

SCSI Professional Guidance

# Commercial Service Charge - Handover Procedures

Guidance note

1st edition



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Guidance note

1st Edition

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# SCSI/RICS professional guidance

## International standards

SCSI/RICS is at the forefront of developing international standards, working in coalitions with organisations around the world, acting in the public interest to raise standards and increase transparency within markets. The International Property Measurement Standards (IPMS), International Construction Measurement Standards (ICMS), International Ethics Standards (IES) and others will be published and will be mandatory for RICS members. For more information, please see [www.ipmsc.org](http://www.ipmsc.org).

This guidance note links directly to these standards and underpins them. Members are advised to make themselves aware of the international standards and the overarching principles with which formatting this guidance note complies.

Members of SCSI / RICS are uniquely placed in the market by being trained, qualified and regulated by working to international standards and complying with this guidance note.

## SCSI/RICS guidance notes

This is a guidance note. Where recommendations are made for specific professional tasks, these are intended to represent 'best practice', i.e. recommendations that in the opinion of SCSI/RICS meet a high standard of professional competence.

Although members are not required to follow the recommendations contained in the guidance note, they should take into account the following points.

When an allegation of professional negligence is made against a surveyor, a court or tribunal may take account of the contents of any relevant guidance notes published by SCSI/RICS in deciding whether or not the member acted with reasonable competence.

In the opinion of SCSI/RICS, a member conforming to the practices recommended in this guidance note should have at least a partial defence to an allegation of negligence if they have followed those practices. However, members have the responsibility of deciding when it is inappropriate to follow the guidance.

It is for each member to decide on the appropriate procedure to follow in any professional task. However, where members do not comply with the practice recommended in this guidance note, they should do so only for good reason. In the event of a legal dispute, a court or tribunal may require them to explain why they decided not to adopt the recommended practice.

Also, if members have not followed this guidance, and their actions are questioned in an SCSI/RICS disciplinary case, they will be asked to explain the actions they did take and this may be taken into account by the Panel.

In some cases there may be existing national standards which may take precedence over this guidance note. National standards can be defined as professional standards that are either prescribed in law or federal/local legislation, or developed in collaboration with other relevant bodies.

In addition, guidance notes are relevant to professional competence in that each member should be up to date and should have knowledge of guidance notes within a reasonable time of their coming into effect.

This guidance note is believed to reflect case law and legislation applicable at its date of publication. It is the member's responsibility to establish if any changes in case law or legislation after the publication date have an impact on the guidance or information in this document.

## Document status defined

SCSI/RICS produces a range of professional guidance and standards documents. These have been defined in the table below. This document is a guidance note.

Document status defined		
Type of document	Definition	Status
<b>Standard</b>		
International standard	An international high-level principle-based standard developed in collaboration with other relevant bodies.	Mandatory
<b>Professional statement</b>		
SCSI/RICS professional statement	A document that provides members with mandatory requirements or a rule that a member or firm is expected to adhere to.  This term encompasses practice statements, Red Book professional standards, global valuation practice Statements, regulatory rules, SCSI/RICS Rules of Conduct and government codes of practice.	Mandatory
<b>Guidance</b>		
SCSI/RICS code of practice	Document approved by SCSI/RICS, and endorsed by another professional body/stakeholder, that provides users with recommendations for accepted good practice as followed by conscientious practitioners.	Mandatory or recommended good practice (will be confirmed in the document itself).
SCSI/RICS guidance note (GN)	Document that provides users with recommendations or approach for accepted good practice as followed by competent and conscientious practitioners.	Recommended best practice.  Usual principles apply in cases of negligence if best practice is not followed.
SCSI/RICS information paper (IP)	Practice-based document that provides users with the latest technical information, knowledge or common findings from regulatory reviews.	Information and/or recommended good practice.  Usual principles apply in cases of negligence if technical information is known in the market.

# 1. Introduction

Unlike demands for the payment of the principal rent reserved under a lease, which are usually charged as a fixed quarterly amount, interim or on-account service charge demands are usually based either on a budget or historic costs. These may not be a true reflection of a tenant's ultimate liability which is usually calculated based on their proportion of the actual costs incurred in a given year in the provision of services to the property. A balancing charge, or credit, will be issued to the tenant when the annual service charge reconciliation compares the tenant's ultimate liability with the on-account service charge payments received for the same year.

