



ABOUT US

KZNBodycorp (Pty) Ltd (“KZNBC”) can trace its roots back to 1993 when the Founder and Principal, Richard Ferguson obtained the Estate Agency Affairs Board Certificate in Estate Agency and Immovable Property where after he started managing community schemes as an additional service to a successful professional accounting practice in which he is still a partner.

In 2012 KZNBC was incorporated as a professional Managing Agent to Community Schemes. The company is registered with the Property Practitioners Regulatory Authority and it operates a Trust Account in terms of Section 32 of the Estate Agency Act No 112 of 1976.

KZNBC is a specialist Managing Agent focussing on the financial management of residential community schemes and commercial complexes. We have offices in Amanzimtoti and Mount Edgecombe.

The company has the backing of professionally qualified staff, experienced in all aspects of property management including accounting, bookkeeping, compliance, debt management, legal, payroll, secretarial and taxation

At KZNBC we subscribe to a “hands-on” approach and we strive to offer the best service by building meaningful relationships with scheme executives, directors, trustees, owners and service providers.

Over the years KZNBC has become a proactive, dynamic property management company with an exceptional track record of success in turning around Community schemes in financial distress.

We are a dynamic Managing Agent, constantly adapting and improving our processes and systems to manage any community scheme. We have chosen to be selective about the complexes we manage as we believe in quality over quantity.

WHY CHOOSE KZNBC

WHY TRUSTEES AND DIRECTORS CHOOSE KZNBC

Being a trustee or director in a community scheme is a time-consuming, thankless job and requires hours of meetings and engagements, mostly without remuneration.

Important decisions need to be made on a daily basis. Not all owners want to be a trustee / director and not all owners have the time to give the scheme the attention it needs as many owner trustees have day jobs.

While the role of trustee / director in a Community Scheme is a voluntary and unpaid position, it is one that comes with a huge responsibility. Trustees/directors have a fiduciary duty towards their scheme and any trustee/director who acts in breach of his fiduciary relationship can be held liable to the scheme for any loss suffered as a result of his actions.

The roles and responsibilities of trustees / directors are broad and can get confusing to those who do not fully understand the topic.

Put simply, their tasks revolve around financial management, maintenance management, setting up funds for upkeep, record-keeping, and promoting an understanding of the rules.

We offer peace of mind through:

- Accountability
- Customer-focused
- Experienced staff
- Fees and services are tailored to suit the scheme's requirements and budget
- Honesty and complete transparency in what we do
- Industry-leading cloud-based software platform with WeConnectU
- Member – FKA Accounting Network
- Member – National Association of Managing Agents
- Member – Property Practitioners Regulatory Authority;
- Member – South African Institute of Professional Accountants;
- Mentoring trustees / directors
- Our passion for property administration
- Our personal service and hands-on approach
- Registered with Financial Intelligence Centre
- Senior management are accounting / tax graduates
- Solid track record as managing agent
- Team-work
- UCT scheme management trained
- Working closely with trustees, directors and management

SERVICES

ACCOUNTING AND FINANCIAL MANAGEMENT

- Write up and maintain books of account of the complex in terms of applicable legislation and reconcile bank and control accounts on a weekly basis.
- Preparation of monthly management accounts including income and expenditure account (Actual vs Budget) balance sheet, levy roll, customer age analysis and bank statements.
- Assist trustees to prepare annual Administrative budget and MRR-Budget for consideration at AGM
- Assist trustees with drafting MRR-10-Year Plan

LEVY / RENT BILLING AND COLLECTIONS

- Attorney collections and legal hand-over
- Billing of interest on arrears
- Collection of commercial and residential rent
- Collection of monthly levies and utilities
- Credit control of all outstanding levies and rent

- Distribution of monthly levy statements to owners
- Distribution of monthly rental statements
- Issue of levy clearance certificates
- Liaison with meter reading service companies for specific service / utility billing and recoveries included with the monthly levy statements and collections

PAYMENTS AND DISBURSEMENTS

- All payments approved and signed off in accordance with Trustee instructions, approved budgets and relevant legislation
- Electronic automated e-mail requests are sent to all the trustees to obtain a minimum of two trustees' approval to pay creditors.
- Maintenance of electronic voucher files
- Payment of approved creditors, service providers and municipal accounts

INSURANCE

- Administration and disbursement of claims
- Liaise with Brokers to ensure appropriate insurance cover at competitive rates.

