

Best Practice Guide

Licenced Or Administrative Tasks



THIS DOCUMENT IS A GUIDE PRODUCED BY SCA(NSW) IN CONSULTATION WITH THE DEPARTMENT OF FAIR TRADING TO HELP MEMBERS DISTINGUISH BETWEEN LICENSED ACTIVITIES AND ADMINISTRATIVE WORK IN THEIR BUSINESS.

Supervision Guidelines for Licensees-In-Charge have been updated to reflect the changes made by the amendments to the Act.

In February 2020, new guidelines were issued by the Secretary of Fair Trading on behalf of the Commissioner. These guidelines came into force as of 23 March 2020.

Agents must be aware of these guidelines. While they are not a specific part of the legislative amendments that commenced on 23 March 2020, they are guidelines issued by the Commission of Fair Trading and came into effect on 23 March 2020.

In summary, the Supervision Guidelines address the following:

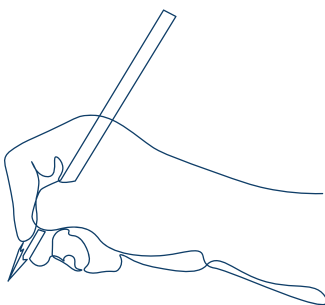
1. Role of the Licensee-In-Charge and their need to demonstrate their adherence to the guidelines and ensuring that no part of the business is left unsupervised.
2. The requirement to prepare operational procedures across the entirety of the business to ensure adequate supervision of all business processes.
3. Monitoring Trust Account procedures.

4. Ensuring identification checks are completed for all new agency agreements for fraud prevention.
5. Ensure that all dealings and communications with clients are with the owner of the property or the person with the legal right to act on the owner's behalf.
6. Representations as to selling price for residential property complies with all legislation and underquoting legislation that was introduced in January 2016.
7. Ensure that the agency has complaint handling procedures and that records are retained for a period of 3 years;
8. Ensure that all employees of an agency are supervised of all roles and responsibilities of agents under their supervision;
9. The Principal Licensee maintains a register of all gifts and benefits received by persons engaged in the business.
10. The Licensee-In-Charge must maintain records of review of all policies and procedures concerning the supervision of the business.

For each of the ten (10) requirements above, the Licensee-In-Charge must have written procedures to ensure that the agency undertakes compliance with each of these

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requirements daily.

To be taken as a guide only, SCA(NSW) has identified key tasks or functions within a strata business.

The BPG identifies functions under the following main categories and identifies who can perform the specified task under the Property Stock and Agents Act 2002.

- Repairs and maintenance.
- Keys and access control.
- Roll updates.
- Section 184.
- Adjustment to lot ledger balances.
- Levy matters.
- Storage of books and records.
- Insurance claims.
- By-laws
- Strata searches
- Agency agreements
- Sc and general meeting
- Works contracts
- Payment processing from strata plan trust account
- Payment processing from a general trust account (consolidated trust account)
- Insurance renewal
- Legal proceedings / NCAT / mediation

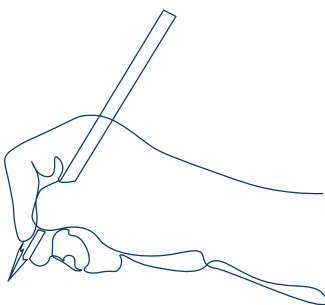
The Best practice guide complements businesses with a process manual and the correct supervision structure and a comprehensive delegations document in place.

A review of your business processes for the following supervision is mandatory, and the next document can be used as a guide if the above supervision guidelines are in place within your Business practices.

- Authorising agreements arranged by Assistant Agents.
- Authorising logbooks for work experience requirements.
- Supervision of multiple sites (class 1 only).
- Supervision of all functions within the agency (class 1 only).
- Supervision of all licensed & certificated persons employed by the agency (class 1 only).
- Review qualifications of employees (including CPD).

