



BODY CORPORATE MANAGEMENT

ABN 87 010 209 784

BRISBANE

EBCM House
120 Brunswick Street
Fortitude Valley QLD 4006

t. (07) 3620 0600
f. (07) 3620 0610

brisbane@ebcm.com.au

GOLD COAST

EBCM Place
71 Davenport Street
Southport QLD 4215

t. (07) 5519 2900
f. (07) 5519 2910

goldcoast@ebcm.com.au

Members of:



www.ernstbcm.com.au

INFORMATION HANDOUT BUILDING MANAGERS

Introduction

This document is designed in an endeavour to aid our Building Managers to carry out their role under their agreement and as such this information is to be used only as a guide. All Managers should ensure that they are completely familiar with the contents of their agreements with the Body Corporate as these vary from Body Corporate to Body Corporate. After all it is the basis of your role and payment.

The Role of the Building Manager

Under the Body Corporate and Community Management Act 1997 (The Act), a Building Manager is classified as a service contractor and is subject to the requirements of The Act for such persons. The Building Manager's role is, in general, to carry out the Body Corporate's duties in connection with the management of the common property as defined in The Act and outlined in Survey Plans. Building Managers are assisting the Body Corporate to fulfill an important requirement in The Act being: a Body Corporate "must maintain common property in good condition".

To fulfill this role you should ensure, over and above those duties contained in your contract, that:-

- 1) You are completely familiar with the building utilising as-built plans, any machinery and existing maintenance contracts with other contractors.
- 2) That where appropriate, maintenance contracts are in place for such things as lifts, sump pumps, garage doors, fire systems etc. and that the contracts are being fulfilled.
- 3) Advise the Body Corporate Committee on items requiring attention on common property.
- 4) The duties contained within your contract are carried out.

Spending and Accounting Procedures

Invoicing

To ensure prompt and accurate payment of invoices the following procedure is recommended:-

- 1) When a tradesperson issues an invoice, please ensure the invoices are in the name of the Body Corporate (not the Building Manager or Ernst Body Corporate Management Pty Ltd), addressed care of you and Goods and Services Tax (GST) and Australian Business Number (ABN) requirements are met.
- 2) When you are satisfied the invoice is acceptable, the amount is correct and the goods and/or services have been provided to your satisfaction, stamp the invoice "Approved for Payment", date and sign.



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3) Send all invoices to Ernst Body Corporate Management Pty Ltd (Gold Coast), PO Box 10374, Southport, Queensland, 4215.

Note:

(1) Terms of payment should be at least fourteen (14) days.

(2) All tradesmen must have adequate insurance policies in place and be able to quote an Australian Business Number (ABN) prior to being contracted to do work for the Body Corporate.

The Payment Process

1) Once approved invoices are received by Ernst Body Corporate Management Pty Ltd (Gold Coast) a cheque is drawn within seven (7) days and sent to the Chairperson or another Committee delegate for signature.

2) The Chairperson, if satisfied, will sign and return the cheque to Ernst Body Corporate Management Pty Ltd (Gold Coast).

3) A Director of Ernst Body Corporate Management Pty Ltd will countersign the cheque and send it to the creditor.

If the above is performed efficiently payments are made within fourteen (14) days.

Petty Cash Float

Application may be made to the Body Corporate Committee to issue you with a Petty Cash Float. The amount could be outlined in your agreement. When claiming Petty Cash reimbursements forward a claim to Ernst Body Corporate Management Pty Ltd (Gold Coast) with all receipts attached to a claim sheet summarising your claim.

Note: No claim can be paid without receipts.

We suggest you spend three quarters (3/4) of the petty cash float, then seek reimbursement. Spending Limit Your spending limit should be contained within your agreement. If not, request the Body Corporate Committee to approve a spending limit. This is usually between \$500 and \$1,000.

Note: The Body Corporate Committee's spending limit is normally \$125.00 (Standard Module) per lot per item or the amount determined by the Body Corporate under the Accommodation Module or the Commercial Module.

The Body Corporate Committee

The Body Corporate Committee has the role of ensuring the Body Corporate operates smoothly on a day to day basis and will make decisions to carry out the necessary work to ensure this.

Body Corporate Committee Meetings

- The Body Corporate Committee will regularly meet (usually on a quarterly basis) to address issues that have arisen since their last meeting.
- The Building Manager will usually be required to attend the Body Corporate Committee Meetings.

- The Building Manager will usually be required to table a written report. Building Manager's Report to Committee Your report to the Body Corporate Committee should include:-
 - A very brief summary of the activities within the scheme since the last Committee Meeting.
 - Requests to have any work required within the scheme approved,
 - Quotations must be provided.
 - Any relevant future item requiring attention.
 - Advice of completion of any works requested of the Building Manager since the last meeting.

It is best to provide your report well in advance of the meeting, so Committee Members can familiarise themselves with it.

Liaising with the Committee

The Body Corporate Committee are usually required under your agreement to appoint a "Nominated Person" to liaise with you. No other member of the Body Corporate is supposed to give you directions other than the "Nominated Person".

Insurance

Each Body Corporate is required to hold a current building policy. You should be familiar with terms and what is covered by this policy. What Is Generally Covered Under a Typical Body Corporate Insurance Policy.

The following is a guide of what is generally covered by a Body Corporate insurance policy. For specific information regarding your Body Corporate, go to Stratamax or contact our Insurance Officer on (07) 3831 5832.

