOGIN
- LEVY PAYMENTS
- COMMITTEE INFO
- MAINTENANCE
- ONLINE FORMS
- FAQS
- FACT SHEETS



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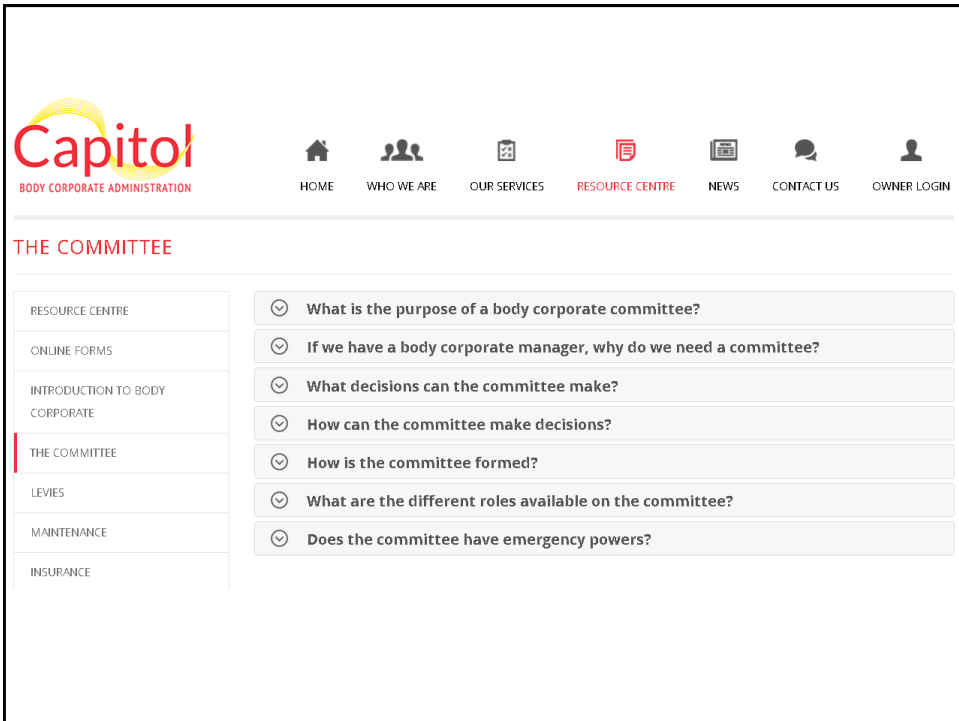
HOME WHO WE ARE OUR SERVICES **RESOURCE CENTRE** NEWS CONTACT US OWNER LOGIN

RESOURCE CENTRE

Our resource centre contains extensive information on a range of popular topics, including answers to frequently asked questions. Explore by clicking on any of the below links.

- RESOURCE CENTRE
- ONLINE FORMS
- INTRODUCTION TO BODY CORPORATE
- THE COMMITTEE
- LEVIES
- MAINTENANCE
- INSURANCE
- BY-LAWS
- DISPUTE RESOLUTION
- LEGISLATION + FACT SHEETS
- CODES OF CONDUCT
- OWNER ONLINE TRAINING
- EVENTS

- Online forms
- Introduction to body corporate
- The committee
- Levies
- Maintenance
- Insurance
- By-laws
- Dispute resolution
- Legislation + fact sheets
- Codes of conduct
- Owner online training
- Events



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HOME WHO WE ARE OUR SERVICES **RESOURCE CENTRE** NEWS CONTACT US OWNER LOGIN

THE COMMITTEE

- RESOURCE CENTRE
- ONLINE FORMS
- INTRODUCTION TO BODY CORPORATE
- THE COMMITTEE**
- LEVIES
- MAINTENANCE
- INSURANCE

- What is the purpose of a body corporate committee?
- If we have a body corporate manager, why do we need a committee?
- What decisions can the committee make?
- How can the committee make decisions?
- How is the committee formed?
- What are the different roles available on the committee?
- Does the committee have emergency powers?