MEETINGS AND SECRETARIAL SERVICE

- Assisting and advising the Board of Trustees on procedural matters such as General Meetings, Special General Meetings, Quorums, Proxies, Resolutions and Voting Rights etc.
- Attendance at trustees'/directors' meetings as well as the Annual General Meeting
- Organisation and minuting of the Annual General Meeting or Special General Meeting
- Preparation and distribution of notices of meetings, agendas and minutes

HR AND PAYROLL

- Advisory services for labour legislation issues and disputes
- Attend CCMA and disciplinary hearings
- Attend Dept Labour payroll inspections
- Calculation and payment of UIF and P.A.Y.E. deductions
- Direct (electronic) payment of salaries and wages to staff
- Issuing of payslips to scheme staff members
- Keeping records of bodies corporate leave
- Maintenance of staff records and leave entitlements

COMPLIANCE AND STATUTORY

- CIPC annual returns
- COIDA return
- CSOS annual return
- Fidelity Insurance
- Fire equipment annual check
- Minimum reserves for MRR and Administrative Fund
- Public Officer appointment with SARS
- SARS returns – EMP, VAT and TAX returns
- Valuation of complex

ARCHIVING AND STATUTORY RECORDS

Maintain statutory records of the scheme as per legislation, including:

- Accounting records and vouchers
- Conduct rules and regulations thereto
- Employee and payroll records
- Minute books
- Register of bondholders and owners
- Registered sectional title plans

MAINTENANCE OF BUILDINGS AND COMMON PROPERTY

- Assist and advise the Trustees on the management and maintenance of the Common Property.
- Assist the Trustees with the appointment of professional persons, firms or other organisations for the drawing up of specifications for maintenance work to be done to the common property.
- Assist trustees to appoint approved contractors to do work, or perform services to complex.

ENFORCEMENT OF RULES / FINES & PENALTIES

- Assisting with the enforcement of Rules, when so required by the trustees/directors.

ADVISORY SERVICE

- Advisory service regarding provisions in STSMA, CSOS, Companies Act, POPIA and other relevant legislation
- Updating of rules - Referral to sectional title attorneys and guidance on how to approve rules.

ANNUAL FINANCIAL STATEMENTS AND AUDIT

- Compile annual financial statements
- Liaise with Auditor and deal with audit queries
- Prepare compilation working papers and schedules for auditor

CLOUD-BASED PROPERTY MANAGEMENT SOFTWARE AND OWNER PORTAL

KZNBC has implemented the highly acclaimed “WeconnectU” property management solution to provide our complexes with a state-of-the-art online portal for real-time community indicators and operational data. The software offers Complete Transparency, Comprehensive Reporting, Ultimate Convenience, Complete Peace-of-Mind and an Easy-to-use Owner Portal

Financial Management - A complete accounting solution for Body Corporate and HOA management to deliver precision in all bookkeeping, collections, payments and financial reporting workflows that inspires trust and compliance.

Compliance Management – The suite includes a Compliance and Meeting Manager and a Calendar Tool that enables scheme executives to plan, execute, manage, and report on all community compliance items. Control the controllable and create complete peace of mind.

Operational Management - Property management operations are online for heightened efficiency, improved teamwork, automated communication and greater transparency. Take control of all those daily requests - maintenance jobs, warnings, penalties, and transfers.

Community Meeting Management – It is difficult to run fully compliant and professional meetings online and in-person. MeetingSpace, the integrated Community Meeting Module, is the ultimate tool to schedule, manage and execute all aspects and all types of community meetings. With built-in bulk email and SMS functionalities,

along with responsive technology, you can make light work of meeting scheduling, invitations, quorum management, proxies, voting and minute-taking.

Reporting - The most advanced solution for transparent financial, operational and compliance reporting. The easy-to-read intelligent dashboards informs all stakeholders around the key performance indicators of their community in real time. Send out a world-class Community Report every month with click of a button.

TAKE-ON “HEALTH-CHECK”

- On taking on a complex, a Portfolio Manager will be assigned to ensure a smooth transition to KZNBC.
- The person concerned will perform a ‘health check’ of the complex to confirm that all the appropriate hand-over information is available.
- The person will check that your complex and management thereof is fully compliant with all the relevant regulations and legislation.

