

Topic 6 - Funds administered by the manager

Section 119 of the Act allows a body corporate to authorise a body corporate manager to administer its accounts. If a body corporate manager administers the administrative fund or the sinking fund under such an authorisation, the body corporate manager must comply with section 146 of the Standard Module, which regulates payments in to, and out of, the funds and the use of the body corporate financial institution account. (SM s147)

Revocation of body corporate manager's authority

Within 30 days after an authorisation to administer a fund is revoked, the body corporate manager must give the body corporate the following financial records:

- an income and expenditure statement for the fund for the financial year;
- a list of all amounts owing to, and payable from, the fund;
- a reconciliation statement for the account(s) kept for the fund for the most recently completed month;
- details of the most recent notice given to each lot owner requiring payment of a contribution;
- a record of all contributions paid by lot owners during the financial year;
- a balance sheet as at the termination day (if required by the body corporate); and
- any other financial record for the fund held by the body corporate manager.

Note: The above provisions relating to the return of financial records will not apply if the body corporate manager is given a notice under Section 206 of the Standard Module ("Return of body corporate property"). However, the notice must be given before the 30 day period ends.

Reconciliation statements (SM s149)

A body corporate manager who administers the funds under a Section 119 authorisation or is engaged to carry out the functions of the committee (SM Chapter 3 Part 5) must prepare, on a monthly basis, a "**reconciliation statement**" for each account kept for a fund.

The **reconciliation statement** must be prepared within 21 days after the last day of each month and must reconcile:

- the amounts shown on a statement from the financial institution at which the body corporate accounts are kept; and
- invoices and other documents showing payments into and out of the account during the month.