THE COMMITTEE

- RESOURCE CENTRE
- ONLINE FORMS
- INTRODUCTION TO BODY CORPORATE
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What is the purpose of a body corporate committee?

Visit [INTRODUCTION TO BODY CORPORATE](#) for an overview of the purpose of the body corporate committee.

The body corporate committee (elected at each AGM) is responsible for the day to day operations of the body corporate and works closely with Capitol as the body corporate manager. The committee's duties include:

- Acting in the best interest of all owners
- Overseeing the operation of the body corporate
- Providing instructions to, and working with the body corporate manager (Capitol)
- Carrying out instructions from the body corporate in a general meeting (implementing motion outcomes)

The committee takes instruction from the body corporate at a general meeting, and must carry out the body corporate's lawful instructions. For example, if the body corporate resolves to have the financial records audited, the committee must arrange the auditor and provide the necessary information.

- Overseeing maintenance, and other day to day administrative tasks.

The committee has the authority to act on behalf of all owners in limited circumstances. For example, if the body corporate for a large high-rise with 100 lots needed to purchase a new mop for the cleaning room, the committee would be authorised to make that decision, rather than convening a meeting of all 100 lot owners.

Committee members are bound by a statutory code of conduct. Visit [CODES OF CONDUCT](#) to view the code.

If we have a body corporate manager, why do we need a committee?

What decisions can the committee make?

How can the committee make decisions?

How is the committee formed?

What are the different roles available on the committee?

Does the committee have emergency powers?

HOME

WHO WE ARE

OUR SERVICES

RESOURCE CENTRE

NEWS

CONTACT US

OWNER LOGIN


ONLINE FORMS

- RESOURCE CENTRE
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- Update your contact details**
- Disclosure statement request**
- Information certificate request**
- Certificate of currency request**
- Pet request**
- Air conditioning request**
- Maintenance request**
- General improvement request**
- Insurance claim**
- Reimbursement request**
- Completed improvement notification**
- Owner login request**

AIR CONDITIONING REQUEST

RESOURCE CENTRE	<p>Process for obtaining committee approval</p> <ul style="list-style-type: none"> • Prior to lodging your application we recommend that you review the body corporate by-laws so that you can address any conditions included in the by-laws. • Your request will be submitted to the body corporate committee for consideration. • The committee may provide approval subject to conditions. • Should you wish for this request to be considered outside of a committee meeting there will be a fee payable by the owner. • A quotation will be provided to you within two days of receipt of this request. • Upon acceptance of the quote, please allow up to 14 days for a response from the committee. <p>Property details DOWNLOAD PDF</p> <p>Name of owner <input style="width: 150px; height: 20px;" type="text"/></p> <p style="margin-left: 100px;">First Last</p> <p>Property address <input style="width: 250px; height: 20px;" type="text"/></p> <p>Street address</p> <p><input style="width: 250px; height: 20px;" type="text"/></p> <p>Address line 2</p> <p><input style="width: 150px; height: 20px;" type="text"/> <input style="width: 100px; height: 20px;" type="text"/></p> <p>City State</p> <p><input style="width: 100px; height: 20px;" type="text"/></p> <p>Postcode</p> <p><input style="width: 250px; height: 20px;" type="text"/></p> <p>Building name <input style="width: 250px; height: 20px;" type="text"/></p> <p>Lot number <input style="width: 250px; height: 20px;" type="text"/></p> <p>CTS number <input style="width: 250px; height: 20px;" type="text"/></p>
ONLINE FORMS	
INTRODUCTION TO BODY CORPORATE	
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OUR PEOPLE

WHO WE ARE

















WHY CHOOSE CAPITOL

WHAT WE STAND FOR

OUR PEOPLE

ACT FOR KIDS

Click any of the friendly faces to see that person's qualifications and direct contact details.

