SANDAK-LEWIN TRUST

MANAGEMENT | LETTING | SALES

YOUR COMMUNITY SCHEME HEALTH CHECK

MANAGEMENT | LETTING | SALES

T: 021 419 0440 | W: www.sltrust.co.za | E: info@sltrust.co.za | 64 Roeland Square, Drury Lane, Gardens, 8001

The administrators of a community scheme are responsible for various aspects of the management of their scheme. They can choose to delegate most of the responsibilities to a managing agent or an on-site Supervisor/Manager. However, there are certain elements that they should always monitor on a monthly, quarterly, bi-annual, or annual basis. Here is a list of items to use as a guide:

Financial:

1. Levies – Are the levies calculated correctly using the participation quota schedule, and are contributions being recovered from members who have exclusive use areas?
2. Budget – Is the budget drafted before the start of the next financial year, enabling the levies to be increased by up to 10% from the beginning of the financial year?
3. Performance to Budget – Are you reviewing the report from the managing agent to ensure that sufficient levies are being collected to meet anticipated expenditure?
4. Arrear Levies – Do you have an enforcement policy in place, implemented by the managing agent, for members who are in arrears by more than 90 days?
5. Municipal Account – Is the municipal account up to date, and are the water and electricity charges based on estimates or actual charges?
6. Bank Accounts – Does the scheme have two bank accounts in the name of the Body Corporate, one for administrative levies and one for reserve levies? Is there a monthly transfer to the reserve account of the reserve levy charged to all owners?
7. Tax Returns – Is the scheme registered for tax? Have the annual returns been submitted to SARS, and are the tax payments up to date?

Administrative:

1. CSOS Levy and Annual Submission – Is the CSOS Levy paid quarterly to CSOS? Has the annual return (CS2) been submitted to CSOS after the annual general meeting?
2. Insurance – Is the insurance policy in place? Has the broker conducted a comparative market analysis during policy renewal to ensure the best cover at the best premium? When was the last valuation done (should be done every three years)?
3. Staff – All employees must be registered for UIF, Workmen's Compensation, and PAYE if their income exceeds the minimum taxable income. Have you verified that this is the case?

Maintenance:

1. 10-year plan – Does the scheme have a 10-year plan approved by the Body Corporate members, and are reserve levies being collected based on this plan?
2. Current Financial Year Maintenance – What maintenance work needs to be done in this financial year according to the maintenance plan? Do you have quotes?
3. Fire Equipment – When was the last service of the fire equipment, and is the building compliant with the requirements for on-site fire equipment?
4. Generators – Do you know the recommended service frequency for your generator, and are you compliant with it?