



Fees Charged for Closed Investment Account in Strata Master

When you have closed an Investment Account and 'redeemed' the balance of funds back to the Operating Trust Account, your Bank may charge fees.

You will generally find that the Bank

1. Charges the operating trust account, or in an unlikely scenario,
2. Charge the closed Investment Account and request you pay funds to bring the balance back to zero.

In this article we are covering the first, and most common, scenario.

The Problem

The bank deducts the charge from your operating trust account and therefore the bank reconciliation does not balance. You should find that the Bank Statements side of the reconciliation is less than the Strata Master Ledger side. In the example below, the fee was \$40.

The screenshot shows the 'Manual Bank Reconciliation' window. The 'Bank account' is '2222-12345 - Rockend Strata Management ITF SP 2222'. The 'Plan or Body Corporate Name' is empty. The window is divided into 'Summary', 'Deposits', and 'Withdrawals' tabs. The 'Summary' tab is active, showing a comparison between the 'BANK STATEMENT' and the 'LEDGER'. The 'BANK STATEMENT' side shows a balance of \$1,560.00, with no outstanding deposits or unrepresented withdrawals, resulting in an adjusted balance of \$1,560.00. The 'LEDGER' side shows a balance of \$1,600.00, with no direct deposits or direct charges, resulting in an adjusted balance of \$1,600.00. A message at the bottom states: 'The bank account is not reconciled. There is a difference of \$40.00 between the adjusted balance of the bank account and the adjusted balance of Cash at Bank.' Buttons for 'Back' and 'Next' are visible at the bottom.

BANK STATEMENT		LEDGER	
Balance of statement dated 15/03/2023	\$1,560.00	Balance of Cash at Bank	\$1,600.00
Plus outstanding deposits	\$0.00	Plus direct deposits	\$0.00
	\$1,560.00	Less direct charges	\$0.00
Less unrepresented withdrawals	\$0.00	Adjusted balance of Cash at Bank	\$1,600.00
Adjusted balance of bank account	\$1,560.00		

Where The Relevant Plan Has an Individual Trust Account

When the Plan that had the investment account has its own bank account, you can resolve this issue quickly in the manual bank reconciliation screen.

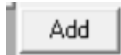
1. Click on the withdrawal tab.

The screenshot shows the 'Manual Bank Reconciliation' window with the 'Withdrawals' tab selected. The 'Bank account' is '2222-12345 - Rockend Strata Management ITF SP 2222'. The 'Plan or Body Corporate Name' is empty. The 'Withdrawals' tab is highlighted in yellow.

2. At the bottom of the screen see the section for entering 'direct charges' .

Enter direct charges shown on the bank statement to be accounted for in the GL:

3. Click the Add button on the right.



4. In the blank line that appears, enter details as below.**Make your own checks in regard to which account to select and to see if gst applies**, refer bank statement or Tax Office website.

Enter direct charges shown on the bank statement to be accounted for in the GL:				
Date	Account	Description	Amount	GST
16/03/2023	151401 Admin--Bank Charges--Account Fees	Investment Account Fee - Closed Account	40.00	.00
			<input type="button" value="Add"/>	
			<input type="button" value="Remove"/>	
Total direct charges			\$40.00	\$0.00

5. Click save button



6. Check that your bank reconciliation now balances.

Where The Relevant Plan Is Part of a General/Single Trust Account

In this case a journal will be required to process the fee to the relevant Strata Plan.

1. Navigate to Accounting > Adjustments > Journal Entry.

2. Select General Ledger and enter the relevant Plan number.

3. Enter details as below. **Make your own checks in regard to which account to select and to see if gst applies**, refer bank statement or Tax Office website.

Journal Entry

EXIT

Ledger

General Ledger

GL with auto reversal

Trust Ledger

GST registered owners corporation selected Active Groups

Enter Plan No. or Street Name or Body Corporate Name.

Strata Scheme 2222
 Abbey Road Studios
 22 Penny Lane
 PERTH WA 6000

Accounts

Debit: 151401 Admin--Bank Charges--Account Fees - Admin

Credit: 121000 Cash at Bank--Admin - Admin

Group:

Details

Date: 16/03/2023

Amount: \$40.00

Description: Investment Fees charged - Closed investment account.

4. Click save button



5. Check that your bank reconciliation now balances.

Note -

If your bank has processed the charges to the Investment as in scenario 2, you will need to transfer the equivalent amount to the investment account to cover the fee.

16/03/2023 7:08 pm AEDT