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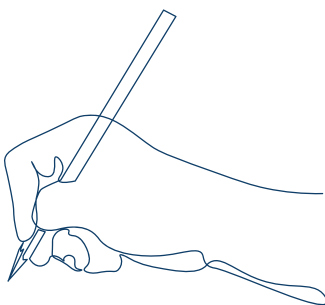
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Task or Function	Who can perform the task under PSBA				
	Admin Staff	COR/4-year pathway	Licensed Manager	Licensee-in-charge	Comments
REPAIRS AND MAINTENANCE					
Authorise issuance of a work order or quote request.	No	Yes	Yes	Yes	
Receive request for repairs from owner / Agent / Occupant / Contractor	Yes	Yes	Yes	Yes	In writing /unless emergency
Issue quote requests for repairs.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Issue work orders for repairs and maintenance, along with collecting approvals from the Strata Committee.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Disclose owner/tenant information to contractors on a <u>licensed strata</u> manager's behalf.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
KEYS AND ACCESS CONTROL					
Authorise issuance of a key/access device.	No	Yes	Yes	Yes	
Receive request from owner / Agent / Occupant / Contractor	Yes	Yes	Yes	Yes	

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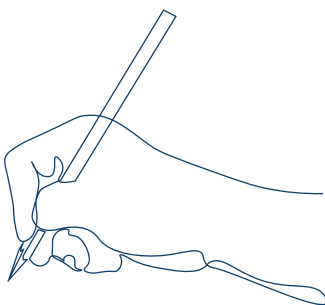
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Task or Function	Who can perform the task under PSBA				
	Admin Staff	COR/4-year pathway	Licensed Manager	Licensee-in-charge	Comments
Issue access devices on behalf of a strata plan.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Accept and process payments by means of cash, credit card, cheque and charging to an owner's lot for an access device on behalf of a strata plan.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Issue receipts for an access device on behalf of a strata plan.	Yes	Yes	Yes	Yes	
Transfer money from a corporate business account to the nominated strata plan's account.	No	Yes	Yes	Yes	Subject to documented business processes and delegations
Provide access devices to contractors for temporary use.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
ROLL UPDATES					
Update the <u>owners</u> information on the strata roll with a written request.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Update the <u>tenants</u> information on the strata roll with a written request.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Update the real estate agent information on the strata <u>roll</u> with a written request.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Change the ownership of a lot on the strata roll with S22 or appropriate documentation.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Enter owner, tenant and real estate information into the strata roll for new development plans.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Enter owner, tenant and real estate information into the strata roll for strata <u>plans</u> new to the business.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Update the Real estate master list with a written request.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Update the Office Bearer details with a written request.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
SECTION 184					
Generate a Section 184 /Section 26 Certificate after receiving the appropriate documentation.	Yes	Yes	Yes	Yes	

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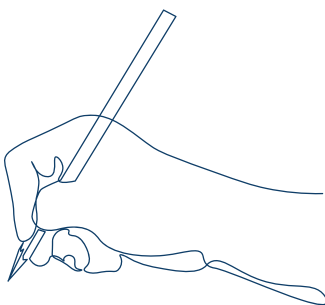
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Issue a Section 184 / Section 26 Certificate to solicitors or conveyancer after receiving the appropriate documentation	Yes	Yes	Yes	Yes	
Provide updates on a current section 184.	Yes	Yes	Yes	Yes	
Accept payment via credit card for the Nominated fee for a Section 184 /Section 26 certificate.	Yes	Yes	Yes	Yes	
Sign 184's	No	No	Yes	Yes	Subject to documented business processes and delegations
ADJUSTMENT TO LOT LEDGER BALANCES					
Authorise removal of interest	No	Yes	Yes	Yes	
Waive interest task for the removal of interest on an owners account.	No	Yes/No	Yes	Yes	Subject to documented business processes and delegations
Facilitate levy discount requests after receiving payment.	Yes	Yes	Yes	Yes	
Authorise addition of levy arrears fee.	No	Yes	Yes	Yes	
Invoice Lot for cost recovery	Yes	Yes	Yes	Yes	
Refund duplicate levy payment	No	Yes/No	Yes	Yes	Subject to documented business processes and delegations
Authorise journal entry	No	Yes	Yes	Yes	
Sundry Journal entries	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
LEVY MATTERS					
Authorise actions relating to levies	No	Yes	Yes	Yes	
Provide account updates to owners and real estate agents.	Yes	Yes	Yes	Yes	
Issue ledger cards and levy notices to owners and real estate agents.	Yes	Yes	Yes	Yes	
Input levies into accounting system	Yes	Yes	Yes	Yes	
Issue levies – print post email	Yes	Yes	Yes	Yes	
Provide information on accounts in arrears.	Yes	Yes	Yes	Yes	

