

FACT SHEET

COMMITTEE EXPENDITURE

Each body corporate has a committee spending limit, this is the amount of money that can be spent without the need to call a general meeting. This fact sheet relates to schemes that are registered under the Standard Module, Accommodation Module and Small Scheme Module.

The committee spending limit can be set by ordinary resolution by the body corporate. There are no limitations on what can be set i.e. no minimum or maximum amount. If no amount for the committee spending limit has been set at a general meeting the amount allowed is worked out by calculation of \$200.00 by the amount of lots in the scheme. For example a body corporate of 10 lots would work this out as follows: $10 \times \$200.00 = \2000.00 . It should be noted that the amount spent including GST must fall under the limit. The formula for working out the committee spending limit in a layered scheme differs from this, please contact your manager for further information on layered schemes.

Before the committee approve expenditure they must ensure that adequate funds are available for the expense. In addition to this all items must be budgeted for, if there is no provision in the budget for the expense, the committee cannot authorise the spending even if the amount is within its spending limit. The committee cannot divide a job into stages in order to bring each stage under the committee spending limit.

The committee can only approve expenditure over their limit if:

- the spending is authorised by an ordinary resolution of the body corporate **or**
- the owners of all lots in the scheme have given written consent **or**
- an adjudicator has authorised the spending to meet an emergency **or**
- the spending is needed to comply with a statutory order or notice given to the body corporate, or the order of an adjudicator, or the judgment or order of a court.

The committee must have at least 2 quotes for any spending that is more than the relevant limit for major spending by the scheme. The limit for major spending is only used to determine how many quotes are required when considering a motion at either a committee meeting or a general meeting. The body corporate can set the major spending limit by ordinary resolution at a general meeting. There is no minimum or maximum amount that can be set. If no amount is set, the limit is the **lesser** of either:

- \$1,100 multiplied by the number of lots in the scheme
- or
- \$10,000.

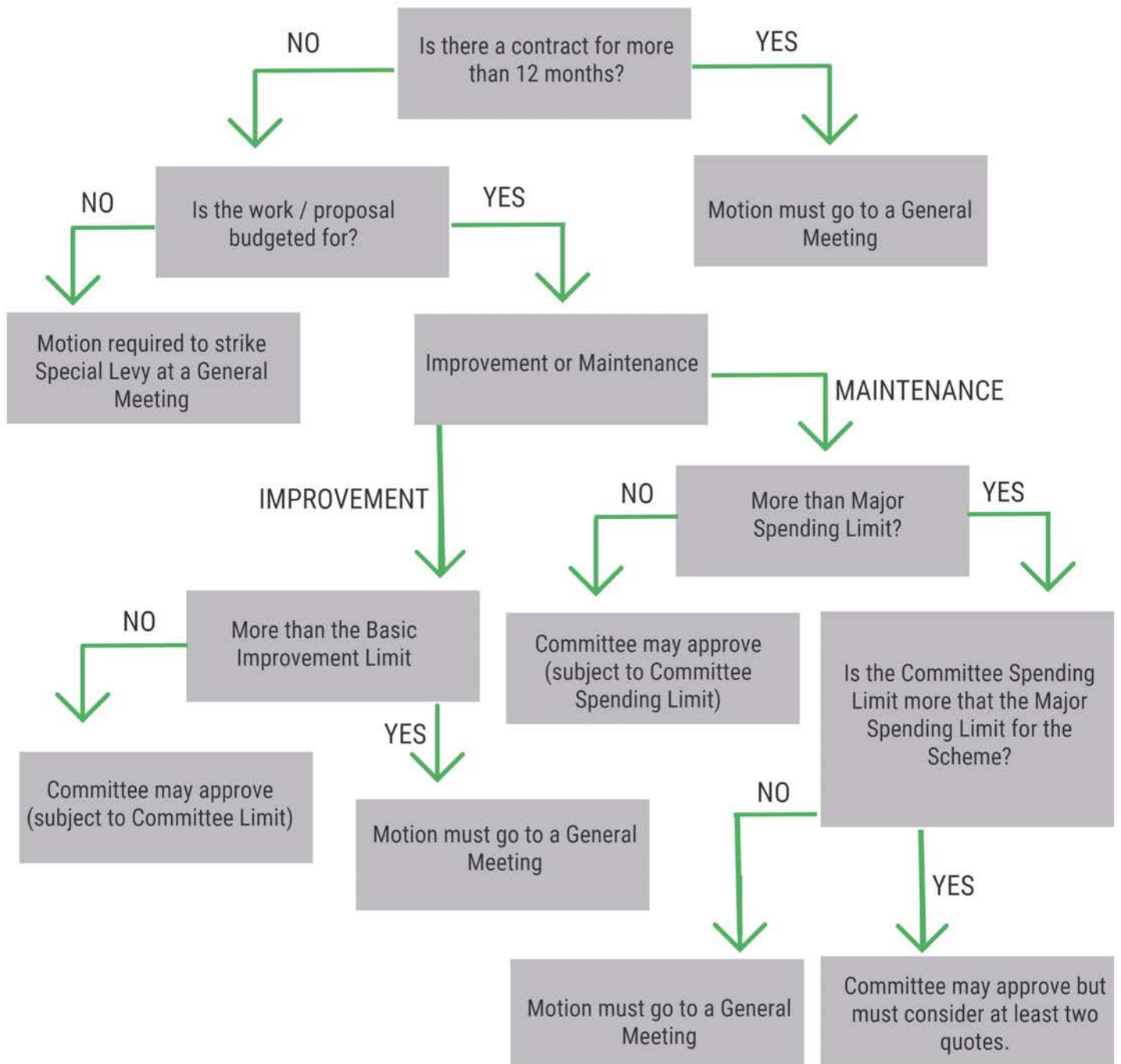
If the committee spending limit is over the limit for major spending the committee can authorise up to the committee spending limit if they have two or more quotes.

Schemes registered under the Commercial Module do not have a committee spending limit. Committees in these schemes can spend as much as is needed as long as it is approved at a committee meeting or a vote outside of committee meeting.

Please refer to the attached flow chart to assist your committee with authorisations and committee spending limits for works.

Continued over page

Committee Expenditure Authorisation



This flow chart is to be used as a basic guide only, please refer to the legislation if you think necessary or ask your Manager at Hartley's Body Corporate Management for assistance.



Hartley's
Body Corporate Management

P: (07) 3379 7455 F: (07) 3379 7499
PO Box 111, Corinda, Brisbane Q 4075

info@hbcm.co
www.hbcm.co

