



How Single Trusts and Individual Trusts Differ in Strata Master

This list is a guide of the main differences between the 2 type of Trusts in Strata Master -

- Single Trust is where the Strata Plans share a common bank account, usually referred as the General Trust Account.
- Individual Trust is where the Strata Plans all have their own bank account.

MRI recommends that agencies operate one type of Trust and not a combination, as the complications that occur can impact the agencies ability to keep accurate records. These complications can occur because the simplicity of Strata Master is compromised and users of the system can make errors in processing.

Changing from one type of trust to another will require the assistance of our Projects and Education sections as chargeable support as each transaction is linked to a bank account and system settings require change.

Single Trust	Individual Trust
One reconciliation for all Plans	Separate reconciliations, but if there is a difference it is confined to 1 Plan
Suitable where there is a small number of Strata Plans	Suitable where there are a large number of Plans or large number of transactions
To change to Individual Trust later may require all Strata Plans to open their own bank account and funds to be split accurately to those accounts.	Unlikely to be a need for change as where there are few Plans, Individual Trusts are still serviceable and relevant
Bank statement copies not available to Lot Owners	Bank statements can be presented to Lot Owners
Moving funds from one Plan to another does not require movement of money	Moving funds from one Plan to another requires EFT of money at Bank level
All Plans are unbalanced. Holds up issue of documents.	If one Plan is unbalanced, does not affect the other Plans.
Some Formatted reports not available unless Plan number is known	Plan number is generally known as financials are completely separate.
When closing a Plan, the bank reconciliation has to balance to ensure the correct amount of funds are paid to the new strata manager.	When closing a Plan, there is only one Plan to balance to ensure the correct amount of funds are paid to the new strata manager.
Unidentified funds are paid into a general Unidentified Funds account for all Plans.	Unidentified funds are received to the individual trust account so payee more easily identified.

<p>If you wanted to provide EFTPos Merchant facility for your Lot Owners, you would only require 1 card reader to pay into the single trust account.</p>	<p>If you wanted to provide EFTPos Merchant facility for your Lot Owners, the one card reader may only pay into one account so could not pay to the relevant account. You would need to discuss this more fully with your Bank.</p>
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As you can see from the table above, Individual trusts are preferable when managing Strata Plans.

However in some cases, the choice does not exist. Where you do need to use a single trust, we would recommend the training of all users in the specifics of using a single trust. It may be that your Bank does not handle uploads for more than one bank account.

If you are commencing with only a few managed Plans but intending to expand your operations, we would recommend you commence with individual trust accounts. It is also generally easier to balance the opening balances of the Plan individually on entry of each Plan.

If you are concerned about bank charges for separate bank accounts, you will need to weigh up the extra time that a single trust account may take in other matters of processing and presentation of reports. If your single bank reconciliation is unbalanced, your checking of 200 transactions over 10 Plans will take longer than checking 20 transactions for one Plan with an individual bank account, that is unbalanced.

Note that the above is a guide only, so it would be recommended that you discuss your requirements.

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