 Josephine D'Arcy <small>Director</small>	 Ian D'Arcy <small>Business Development Director</small>	 Ashley Fox <small>Director</small>	 Christine Murray <small>Accounts Manager</small>
 David Pak-Poy <small>Community Relationships Manager</small>	 Felicity Frewin <small>Business Development & Community Relationships Manager</small>	 Jenny Phillips <small>Community Relationships Manager</small>	 Jane Smith <small>Community Relationships Manager</small>
 Matthew Savage <small>Community Relationships Manager</small>	 Carol Cooper <small>Community Relationships Manager</small>	 Scott Weaver <small>Community Relationships Manager</small>	 Rebecca Hamilton <small>Community Relationships Manager</small>
 Julie MacCarthy <small>Community Relationships Manager</small>	 James McCreanor <small>Community Relationships Manager</small>	 Tony McQuillan <small>Community Relationships Manager</small>	 Julie Coates <small>Community Relationships Manager</small>

The screenshot shows the 'OUR PEOPLE' section of the Capitol website. A pop-up window displays the profile of Josephine D'Arcy, Director. The profile includes her name, title, phone number (07 3622 3901), and email address (josephine@capitolbca.com.au). A bio states: 'Josephine is the founding Director of Capitol. In 1996, she recognised an opportunity to bring her knowledge of the construction industry together with her passion for people to the body corporate industry.' Her qualifications are listed as 'FSCM - Fellow Strata Community Manager (Old)', 'Certificate IV - Body Corporate Management', and 'Commissioner for Declarations'. The background shows a grid of other staff members including Ashley Fox, Christine Murray, Jenny Phillips, Jane Smith, David P..., Matthew Savage, Carol Cooper, Scott Weaver, and Rebecca Hamilton.

The screenshot shows the 'OWNER LOGIN' page on the Capitol website. The header includes the Capitol logo and navigation links: HOME, WHO WE ARE, OUR SERVICES, RESOURCE CENTRE, NEWS, CONTACT US, and OWNER LOGIN. The main heading is 'OWNER LOGIN'. The text explains that the owner login has been updated and requires users to upgrade their account. It provides instructions on how to upgrade and offers contact information for assistance: 'If you have any issues navigating this process, view the instructional video on the login page. If you are still encountering login problems, please call Kristina Lucas at Capitol on 07 3622 3918 or email team@capitolbca.com.au.' It also states that users can update their contact details at any time. A list of accessible information is provided:

- Your statements and levy information
- Community management statement (including by-laws and plans)
- Building reports (including insurance valuations, safety audit reports and sinking fund forecasts)
- Meeting minutes

 It notes that committee members have additional access to financial information. Below the text is a placeholder for a user profile icon and the heading 'OWNER LOGIN'. At the bottom, it says: 'If you don't have your login details, follow the links on the login page to retrieve your details immediately. Alternatively, [click here](#) to submit a form to our office.'

Owner login

Your owner login enables you to securely access information about your body corporate and you can update your contact details at any time.

You have access to:

- Your statements and levy information
- Community management statement
 - By-laws
 - Plans
- Building reports
 - Insurance valuations
 - Safety audit reports
 - Sinking fund forecasts
- Meeting minutes

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Owner login

- Owner login recently updated
- Requires an upgrade next time you login
- Use existing details to 'create' an account
 - Even if you already use the owner login, you will still be required to use the 'create' function
- You will be prompted to enter your email address and a password of your choosing
- Click upgrade to activate your account
- Each time you login in future, you will use your email address and your new password

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Where does your money go?

