

## **CHANGING MANAGING AGENTS**

When changing from one managing agent or self-management to Bellbuoy there are a number of issues to consider and be aware of.

This document sets out to assist the scheme executives with some of those issues.

### **Required Documents:**

Timing is of all importance to ensure a smooth transition. The sooner Bellbuoy receives the relevant information, the better.

Due to the fact that levy statements are issued +/- 10 days before month end, the body corporate must be loaded by the middle of the month preceding the official take on.

So, at the very least, the information required for us to load the scheme, must be received at least one month prior to take on.

Other information, such as balances to the end of the month preceding the take on, may be received and applied later, but the following information is critical and a bare minimum:

- Sectional plans
- Conduct rules [particularly where exclusive use rights are registered in the rules]
- List of owners including postal, physical & email addresses & contact numbers
- The levy schedule or 'rent roll'
- Last month reading's and the tariff policy in the case where electricity, water and or sewerage charges are recovered via the levy accounts

The scheme executives' assistance in obtaining this information would be greatly appreciated.

Attached is template, marked "A", of a scheme executive resolution appointing Bellbuoy. We ask that this be completed and returned as soon as possible as this is required by most statutory bodies and service providers prior to them releasing any information to us.

Attached further is a list marked "C" which details the required documents and the dates by which they are to be received.

### **Creditors/Service Providers:**

Bellbuoy will make every attempt to contact the recurring service providers to ensure that invoices do not go unpaid, but it would certainly assist if the creditors/service providers are aware of the changeover and that they register their verified company and banking details with us as soon as possible.

Due to the fact that we operate in a fiduciary relationship with our clients, we are very strict with our policies and will only load a creditor if they have verified their company and banking details. This procedure need be done only once unless the banking details change.

We verify invoices so as to ensure the accuracy thereof and upload the invoices to our online portal, for the scheme executives to log in and authorise payment.

### **SARS:**

It is incumbent on the current Public Officer to inform SARS if the Public Officer is to change.

Attached is a sample letter, marked "D", for this purpose.

Please have the current Public Officer complete and submit this letter, or similar, to SARS and, preferably, furnish us with a copy of same.

**Employee(s):**

It is to be noted that Bellbuoy pays all of its client's employees via a payroll system, and in order to ensure that correct employee information is loaded, and to comply with statutory requirements from time to time such as PAYE, UIF, SDL & Workman's Compensation, the attached form, marked "Annexure A" is to be completed and submitted to us for each employee as soon as possible and certainly no later than 3 weeks before the first payroll run.

Strict rules apply regarding the recording of leave. Leave forms are available from and are to be completed and submitted in order to ensure that the leave records are accurate. It must be noted though that Bellbuoy does not record and calculate leave provisions, this must be done by the governing body and Bellbuoy shall not be accountable for inaccuracies related to accumulated leave.

We strongly advise that all employees are made aware of the changeover and the payment procedures as soon as possible.

Should any employee apply for an advance or loan the following rules apply:

1. The advance or loan should not exceed a net month's wage
2. The employee will be required to complete an acknowledgement of debt
3. Interest at prime +2% is applied

We also prescribe that all employees have a valid contract in place. This contract protects both the employee, as well as the employer.

Assistance can be offered if no such contract is in place.

**Members / Owners:**

We strongly advocate that a circular be issued to all the owners notifying them of the changeover as soon as possible.

The reason for this is that the owners need to be aware of the following:

1. All opening balances that are applied to the levy accounts, are exactly as they have been furnished to us by the previous managing agent / scheme executives. We might not be able to reconcile account balances prior to our appointment, so it must be noted that the closing balances shall be our opening balances. We therefore strongly recommend that owners be informed that any outstanding accounting (or other) issue they may have, be resolved as soon as possible.
2. If the owner pays his/her levy by means of a stop order then he/she must cancel this stop order at his/her bank, personally, and create a new stop order using the new banking details.
3. If the owner pays his/her levy by means of an electronic funds transfer, then they are to please update the banking details, as well as the payment reference used.
4. If the owner pays his/her levy by means of a debit order then the current managing agent will cancel this automatically and he/she may reinstate same with Bellbuoy.
5. If the owner pays his/her levy by means of a cash deposit then the cash deposit fee that is attracted will be recovered from the owner as levy payments are net of costs.
6. If the owner pays his/her levy by means of foreign exchange, provided there is a rule to this effect, the Forex fee that is attracted will be recovered from the owner as levy payments are net of costs. Failing which the scheme absorbs this cost.

A welcome letter (covering much of the above) will be issued by Bellbuoy to all owners, but it is best if the owner is aware of us beforehand.

**Debtors:**

Debtors are dealt with in alignment with the applicable acts, best practices and on the instructions of the scheme executives.

Basically, the owner has 8 weeks from the date of issuing the levy invoice or statement to being handed over for a letter of demand should they not pay.

Interest is also charged at a rate determined by the scheme executives. We recommend prime plus 2%.

