

The size and frequency of the contributions required to properly run the body corporate are decided by all the owners yearly at the annual general meeting of the body corporate. Usually, at the last committee meeting before the AGM, a special review of the financial needs of the body corporate is undertaken, and a budget proposed based on this review.

Administrative Fund

The Administrative Fund covers expenditure required for the daily running and general maintenance of the Body Corporate. This includes all repairs and maintenance that would occur to buildings, plant and equipment, electrical, gardens and grounds, lifts etc.

Sinking Fund

This is a separate fund to the administrative fund. The amount owners contribute is based on a ten year sinking fund forecast usually prepared by a Quantity Surveyor which covers major expenditure (eg painting) and refurbishment of common property. These items are considered as capital, or non-recurring major expenditure, and therefore need to be contributed to by all owners over a period of time
 - Your individual contribution to the Administrative Fund and Sinking fund is based on your lot's "contribution entitlement".

Insurance Fund

The insurance fund is a separate fund for paying the replacement and reinstatement insurance premium. Though, in most instances the Insurance Fund will be included in the Administrative Fund Budget, some Bodies Corporate are required to have it as a separate fund when the lots in the scheme have varying interest entitlements. Public Liability and Office Bearer's Liability is always included in the Administrative Fund

- If applicable to your Body Corporate, your individual contribution to the Insurance Fund is based on your lot's "interest entitlement".

The amounts of each lot owner's contributions are set according to the lot entitlement that attaches to the lot which is contained in the Community Management Statement for the scheme and recorded in the Dept of Natural Resources. The general meeting will set a rate of contribution per unit of lot entitlement based on the budget as an annual figure. Then each lot's share is the individual lot entitlement multiplied by the rate per lot entitlement which is then broken down into periodic payment periods.

The interest lot entitlement is used to share the reinstatement and replacement premium for the body corporate between the lot owners, and the rates and land tax for the scheme land. The Interest Lot Entitlement is also contained in the Community Management Statement for the scheme.

To calculate your levies in accordance with the rate per entitlement set at the annual general meeting.

EXAMPLE:

Column 1	Column 2	Column 3	Column 4	Column 5
NO OF INSTALMENTS	DUE DATE	GROSS EXCLUDING GST	GROSS INCLUDING GST	PERIOD
1	ISSUED	\$456.0507	\$501.6558	01/05/08 - 31/07/08
2	ISSUED	\$456.0507	\$501.6558	01/08/08 - 31/10/08
3	30/11/08	\$506.3586	\$556.9944	01/11/08 - 31/01/09
4	28/02/09	\$506.3586	\$556.9944	01/02/09 - 30/04/09

TOTAL CONTRIBUTION ENTITLEMENTS: 51 \$1,924.8186 **\$2,117.3004**
This is the total entitlements for your scheme *This is the per annum amount Gross Excl GST* *This is the per annum amount Gross Incl GST*

To find the contribution and/or interest entitlement for your lot.

The entitlements for your lot are always listed on the top right hand side of your contribution notices.

Multiply your contribution/interest entitlement by the figure in column 4 line 1, and then line 2, 3 & 4 etc.

Line 1, 2 through to four are the number of contribution periods. Your Body Corporate may have 3 or 4 periods. The instalments (Col 1) showing "issued" relate to contributions issued before the AGM and the adoption of the new budget and are calculated as pre-issues based on last year's budget. These are deducted against the new budget and new rates as per lines, 3 and 4 are calculated to make up the budget total. This is why there are varying rates per quarter.