Carol Cooper
Community Relationship Manager



Overview

- Budgets
- Understanding financials
- How to pay levies



Budgets: administrative fund

Statutory requirements: administrative fund

- Contain estimates for the financial year of necessary and reasonable expenditure to cover:
 - The cost of maintaining common property and body corporate assets
 - The cost of insurance
 - Other expenditure incurred annually or more frequently (called recurrent expenditure)
- To fix the amount to be raised by contributions to cover the estimated expenditure
- Admin budgets are like a household budget

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PROPOSED ANNUAL BUDGET

ADMINISTRATIVE FUND	ACTUAL 01/09/13-31/08/14	BUDGET 01/09/13-31/08/14	BUDGET 01/09/14-31/08/15
INCOME			
Levies - Administrative Fund	65,300.00	65,300.00	66,000.00
Insurance Levy	6,000.00	6,000.00	6,400.00
Interest On Overdue Levies	90.71	0.00	0.00
TOTAL ADMIN. FUND INCOME	71,390.71	71,300.00	72,400.00
EXPENDITURE - ADMIN. FUND			
Audit Fees	1,276.00	650.00	0.00
Bank Charges	0.00	35.00	0.00
Bank Charges (Gst Incl)	(2.20)	55.00	0.00
Cleaning	895.00	0.00	0.00
Community Power	8,394.34	10,000.00	10,000.00
Fees & Permits	113.00	50.00	120.00
Fire Protection	2,184.90	2,500.00	2,500.00
Income Tax Returns	132.00	132.00	132.00
Insurance	8,726.67	8,726.76	9,089.00
Insurance Valuation	0.00	0.00	728.00
R & M - Building General	440.00	800.00	600.00
R & M - Plumbing	693.00	650.00	600.00
R & M - Grounds Contractor	3,965.94	3,500.00	4,000.00
R & M - Electrical	688.74	250.00	300.00
Management Fees	3,997.60	3,960.00	4,382.40
Management Fees Additional Svc	286.00	500.00	300.00
Maintenance Co-Ordination	236.50	200.00	300.00
Pest Control	220.00	500.00	220.00
Disbursements	982.54	700.00	600.00
Stratamax License Fee	355.20	356.00	356.00
Fixed Disbursements	1,570.48	1,561.00	1,584.00
Resident Manager Contract	34,116.54	32,692.00	33,694.00
Resident Unit Manager Outlays	0.00	200.00	0.00
Swimming Pool Maintenance	575.10	500.00	600.00
Swimming Pool Chemicals	322.90	700.00	400.00
Workplace Health & Safety	517.00	517.00	517.00
TOTAL ADMIN. EXPENDITURE	70,687.25	69,734.76	71,022.40
SURPLUS / DEFICIT	\$ 703.46	\$ 1,565.24	\$ 1,377.60
Opening Admin. Balance	(1,555.15)	(1,555.15)	(851.69)
ADMINISTRATIVE FUND BALANCE	\$ (851.69)	\$ 10.09	\$ 525.91
NUMBER OF UNITS OF ENTITLEMENT:		1,000	1,000
AMOUNT PER UNIT OF ENTITLEMENT:		\$ 65,300.00	\$ 66,000.00

Budgets: sinking fund

Statutory requirements: sinking fund

- Provide for necessary and reasonable expenditure from the sinking fund for the financial year
- Reserve a proportional amount to meet anticipated expenditure over a least the next nine years after the financial year in question, after taking into consideration:
 - Anticipated expenditure of a capitol or non-recurrent nature
 - Periodic replacement of items of a major capital nature
 - Other expenditure that should reasonably be met from capital
- Fix the amount to be raised from contributions to cover the estimated capital amount

PROPOSED ANNUAL BUDGET

<u>SINKING FUND</u>	ACTUAL 01/09/13-31/08/14	BUDGET 01/09/13-31/08/14	BUDGET 01/09/14-31/08/15
<u>INCOME</u>			
Levies - Sinking Fund	14,800.00	14,800.00	18,000.00
Interest Received	1,214.52	0.00	0.00
<u>TOTAL SINKING FUND INCOME</u>	16,014.52	14,800.00	18,000.00
<u>EXPENDITURE - SINKING FUND</u>			
Fire Equipment	2,981.50	0.00	4,200.00
Income Tax	419.39	0.00	0.00
Maintenance	0.00	10,000.00	10,000.00
<u>TOTAL SINK. FUND EXPENDITURE</u>	\$ 3,400.89	\$ 10,000.00	\$ 14,200.00
<u>SURPLUS / DEFICIT</u>	\$ 12,613.63	\$ 4,800.00	\$ 3,800.00
Opening Sinking Fund Balance	53,752.84	53,752.84	66,366.47
<u>SINKING FUND BALANCE</u>	\$ 66,366.47	\$ 58,552.84	\$ 70,166.47
NUMBER OF UNITS OF ENTITLEMENT:		1,000	1,000
AMOUNT PER UNIT OF ENTITLEMENT:		\$ 14.8000	\$ 18.0000