1. Building and Common Area Contents

The building and common contents are covered for accidental damage from events or causes including fire, lightning, explosion, storm, rainwater, aircraft, earthquake, riot, civil unrest, malicious damage, impact, bursting – leaking – overflowing water tanks and pipes, burglary, glass breakage, fusion, and any other accidental loss or event not excluded under the policy.

Building

All building and underground services forming part of the Body Corporate including: Baths, hand basin, shower screens, toilets, sinks, stoves, ducted air conditioners, built-in cupboards as well as doors, windows and fixed tiling. Paintwork, wallpaper, light fitting and fencing within common areas are also part of the building.

Common Area Contents Includes carpets in hallways and lobbies, pot plants, mirrors and other decorations in common areas. Body Corporate owned washing machines and dryers for use of all owners and kept in a common laundry facility. Other common property assets such as barbecue and gardening equipment, outdoor and patio style furniture is also included.

Personal Contents Insurance on the following items within the lot is the responsibility of the lot/unit owner: Carpets, light fittings, curtains, blinds, all personal equipment and valuables, furniture and household items as well as public liability inside the lot.



2. Legal (Public) Liability

This policy covers the Body Corporate as owners of their building and common area contents for amounts they become legally liable to pay in respect to personal injury or property damage arising out of an accident happening anywhere in Australia.

3. Office Bearers

Office Bearers of the Body Corporate are indemnified if they become legally liable to pay compensation for a wrongful act.

4. Building Catastrophe

Covers the escalation of costs (due to a shortage of materials and labour) of reinstatement or replacement of the building caused by a catastrophic event.

5. Other

There are other policies available to a Body Corporate including: Machinery breakdown (machinery over 4kwatt), Fidelity Guarantee (fraudulent misappropriation of Body Corporate funds) and Voluntary Workers (compensation for injury while voluntarily working on behalf of the Body Corporate).

Processing Claims

The Building Manager is responsible for lodging all claims on behalf of the Body Corporate and accordingly should always hold claim forms on file. Once an incident has occurred you need to decide whether it needs to be repaired immediately (security concern, danger to others or other property) or whether it can wait to be processed in the normal manner.

Urgent Incident

- Contact Ernst Body Corporate Management Pty Ltd for any recommendations;
- Have the problem/damage rectified and ensure that all damaged parts are kept for viewing by the assessor if over \$1,000.00 in damage;
- Complete a claim form answering all relevant questions and attach invoice; and
- Forward to Ernst Body Corporate Management Pty Ltd for lodgement.

Normal Claims

- Obtain 2 quotations for repair;
- Complete claim form answering all relevant questions and attach quotations;
- Forward to Ernst Body Corporate Management Pty Ltd for lodgement and wait for approval by the insurers;
- Repair as instructed by insurers; and
- Forward final invoices to Ernst Body Corporate Management Pty Ltd.

Any incident that will cost over \$1,000.00 to repair should be reported to the insurer via Ernst Body Corporate Management Pty Ltd before proceeding as an Assessor may need to be appointed. Failure to do this may result in the claim being denied or short paid.



If an incident affects only one Lot, the owner of that Lot will be responsible for paying the excess on the claim.

Remember if you are unsure ask Ernst Body Corporate Management Pty Ltd for claims recommendations to avoid claims being denied.

By-Law Enforcement

Most Building Manager Agreements give the Building Manager the duty of policing the By-Laws. You should familiarise yourself with the By-Laws. The enforcement of By-Laws should be as follows:

- (1) The Building Manager advises the owner/occupier of the breach and requests they remedy the breach. Diarise your approach.
- (2) Should the owner/occupier continue to breach the By-Laws a written request should be made to them to rectify the breach and a copy sent to the Secretary.
- (3) Should the breach continue the matter should be brought to the Body Corporate Committees attention via the Body Corporate Manager, for enforcement.

Alternatively, if you can utilise the Residential Tenancy Act to deal with one of your tenants, then you are able to do so.

Records

- (1) Diary

You should keep a diary of discussions held, maintenance schedules, incidents that could be of concern to the Body Corporate i.e. injuries, By-Law breaches, plant failure etc.

- (2) Registers

Contractors: A register/log should be kept of when contractors i.e., lifts, fire system, sump pumps etc, carry out routine maintenance and when their contracts are due for renewal.

Body Corporate Assets: A register of all Body Corporate assets should be kept detailing their state of repair, date of purchase etc.

- (3) Keys

Holders of keys should be known and recorded in a key register.

Ernst Body Corporate Management Pty Ltd

Ernst Body Corporate Management Pty Ltd, as Body Corporate Manager, is delegated the role of Secretary and Treasurer of the Body Corporate. This role includes amongst other duties:

Treasurer:

- Issuing Levies
- Paying Invoices
- Preparing Financial Statements
- Preparing Draft Budgets



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Secretary:

- Preparing Agendas of Meetings
- Distributing Agendas of Meetings
- Taking Minutes of Meetings
- Distributing Minutes of Meetings
- Keeping the Body Corporate Roll
- Receive and acknowledge correspondence to the Body Corporate
- Draft and send Body Corporate correspondence as directed by the Body Corporate

Insurance:

- Obtain quotations for insurance renewal
- Place insurance
- Lodge and follow up on claims
- Provide Certificates of Currency

Ernst Body Corporate Management Pty Ltd which was born from Ernst and Young, has been operating for over twenty (20) years as a Body Corporate Manager and its staff are always happy to make recommendations on issues that may arise from time to time. Should you need recommendations on Body Corporate matters your first point of contact should be the Body Corporate Manager for your Scheme.