



LEVY FUNDING TOOLKIT

This toolkit is designed to support you in approving and entering into a loan agreement with STS.

[Click on the links](#) to access additional information, videos, tips, tricks, and templates for smooth navigation. Don't forget, we are just a phone call away and ready to help in any way possible!

7 SIMPLE STEPS AWAY FROM FINANCIAL PEACE OF MIND!

The Sectional Title Schemes Management Act ("STSMA") and Prescribed Management Rules ("PMR") set out the process which must be followed by the community scheme in order to enter into a funding agreement with Sectional Title Solutions:

1 NOTICE OF MEETING

A notice for the AGM / SGM with the proposed resolution will need to be prepared and sent to all unit owners. Alternatively the body corporate may proceed to pass a special resolution by way of round robin.

NOTE As a special resolution to borrow funds is to be put to a vote, unit owners must receive notice at least 30 days prior to the meeting. Seven days notice may be given where the trustees have resolved that short notice is necessary due to urgency.

2 QUORUM

Quorum will need to be present at the AGM or SGM before the special resolution can be put to a vote. Remember to consider PMR 20(9)(a) of the STSMA Regulations where a special resolution is passed at a meeting with less than 50% of all owners present.

3 VOTING

Voting cards must be issued for the proposed special resolution and owners must record their details and their vote on the voting card for tallying by the chairman of the meeting.

NOTE A special resolution requires 75% of the votes of the unit owners present, or validly represented by proxy at the meeting (in value and in number). When calculating the votes in number, remember that each member gets one vote.

4 IMPLEMENTATION OF SPECIAL RESOLUTION

A Trustee meeting will need to follow to implement the special resolution and confirm the two Trustees authorised to sign the loan documentation and supporting documentation.

5 DOCUMENTATION

The required supporting documents can be sent through to STS concurrently to the above, to enable STS to conduct its credit review.

6 AGREEMENTS

Loan agreements, instruction to release funds and other supporting documents are sent to the trustees for signature on the QS Portal.

7 RELEASE FUNDS

Once the remaining documents are finalised and the final approvals are granted, the required funds will be transferred to the community scheme. Your allocated sales representative, will keep you informed of the timelines and progress.

HELPFUL GUIDES AND VIDEOS

- ✓ [Demystifying the various types of resolutions in community schemes](#)
- ✓ [What are the requirements from a body corporate when entering into a loan agreement?](#)
- ✓ [What is a combination loan?](#)
- ✓ [Does STS purchase arrear levy debt from the community scheme?](#)
- ✓ [Why consider a loan from us, rather than a banking institution](#)
- ✓ [STS levy funding FAQ's](#)
- ✓ [Arrear levy collection reports: A checklist on what to include in the initial "hand over" instruction to attorneys](#)
- ✓ [Leveraging levy clearance certificates: Where the line is drawn](#)
- ✓ [Is Compliance with PMRs 25\(1\) and \(2\) a Prerequisite for Levy Debt Enforcement?](#)
- ✓ [Practical steps for collecting arrear levies in community schemes](#)
- ✓ [Can trustees send final demand letters for arrear levies without owner consent?](#)
- ✓ [Navigating delays in levy collections: understanding the challenges](#)
- ✓ [Sectional Titles Schemes Management Act, 2011 \(Act No 8 Of 2011\) Sectional Titles Schemes Management Regulations](#)

TOOLS AND TEMPLATES

- ➔ [Quorum calculator](#)
- ➔ [Voting card](#)
- ➔ [Notice of meeting](#)
- ➔ [Special resolution](#)
- ➔ [Trustee resolution](#)
- ➔ [Trustee resolution - Notice of urgent SGM](#)
- ➔ [Trustee resolution - Urgent implementation](#)
- ➔ [Notice of proposed special resolution by round-robin](#)

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Educating an Industry

TRACS is the Training Academy for Community Schemes in South Africa. Learn all you need to know about ownership or rental, as well as managing a Community Scheme in South Africa.

- ✓ [FREE Community Scheme training course](#)
- ✓ [Download our free Sectional Title Scheme Reference Guide](#)

