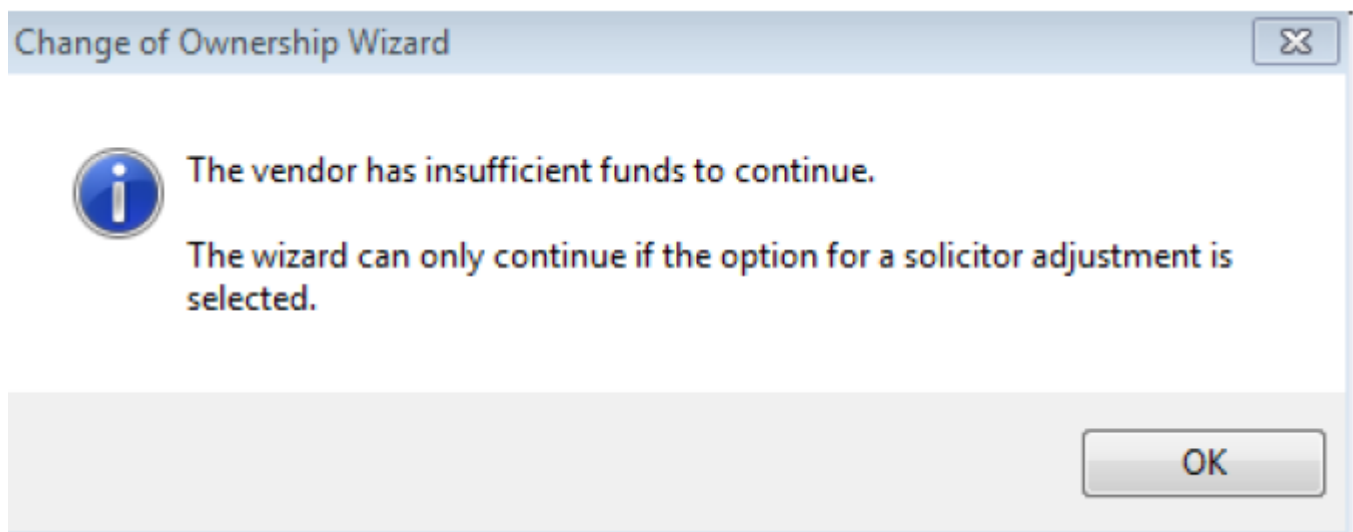# Insufficient Funds to Process Change of Ownership

Overview

A managed property has been sold. When trying to process the change of ownership wizard (selecting Agent to Adjust) the message that generates is "the vend or has insufficient funds to continue".

This is caused by the owner being paid out funds past the settlement date or a creditor disbursement has been paid, thus leaving the available funds short.

Solution

When there is insufficient funds to process the change of ownership you have 2 options:-

1. Hold off Change of Ownership process

   - Retrieve the overpaid rent from the old owner
   - When received this can be sundry receipted into the property (which is still attached to the old owner) and then process the change of ownership

2. Process the Change of Ownership wizard choosing solicitor to adjust

   - Retrieve the overpaid rent from the old owner
   - When received this can be sundry receipted into the property attached to the old owner (ie/ the property will have the prefix z
   - Manually adjust the amounts by doing a journal (ie/ transactions > journals)
     - Overpaid rent from old owner to new owner
     - Overpaid management fee from aamanage to old owner
     - Management Fee due from new owner to aamanage

Amount Required to process Change of Ownership

At the time of running the change of ownership wizard and encountering the 'insufficient funds' message, when you click OK, the Summary of Changes will appear which will show the amount of funds that are required to process the change of ownership and all monies that require adjusting (ie/ management fees etc).

NOTE: This summary should be printed out and kept as a record of amounts to be adjusted

The funds that are required to be collected from the old owner is the full amount of overpaid rent including any in hand amounts or credits.

Example of how REST will calculate the amount of Overpaid Rent

Tenant Paid to Date 27/05/14

Settlement Date 15/05/14

Rent Amount $ 500.00 W1

Tenant Credit $ 50.00

In the above example REST has calculated 12 days from 16/05/13 (day after settlement) to tenants paid to date of 27/05/13 (ie/ $71.43 x 12 days = $857.14 + tenant credit of $50.00 = $907.14)

The REST calculator can be used to ascertain the daily rate used,

NOTE: It is a system option as to whether the Settlement Day is paid to the Purchaser or the Vendor. You can check this by going to Other > Utilities > System Options > Other tab and check the tick box. It is common that the Vendor receives rent including the settlement day, however you will need to check your State Legislation to confirm whether the Vendor or Purchaser are entitled to the actual settlement day.

02/02/2016 10:52 am AEDT