Sinking fund forecast: example

CASH FLOW FORECAST SUMMARY

Year	Date	Opening Balance	Averaged Sinking Fund Levies (Excl GST)	Estimated Sinking Fund Expenditure (Excl GST)	Interest Earned	Tax on interest	Closing Balance
	- 2015						6,240
1	2015 - 2016	6,240	8,628	(650)	256	(77)	14,397
2	2016 - 2017	14,397	8,907	(676)	463	(133)	22,952
3	2017 - 2018	22,952	9,126	(703)	679	(264)	31,806
4	2018 - 2019	31,806	9,353	(734)	869	(261)	39,209
5	2019 - 2020	38,268	9,513	(769)	1,067	(326)	47,868
6	2020 - 2021	47,868	9,883	(791)	1,310	(393)	57,877
7	2021 - 2022	57,877	10,138	(835)	1,532	(466)	65,734
8	2022 - 2023	65,734	10,425	(855)	1,763	(529)	76,538
9	2023 - 2024	76,538	10,723	(864)	1,968	(598)	82,275
10	2024 - 2025	82,275	11,057	(925)	2,164	(655)	93,938
11	2025 - 2026	93,938	11,404	(975)	2,362	(718)	106,019
12	2026 - 2027	106,019	11,764	(1,001)	2,562	(786)	119,599
13	2027 - 2028	119,599	12,138	(1,041)	2,764	(859)	133,811
14	2028 - 2029	133,811	12,526	(1,086)	2,968	(937)	148,559
15	2029 - 2030	148,559	12,928	(1,136)	3,174	(1,020)	163,925



Sinking fund forecast: example

I. LEVY CALCULATION

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1	244	255	267	280	295	311	329	350	373	400	430	466	509	561	605
2	116	121	126	132	139	146	153	162	172	182	194	207	222	238	256
3	301	314	328	343	359	377	396	416	439	464	490	520	553	589	629
4	163	170	177	185	194	203	214	226	237	250	266	281	298	318	339
5	3,262	3,438	3,618	3,829	4,080	4,384	4,764	5,257	5,841	6,509	7,299	8,163	9,143	10,281	11,599
6															
7															
8															
9	40	42	44	46	48	51	53	56	60	63	67	72	77	83	89
10	421	441	464	491	523	562	611	674	752	846	957	1,086	1,234	1,403	1,594
11	254	267	284	305	335	382	440	509	594	696	818	963	1,134	1,334	1,564
12	379	397	418	442	471	506	550	607	680	779	905	1,060	1,246	1,466	1,722
13	261	272	285	298	313	329	346	366	387	411	437	467	500	538	581
14	168	178	184	194	205	218	234	252	274	301	332	368	409	456	509
15	162	169	176	183	191	200	210	221	234	251	271	294	321	352	388
16	75	79	82	86	91	96	102	108	116	125	133	144	157	173	193
17	186	205	214	225	237	250	264	281	299	321	345	374	409	450	502
18	251	263	275	288	303	320	339	360	384	411	443	480	524	577	644
19	514	547	599	707	885	1,144	1,514	2,024	2,714	3,634	4,944	6,714	9,144	12,444	17,144
20	60	63	66	69	72	76	80	84	89	95	101	108	115	124	134
21	193	201	210	220	231	243	256	270	286	303	323	345	369	397	429
22	650	676	703	731	760	791	822	856	890	925	962	1,001	1,041	1,082	1,126
Calculated Levies	7,720	8,065	8,512	9,032	9,634	10,308	11,061	11,842	12,672	13,552	14,483	15,466	16,502	17,591	18,734
Averaged Levies	8,737	9,086	9,450	9,828	10,221	10,630	11,055	11,497	11,957	12,435	12,933	13,450	13,988	14,548	15,130
LESS: Net Interest Earned on Deposits after Tax	(108)	(179)	(234)	(278)	(308)	(324)	(337)	(347)	(354)	(359)	(363)	(366)	(368)	(369)	(370)
Total Sinking Fund Levies (No Cash Flow)	8,629	8,907	9,278	9,554	9,913	10,286	10,718	11,110	11,503	11,900	12,317	12,744	13,184	13,641	14,060