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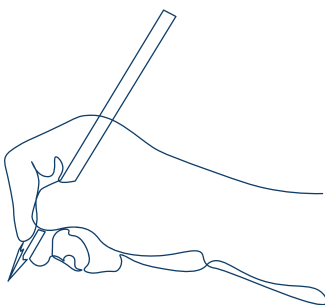
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Refund duplicate levy payment	No	Yes/No	Yes	Yes	Subject to documented business processes and delegations
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Authorise actions relating to levies	No	Yes	Yes	Yes	
Provide account updates to owners and real estate agents.	Yes	Yes	Yes	Yes	
Issue ledger cards and levy notices to owners and real estate agents.	Yes	Yes	Yes	Yes	
Input levies into accounting system	Yes	Yes	Yes	Yes	
Issue levies – print post email	Yes	Yes	Yes	Yes	
Provide information on accounts in arrears.	Yes	Yes	Yes	Yes	
Advise on payment plans, and initiate the process to enter into a payment plan between the owner and strata plan.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations

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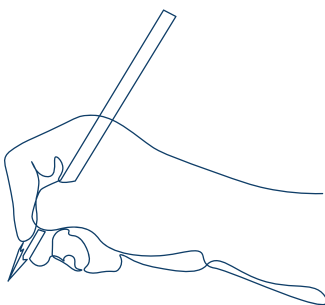
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Provide information on forthcoming levies, or special levy instalments.	Yes	Yes	Yes	Yes	
Request and process reimbursements with strata manager approval.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Issue arrears notices	Yes	Yes	Yes	Yes	
Instruct debt collectors	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
STORAGE OF BOOKS AND RECORDS					
Maintain Minute book and associate paper and electronic file	Yes	Yes	Yes	Yes	
Provide access to occupants, owners, agents for books and records	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Archive books and records	Yes	Yes	Yes	Yes	
INSURANCE CLAIMS					
Receive information for insurance claim	Yes	Yes	Yes	Yes	
Lodge insurance claims to insurance brokers under strata manager instructions.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
BY-LAWS					
Complete statutory forms for By-law dealings.	Yes	Yes	Yes	Yes	
Signing of dealing form	No	No	Yes	Yes	Subject to documented business processes and delegations
Attend LTO/LPI/LRS					
Provide <u>factual information</u> on new or existing by-laws to owners, tenants and real estate. <u>E.g.</u> Are pets allowed in a SP.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Access SAI Global website for looking up RP data/ CT etc.	Yes	Yes	Yes	Yes	
STRATA SEARCHES					
Book strata searches with appropriate documentation.	Yes	Yes	Yes	Yes	
Accept payment via credit card, cheque or cash for services including strata searches, access devices.	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Provide books and records to authorised searcher.	Yes	Yes	Yes	Yes	

