Unit of Competency

CPPSCM4086 Coordinate preparation of strata community budgets

Modification history

Release	Comments
1	Supersedes and is equivalent to CPPDSM4086 Oversee preparation of strata community budgets. Title changed to better reflect outcome. This version first released with CPP Property Services Training Package Release 15.0.

Application

This unit of competency specifies the skills and knowledge required to coordinate the annual budget for a strata community. It includes gathering budget information, identifying projected income and expenditure, overseeing preparation of the budget and presenting the budget to the strata community.

This unit is suitable for strata community managers who apply a broad range of skills and knowledge to complete routine and non-routine tasks and deal with predictable and sometimes unpredictable problems. Strata community managers may also be known as strata managers, owners corporation managers or body corporate managers depending on the jurisdiction of operation.

Licensing, legislative, regulatory or certification requirements apply to strata community management in some states and territories. For further information, check with the relevant regulatory authority.

Prerequisite Unit

None.

Unit Sector

Strata Community Management.

Elements and Performance Criteria

1. Gather and analyse budget information for strata community.	1.1 Identify regulatory requirements relevant to strata community funds, contribution levies and fees including overdue fees in the jurisdiction of operation and apply to budget planning to ensure compliance. 1.2 Source and collate information to support budget preparation and select appropriate budgeting method according to regulatory and workplace requirements. 1.3 Analyse budget performance of previous year to identify information for inclusion in annual budget. 1.4 Consulting with relevant persons to identify ways to reduce strata community expenditure. 1.5 Consult with relevant persons to identify and document strata community expenditure priorities.
2. Identify and document projected income and expenditure.	2.1 Identify sources of strata community income and expenditure. 2.2 Conduct calculations to prepare expenditure estimates relating to administrative activities including repairs, maintenance and contractual and regulatory obligations.

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	2.3 Identify potential variations to income and expenditure estimates and assess their impact on the overall budget. 2.4 Identify situations requiring raising of additional or one-off levies for strata community. 2.5 Document projected income and expenditure according to regulatory and workplace requirements.
3. Oversee budget preparation.	3.1 Organise budget preparation in consultation with strata committee and relevant persons according to regulatory and workplace requirements. 3.2 Review budget documentation and seek clarification as required from relevant persons to ensure accuracy. 3.3 Check expenditure commitments against final income estimates. 3.4 Prepare cash flow forecasts and include contingencies in draft budget. 3.5 Review draft budget and propose any required modifications in consultation with relevant persons.
4. Finalise and present strata community budget.	4.1 Consult with strata community committee to finalise and approve draft budget according to regulatory and workplace requirements. 4.2 Present draft budget and schedule of contribution levies and fees to the strata community committee for approval according to regulatory and workplace requirements. 4.3 Regularly review budget and report variances to strata community committee according to regulatory and workplace requirements.

Foundation skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Unit Mapping Information

Supersedes and is equivalent to CPPDSM4086 Oversee preparation of strata community budgets

Links

The Companion Volume Implementation Guide for the CPP Property Services Training Package is available at: https://vetnet.education.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b

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Assessment Requirements for CPPSCM4086 Coordinate preparation of strata community budgets

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Performance Evidence

To demonstrate competency, a candidate must meet the elements and performance criteria of this unit to coordinate the preparation of two strata community budgets:

- one annual budget for an off-the-plan sales contract
- one annual budget for a strata community.

Knowledge Evidence

To be competent in this unit, a candidate must demonstrate knowledge of:

- components of a typical annual budget for a strata community
- compliance requirements of legislation and regulations relevant to the preparation of annual budgets for strata communities in the jurisdiction of operation:
    - environmental protection (sustainability)
    - fair trading and consumer protection
    - privacy
    - provisions of legislation and funding body requirements that affect how finances and assets can be used by strata communities
- concept of, and procedures for, financial contingency planning
- concept of strata community control and how it applies to budgetary decision making
- differences between mutual and non-mutual income and requirements for lot owners and strata companies to declare income in tax returns
- historical and zero budgeting methods
- interpersonal communication strategies and techniques used to effectively relate to people from a range of social, cultural and ethnic backgrounds and with a range of physical and cognitive abilities
- limitations of own work role, responsibilities and abilities
- previous year's income and expenditure statements
- roles and responsibilities of strata community managers in assisting professional financial advisers to prepare strata community annual budgets
- situations requiring the raising of additional or one-off levies for strata communities
- sources of strata community expenditure:
    - administrative
    - building
    - grounds
    - long-term maintenance planning
    - utilities
- sources of strata community income:
    - contribution levies

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    - embedded network
    - interest: bank and investments
    - penalty interest
    - recovered fees or costs
    - rental income
- standard budgeting procedures including methods for bringing budgets into balance when expenditure is greater than income
- workplace requirements for coordinating the preparation of strata community budgets:
    - systems for storing information and documentation.

Assessment Conditions

Assessors must meet the requirements for assessors contained in the Standards for Registered Training Organisations.

Assessment must be conducted in the workplace or a simulated workplace using realistic conditions, materials, activities, responsibilities, procedures, safety requirements and environmental considerations.

Candidates must have access to documentation, information and technologies required to achieve the performance criteria and performance evidence.

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