Budgets

Body corporate committees must prepare the proposed budgets for the consideration of owners at each annual general meeting (AGM). A copy of the proposed budgets must be included in the notice of an AGM.

The role of the body corporate manager is not to set the budget or approve the budgets.

Standard SCA administration agreement states that one of the duties of a body corporate manager is:

- Prepare a draft budget for each financial year

Budgets

The body corporate manager prepares the draft budget and takes that to the committee.

The committee then, in consultation with the manager, considers the budget in detail ensuring adequate funds to cover all expenses, a budget that the committee is happy with and that can then go to the owners.

The last step in the process is for the owners to consider and approve the budgets at the AGM.

Understanding financials

- Balance sheet
 - Balance of administrative and sinking fund
 - Assets – cash at bank and term depositions
 - Liabilities – outstanding creditors
- Income and expenditure
- Budgeted amount to actual amounts

Capitol
BODY CORPORATE ADMINISTRATION

<u>OWNERS FUNDS</u>	ACTUAL 31/08/14	ACTUAL 31/08/13
Administrative Fund	(851.69)	(1,555.15)
Sinking Fund	66,366.47	53,752.84
<u>TOTAL</u>	\$ 65,514.78	\$ 52,197.69

THESE FUNDS ARE REPRESENTED BY

CURRENT ASSETS

Cash At Bank	48,690.85	35,067.96
Term Deposit Macquarie	33,901.66	32,687.14
Prepaid Tax	430.00	136.00
Other Arrears	88.93	0.00
Sundry Debtors	0.00	31.90

TOTAL ASSETS **83,111.44** **67,923.00**

LIABILITIES

Creditors	570.74	445.50
Accruals	6,152.32	0.00
Levies In Advance	10,110.10	14,194.05
Other Payments In Advance	763.50	1,085.76