A sample resolution covering the above is attached marked "B".

**General:**

Lastly, it is reasonable to assume that the documents, reports, balances and information furnished to us by the outgoing managing agent and or scheme executives, during the changeover process, are correct. Whilst every attempt will be made to ensure the accuracy and validity of these records Bellbuoy will not be liable for inaccuracies as a result thereof. As part of the take on procedure we may pick up on certain issues that require the attention of the scheme executives and, if so, will notify the scheme executives of same.

**RESOLUTION OF THE SCHEME EXECUTIVES OF ..... BODY CORPORATE / HOME OWNERS ASSOCIATION / PROPERTY OWNERS ASSOCIATION, SS ..... /..... (IF APPLICABLE)**

**RESOLVED:**

1. THAT the **BODY CORPORATE** enters into a Management Agreement with **BELLBUOY (PTY) LTD t/a THE BELLBUOY GROUP, Registration Number: 2012/019786/07**, as envisaged in terms of the provisions of Prescribed Management Rule 28 under the regulations of the Sectional Titles Schemes Management Act, Act 8 of 2011 for the control, management and administration of the common property and for the exercising of such powers, duties and such further services as the **BODY CORPORATE** may entrust to the **Managing Agent**;
  
2. THAT \_\_\_\_\_ and \_\_\_\_\_, in their capacities as **Scheme Executives** of the **BODY CORPORATE**, negotiate, conclude and sign a Management Agreement with **BELLBUOY (PTY) LTD t/a THE BELLBUOY GROUP, Registration Number: 2012/019786/07**.

THUS RESOLVED ON \_\_\_\_ / \_\_\_\_ / \_\_\_\_ AT \_\_\_\_\_

\_\_\_\_\_  
SCHEME EXECUTIVE

\_\_\_\_\_  
SCHEME EXECUTIVE

**RESOLUTION OF THE SCHEME EXECUTIVES OF ..... BODY CORPORATE,**

**DATED \_\_\_\_ / \_\_\_\_\_ / 20\_\_**

**RESOLVED:**

1. **THAT** all levies and/or contributions shall be due and payable monthly in advance and on the first day of each and every month.
2. **THAT** failure to pay levies on due date shall result in interest on overdue levies being applied, as determined by the scheme executives.
3. **THAT** overdue accounts may be handed over to collection attorneys if such payment is in excess of 30 days.

**THUS RESOLVED AT ..... ON ...../...../20\_\_**

## BUILDING TAKE ON REQUIREMENTS

### DOCUMENTATION REQUIRED

Scheme Type	Timeline	Received
<b>All Schemes:</b>		
• Management Agreement (BB)	30 days prior to take-on	Y / N
• CSOS registration	30 days prior to take-on	Y / N
• Audited financial statements (6 years +)	30 days prior to take-on	Y / N
• Minute book(s)	10 days after take-on	Y / N
• Current budget	30 days prior to take-on	Y / N
• Detailed owners list	30 days prior to take-on	Y / N
• Debtors age analysis	30 days prior to take-on	Y / N
• Creditors age analysis	30 days prior to take-on	Y / N
• Financial file(s)	10 days after take-on	Y / N
• Invoices outstanding	10 days after take-on	Y / N
• Correspondence file(s)	10 days after take-on	Y / N
• Bank statement(s)	10 days after take-on	Y / N
• Trial balance	10 days after take-on	Y / N
• Utility account(s)	10 days after take-on	Y / N
• General ledger	10 days after take-on	Y / N
• Detailed levy roll	30 days prior to take-on	Y / N
• Contracts and SLA's in place	10 days after take-on	Y / N
• Employee Details	30 days prior to take-on	Y / N
• Maintenance file(s)	10 days after take-on	Y / N
• Insurance policy(ies)	10 days after take-on	Y / N
• Insurance broker contact details	30 days prior to take-on	Y / N
• Inventory and details of any non-physical assets, facilities and equipment	10 days after take-on	Y / N
<b>New Developments:</b>		
• Occupation certificates	10 days after take-on	Y / N
• Rates clearance certificate for erf	10 days after take-on	Y / N
• Statement of income and expenditure from date of 1st occupation to date of establishment	10 days after take-on	Y / N
• All contracts entered into by the Developer obo the Body Corporate	10 days after take-on	Y / N
• COC's for all common property infrastructure	10 days after take-on	Y / N
• Certificate of final completion for all common property infrastructure	10 days after take-on	Y / N
• Certificate of establishment	30 days prior to take-on	Y / N
• Certificate(s) of Real Rights	30 days prior to take-on	Y / N