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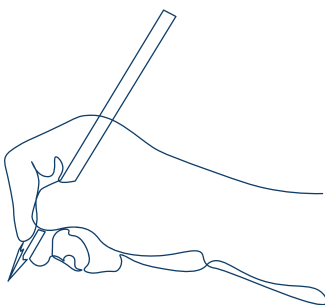
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AGENCY AGEEMENTS					
Prepare Agency Agreement	Yes	Yes	Yes	Yes	
Sign Agency Agreements	No	No	No	Yes	Subject to documented business processes and delegations
Witness new or renewed agreements being signed.	Yes	Yes	Yes	Yes	
SC AND GENERAL MEETING					
Call meeting	No	Yes	Yes	Yes	
Prepare agendas and minutes	Yes	Yes	Yes	Yes	
Attend meetings	Yes	Yes	Yes	Yes	
Chair meetings	No	Yes	Yes	Yes	
WORKS CONTRACTS					
Prepare works contracts on behalf of Owners Corporation	Yes	Yes	Yes	Yes	
Sign works contract	No	No	Yes	Yes	
Issue works contract	Yes	Yes	Yes	Yes	
PAYMENT PROCESSING FROM A STRATA PLAN TRUST ACCOUNT ACCOUNT					
Input of invoices into accounting system	Yes	Yes	Yes	Yes	
Processing of approved invoices	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Authorise payment of invoices	No	Yes	Yes	Yes	Subject to documented business processes and delegations/2 approvers
Release of Payments	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations/2 approvers
PAYMENT PROCESSING FROM A GENERAL TRUST ACCOUNT (Consolidated trust account)					
Input of invoices into accounting system	Yes	Yes	Yes	Yes	
Processing of approved invoices	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Authorise payment of invoices	No	Yes	Yes	Yes	Subject to documented business processes and delegations
Release of Payments	No	No	No		
	Yes	Subject to documented business processes and delegations			

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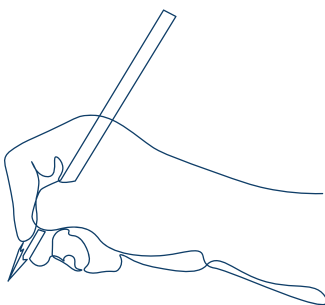
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INSURANCE RENEWAL					
Complete insurance pre-renewal declaration	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations
Review of terms from provider/broker	Yes	Yes	Yes	Yes	
Acceptance of terms	No	Yes	Yes	Yes	Subject to documented business processes and delegations
LEGAL PROCEEDINGS / NCAT / MEDIATION					
Authorise commencement of legal proceedings	No	Yes	Yes	Yes	Subject to OC resolution/s
Prepare application	Yes	Yes	Yes	Yes	
Engage Lawyers	No	Yes	Yes	Yes	Subject to documented business processes and delegations
Lodge application	No	Yes	Yes	Yes	Subject to documented business processes and delegations
Attend to represent OC	No	Yes	Yes	Yes	Subject to documented business processes and delegations
Prepare NTC under instruction from Strata Manager	Yes				
	Yes				
	Yes	Yes	Subject to documented business processes and delegations		
Sign NTC	No	No			
	Yes	Yes	Subject to documented business processes and delegations		
Issue NTC	Yes	Yes	Yes	Yes	Subject to documented business processes and delegations

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NOTE: PSBA – Property Stock and Business
Agents Act and Regulations

Whilst this guide provide you with details of who can perform a task under the PSBA always refer to your documents delegations i.e. your strata managing agency agreement which will outline what authorites and the delegations in which the strata managing agent has.

DISCLAIMER: Please note the information enclosed is general in nature and cannot be relied upon as legal advice. Strata Community Association (NSW) Ltd and its members disclaims any liability (including for negligence) to any person in respect of: anything; and the consequences of anything, done, or not done, by any such person in whole or partial reliance upon the whole or part of the information enclosed.

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Strata Community Association (NSW) is the peak industry body for Strata and Community Title Management in New South Wales. Membership includes strata managers, support staff, committee members and suppliers of products and services to the industry. SCA (NSW) has in excess of 3,000 members who represent over 75% of strata lots in NSW by way of helping to oversee, advise or manage a combined property portfolio with an estimated replacement value of over \$400 Billion. SCA (NSW) proudly fulfils the dual roles of a professional institute and consumer advocate.

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