Our “Health Check” includes:

- Assessment of compliance to relevant legislation
- Assessment of firefighting equipment and other relevant risk procedures
- Assessment of insurance cover
- Assessment of maintenance repair and replacement plans
- Assessment of owner accounts, arrear levies and credit control effectiveness
- COIDA letter of good standing
- Compilation of a report and action log to address shortcomings identified
- CSOS annual return
- Deeds search to confirm that correct owners and their details are loaded for levy billing and communication purposes
- Performance to budget review, assessment of reserves and evaluation of variances
- Review Budgets, identification of risks and formulation of recommendations
- Tax / EMP / VAT compliance with SARS
- Validation of sectional title plans, PQ and levy schedule

EXECUTIVE MANAGING AGENT (“EMA”)

Many schemes are poorly managed without the care and consideration it deserves. Every community scheme should be managed on sound business principles and due diligence. The appointment of an Executive Managing Agent should be considered in the following instances:

- No one indicates that they are willing to serve as Trustee during the AGM
- The Sectional Title Scheme is completely dysfunctional
- The Sectional Title Scheme is in financial distress
- There is apathy and non-participation from owners
- Trustees are not as knowledgeable as the law requires them to be
- Trustees are unable to fulfil their duties

Appointment of EMA

Sectional Title Schemes Management Act – Annexure 1 Prescribed Management Rules²⁸

- (1) The body corporate may, by special resolution, appoint an executive managing agent to perform the functions and exercise the powers that would otherwise be performed and exercised by the trustees.

- (2) Members entitled to 25 per cent of the total quotas of all sections may apply to the Community Scheme Ombud Service for the appointment of an executive managing agent.

Duties of EMA

- Once appointed, the EMA is subject to all the duties and obligations of a trustee, and is obliged to manage the scheme with the required professional level of skill and care.
- The EMA will be liable for any loss suffered by the body corporate due to their failure to exercise the required skill and care, in its administration and management of the scheme.
- The EMA has a fiduciary obligation to every member of the body corporate.
- The EMA must arrange for the inspection of the common property of the managed scheme at least every 6 months, and report at least every 4 months to every member of the body corporate relating to the administration of the scheme.

The EMA must report to all owners on:

- The proposed repairs to, and the maintenance of, the common property;
- The matters it considers relevant to the condition of the common property;
- The balance of each of the administrative and reserve funds of the body corporate, and provide a reconciliation statement for each fund;
- The expenses of the body corporate, including the repair, maintenance and replacement costs; and
- A brief description of the date and nature of all the decisions made by it.

Once appointed, the EMA will hold office in the place of the trustees, and will be involved in the day-to-day running of the body corporate by exercising and performing the duties and powers of the body corporate, subject to any provision of the STSMA, the body corporate rules, or any directions and restrictions imposed by the members.

PMR Rule 28(3) states that an EMA:

- (a) is subject to all the duties and obligations of a trustee under the Act and the rules of the scheme;
- (b) is obliged to manage the scheme with the required professional level of skill and care;
- (c) is liable for any loss suffered by the body corporate as a result of not applying such skill and care;
- (d) has a fiduciary obligation to every member of the body corporate;
- (e) must arrange for the inspection of the common property at least every six months; and
- (f) must report at least every four months to every member of the body corporate on the administration of the scheme."

The EMA's report, as referred above, must, as a minimum, include:

- (a) proposed repairs to and maintenance of the common property and assets of the body corporate within the next four months;
- (b) matters the executive managing agent considers relevant to the condition of the common property and the assets of the body corporate;
- (c) the balance of each of the administrative and reserve funds of the body corporate on the date of the report and a reconciliation statement for each fund; and
- (d) for the period since the appointment of the executive managing agent or from the date of the last report:
 - (i) the expenses of the body corporate, including repair, maintenance and replacement costs; and
 - (ii) a brief description of the date and nature of all decisions made by the executive managing agent.

BENEFITS TO APPOINTING EMA

- The agreement with the EMA may be terminated by the community scheme by giving two months' notice;
- The EMA is personally liable for any losses suffered by the scheme during his tenure.
- The EMA is subject to a code of conduct prescribed by the Community Schemes Ombud Service (CSOS);
- The EMA must appoint an independent auditor registered with the Independent Regulatory Board for Auditors to audit his agency;
- The EMA must be registered with and in good standing with the Property Practitioners Regulatory Authority;
- The EMA must have professional indemnity cover for not less than R5 million;

The vast majority of community schemes are in dire need of an EMA, but either they are unaware of this option, or simply unwilling to opt for this route. The likely explanation, is that many trustees and aspiring trustees are either unfamiliar with the laws and regulation and legal ramifications or underestimate the true risks. After all, the law and regulations are very clear, and prospective trustees must weigh up the pros and cons, for themselves prior to making themselves available.

Community schemes in distress should embrace the appointment of such an EMA.

KZNBC is geared to provide EMA services and we have experience in turning around community schemes in distress.

For any questions or a quotation for an Executive Managing Agent for your body corporate, please contact Richard Ferguson on rferguson@kznbodycorp.co.za or 031-5666638