TOTAL LIABILITIES **17,596.66** **15,725.31**

NET ASSETS **\$ 65,514.78** **\$ 52,197.69**

<u>ADMINISTRATIVE FUND</u>	<u>ACTUAL</u> 01/09/13-31/08/14	<u>BUDGET</u> 01/09/13-31/08/14	<u>ACTUAL</u> 01/09/12-31/08/13
<u>INCOME</u>			
Levies - Administrative Fund	65,300.00	65,300.00	60,580.00
Insurance Levy	6,000.00	6,000.00	5,760.00
Interest On Overdue Levies	90.71	0.00	45.37
<u>TOTAL ADMIN. FUND INCOME</u>	71,390.71	71,300.00	66,385.37
<u>EXPENDITURE - ADMIN. FUND</u>			
Audit Fees	1,276.00	650.00	638.00
Bank Charges	0.00	35.00	32.95
Bank Charges (Gst Incl)	(2.20)	55.00	51.70
Cleaning	895.00	0.00	0.00
Community Power	8,394.34	10,000.00	9,430.51
Fees & Permits	113.00	50.00	32.10
Fire Protection	2,184.90	2,500.00	2,369.60
Income Tax Returns	132.00	132.00	132.00
Insurance	8,726.67	8,726.76	8,261.75
R & M - Building General	440.00	800.00	662.63
R & M - Plumbing	693.00	650.00	639.75
R & M - Grounds Contractor	3,965.94	3,500.00	2,452.46
R & M - Electrical	688.74	250.00	0.00
Management Fees	3,997.60	3,960.00	3,806.88
Management Fees Additional Svc	286.00	500.00	436.13
Maintenance Co-Ordination	236.50	200.00	0.00
Pest Control	220.00	500.00	64.50
Disbursements	982.54	700.00	674.73
Stratamax License Fee	355.20	356.00	355.20
Fixed Disbursements	1,570.48	1,561.00	1,500.40
Resident Manager Contract	34,116.54	32,692.00	31,962.08
Resident Unit Manager Outlays	0.00	200.00	0.00
Swimming Pool Maintenance	575.10	500.00	346.85
Swimming Pool Chemicals	322.90	700.00	606.76
Workplace Health & Safety	517.00	517.00	517.00
<u>TOTAL ADMIN. EXPENDITURE</u>	70,687.28	69,734.76	64,973.98
<u>SURPLUS / DEFICIT</u>	\$ 703.46	\$ 1,565.24	\$ 1,411.39
Opening Admin. Balance	(1,555.15)	(1,555.15)	(2,966.54)
<u>ADMINISTRATIVE FUND BALANCE</u>	\$ (851.69)	\$ 10.09	\$ (1,555.15)

<u>SINKING FUND</u>	<u>ACTUAL</u> 01/09/13-31/08/14	<u>BUDGET</u> 01/09/13-31/08/14	<u>ACTUAL</u> 01/09/12-31/08/13
<u>INCOME</u>			
Levies - Sinking Fund	14,800.00	14,800.00	14,800.14
Interest Received	1,214.52	0.00	1,438.56
Insurance Claim Proceeds	0.00	0.00	762.00
<u>TOTAL SINKING FUND INCOME</u>	16,014.52	14,800.00	17,000.70
<u>EXPENDITURE - SINKING FUND</u>			
Fire Equipment	2,981.50	0.00	738.00
Income Tax	419.39	0.00	257.47
Insurance Claim Costs	0.00	0.00	762.00
Maintenance	0.00	10,000.00	2,308.10
Electrical/Lighting	0.00	0.00	555.50
Swimming Pool	0.00	0.00	601.50
<u>TOTAL SINK. FUND EXPENDITURE</u>	\$ 3,400.89	\$ 10,000.00	\$ 5,222.57
<u>SURPLUS / DEFICIT</u>	\$ 12,613.63	\$ 4,800.00	\$ 11,778.13
Opening Sinking Fund Balance	53,752.84	53,752.84	41,974.71
<u>SINKING FUND BALANCE</u>	\$ 66,366.47	\$ 58,552.84	\$ 53,752.84

How to pay levies

- Example levy notice payment slip
- Payment options



Payment slip: example

		Capitol Body Corporate Admin. DEFT Reference Number: Your DEFT reference number	
Pay over the Internet from your **Credit Card or *pre-registered bank a/c at: www.deft.com.au <small>*A surcharge may apply to credit card transactions</small>	Biller Code: Biller code Ref: Your reference number	Account: Your body corporate details will be listed here.	
By phone from your **Credit Card or *pre-registered bank account. Call 1300 301 090 Int +612 8232 7395	Contact your participating financial institution to make this payment from your cheque or savings account.		Lot No. Your lot number Owner Your name
<small>*Payments by phone or internet from your cheque or savings account require registration. Please complete a Customer Initiated Direct Debit registration form available at www.deft.com.au or call 1800 672 312</small>	Pay by mailing this payment slip with your cheque to: DEFT Payment Systems GPO Box 141 Brisbane Qld 4001	All cheques must be made payable to: Body Corporate For: building name ABN body corporate ABN	
In person, pay by cash, cheque or EFTPOS at billipay any Post Office in Australia.	TOTAL AMOUNT DUE \$XX.XX DUE DATE		
*496 273116228 10000000045			