<ul style="list-style-type: none"> <li>Draft title deed with all conditions and annexures (if the scheme is newly established)</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Insurance valuation</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>Maintenance Repair and Replacement Plan, budget and building condition report</li> </ul>	30 days prior to take-on	Y / N
<b>Sectional Title:</b>		
<ul style="list-style-type: none"> <li>Copy of approved sectional plan(s), SG diagram(s), PQ schedule and EUA allocation and layout plan (if included in the rules)</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Conveyancer's certificate - clarifying rules in place, where any amendments made, a copy of these and confirmation of filing of same to be provided and/or a copy of proof of filing of any subsequent rule amendments with Deeds Office / CSOS</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Conveyancer's schedule specifying servitudes and conditions of title burdening or benefiting the land and the other registerable conditions</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Certificate of establishment</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Certificate(s) of Real Rights</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Draft title deed with all conditions and annexures (if the scheme is newly established)</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Insurance valuation</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>Maintenance Repair and Replacement Plan, budget and building condition report</li> </ul>	30 days prior to take-on	Y / N
<b>Home Owners Association:</b>		
<ul style="list-style-type: none"> <li>Copy of approved building plan and official diagrams for the individual properties in the development, as well as all the land registered in the name of the HOA</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Signed HOA governance documents, whether common law (constitution and rules) or non-profit company (memorandum of association and rules), or <u>Conveyancers Certificate</u>, as well as all annexures/regulations thereto, including relevant building design guidelines</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Copy of the local municipal approval of the development, setting out its requirements</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>Written confirmation from the relevant authority that any amendment of the constitution and/or rules have been filed (in terms of common law associations filing with the relevant municipal authority in terms of paragraph II-3 of the services agreement must be provided) and in terms of NPC confirmation of filing with the Companies and Intellectual Property Commission of South Africa (<a href="https://www.cipc.co.za/">https://www.cipc.co.za/</a>)</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>Extracts from the permitted zoning scheme regulations and town planning scheme in regard to the permitted uses of the buildings in the development</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>HOA permissions / resolutions / agreements (given by developer / Excom / members)</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>Full text of the applicable title deeds and conditions (all annexures must be provided)</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>Clauses required to be inserted in sale agreements</li> </ul>	10 days after take-on	Y / N
<b>Life Rights:</b>		
<ul style="list-style-type: none"> <li>LR governance documents, which is the agreement for the grant of a right of occupation that would include, schedule to contract, contract and all annexures/regulations thereto, such as disclosures in terms of the Housing Development Schemes for Retired Persons Act No.65 of 1988, plans of scheme and unit/s, specifications, optional extras, rules of conduct, and so on</li> </ul>	30 days prior to take-on	Y / N
<ul style="list-style-type: none"> <li>Written confirmation from the Excom / developer that any amendment, substitution, addition or repeal of rules in terms of regulation 9(1)(o) of the Act has taken place and a copy of the relevant rules</li> </ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"> <li>LR permissions / resolutions (given by developer / management association / life right owners)</li> </ul>	10 days after take-on	Y / N

**SARS:**

<ul style="list-style-type: none"><li>• A letter of public officer appointment letter (this now includes the full names and ID numbers of Trustees/Directors as requested by SARS). SARS requires the original signed copy. The names of the Trustees must be those who were appointed at the last AGM i.e. the current Trustees. Appointment of public office letter required on file in the event of an audit; <a href="#">ST Appointment of Public Officer.docx</a></li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Original utility bills of the current Trustees/Directors e.g. NMBM account, Telkom account, insurance policy document – not older than 3 months old</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• <u>Certified</u> copies of the current Trustees/Directors' ID documents</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Certificate of establishment / signed HOA governance documents, whether common law (constitution and rules) or non-profit company (memorandum of association and rules), or <a href="#">Conveyancers Certificate</a>, as well as all annexures/regulations thereto, including relevant building design guidelines</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Original utility bill for the scheme - since all invoices etc. show the address of Bellbuoy, a <a href="#">CRA01</a> form needs to be completed by a current Trustee/director. Sections 2 (Personal details of Person Providing Proof of Residential Address) and 3 (Registered address). This form must also be signed by the Trustee/Director completing the form and where this person differs to those mentioned in the points above, an original utility bill</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Copy of the minutes reflecting the names of the Trustees/Directors signing the documentation above</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Original <a href="#">special power of attorney</a> form – to be signed by Trustee/Director</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Original copy of the latest bank statement, stamped by the bank</li></ul>	10 days after take-on	Y / N
<ul style="list-style-type: none"><li>• Tax number</li></ul>	10 days after take-on	Y / N

The Director  
South African Revenue Services  
Cape Mail  
8076

Your REF:  
Our REF:  
DATE:

Dear Sir / Madam

We write to you in our capacity as the outgoing managing agent of the ..... Body Corporate with the above reference number.

We confirm that on ..... we will cease to act as managing agents to the scheme, and as such Mr/Mrs/Ms/Miss ....., identity number ..... will cease acting as the public officer.

As of ....., Mr/Mrs/Ms/Miss ....., identity number ..... is to be appointed as public officer for the above entity.

Please note further that as of the above date the registered address must be changed to:

c/o The Bellbuoy Group  
200 Norvic Drive  
Greenacres  
Gqeberha  
6045

Yours faithfully