As a result of this requirement for annual service charge reconciliations, it is recommended that those responsible for drafting sale or management contracts recognise service charges as an important area. They should ensure that they provide a mechanism for the service charges to continue to be managed and administered in accordance with industry best practice, through and beyond the date of sale or management transfer. This is consistent with the general duty of care owed to occupiers.

This guidance note is aimed at property owners and managers and their legal advisers. Its intention is to set out a series of procedures which will apply during any handover period in order to improve the quality of service to the industry's customers.

Handovers occur for two main reasons; the sale of a property or a change of manager. A sale of a property may not always involve a change in manager as some properties are managed directly by owners or the buyer may keep the existing manager on after the sale completes. This guidance note is intended to cover all situations.

When a property changes hands or a new manager is appointed, delays in handing over information often lead to delays in the issuing of statements of service charge expenditure and reconciliations. In extreme instances, this can result in statements of service charge expenditure being held up for many years, with the resultant difficulties for owners in recovering all costs and expenses, and occupiers having to carry forward potentially onerous contingent liabilities.

This guidance note aims to improve this situation by outlining practical procedure for the handover of information relating to the service charges. Its recommendations are compatible with sections 4.6 and 4.10 of the SCSl / RICS service charges in commercial property Code of Practice, (the service charge code). These require (among other things) service charge reconciliations to be completed within four months of the end of the service charge period.

## 1.1 Scope of this guidance note

This guidance note covers commercial multi-let property where there is a service charge. It deals with the handover of financial and supplier information between owners and/ or managers.

The mechanics for the handover of service charge information would generally be specified in the sale contract, or (more rarely), within a manager's contractual agreement. In practice, the timetable and requirements set out in such documents are not always adhered to so this guidance note aims to assist the overall process and ultimately lead to an industry standard, the terms of which can then be incorporated into sale contract or management contract documentation.

## 2. Handover procedures upon the Sale of a Property

### 2.1 Introduction

On the sale of a property, the onus should be on the seller (either themselves or via their managing agent) to provide to the buyer (or their managing agent) all the necessary information about the service charge in a timely manner.

Sale contracts and the resulting completion statements may make some provision for service charge monies either in express clauses or using the standard conditions of sale.

However, these contract clauses rarely contain sufficient detail. Ideally they should deal with:

- the reconciliation of any outstanding closed service charge years
- the handover of any credit balance on the service charge account
- the recovery of any shortfall or arrears, including specifically which party (buyer or seller) can pursue the arrears and how; and
- the supply to the buyer or its managing agent of adequate records and information to provide continuity in the management and administration of the service charge arrangement for the current service charge year.

Commercial service charges generally fall into two categories:

- i) those where the landlord recovers costs periodically, say quarterly, based on actual expenditure incurred; and
- ii) those where the landlord collects on-account sums in advance, usually quarterly, and reconciles the service charge at the end of the service charge year, comparing actual expenditure against the on-account payments demanded and then producing certificates detailing the resultant credit or debit due on the account.

The correct wording for the sale contract will vary between these two, but the service charge Code states that in both cases reconciliation of the current years' service charge should be achieved within four months of the year-end.

Where appropriate (and/or required), allowance should be made for an audit or review by an independent accountant within this timetable.

The sale of a property can occur at any point during the service charge year. Although some leases permit a change to the service charge year end, it is recommended best practice not to do so save in exceptional circumstances.

So the sale usually occurs part way through (rather than at the end of) a service charge year. The buyer or its manager will be responsible for reconciling the service charge for that year. In order to do so properly and on time it is essential that the seller, or their manager, provides full information within a relatively short time frame of the sale.

Where there are prior service charge years for which the closing accounts have not yet been issued, the seller, or its manager, should be obliged in the sale contract to fully reconcile any outstanding service charge accounts for those prior years within a specified period (certainly no later than two months after completion of the sale).

Often, it is the buyer or the buyer's agent that will actually issue the demands for any balancing charges, credits or certificates (whether to existing or former tenants) once the reconciled accounts are available. Whether the buyer accepts responsibility for pursuing payment will be a matter for negotiation.

In some transactions the buyer is not prepared to deal with previous years. The buyer will insist that the seller reconciles these and issues the accounts before completion.

Where possible, buyers should ensure that sale contracts contain measurable sanctions if information, certification and/or service charge credit balances are not provided within the time frames set. Ideally, the buyer should make a retention from the sale price pending satisfactory receipt of the relevant details. Alternatively, the sale contract could impose liquidated damages, although to be enforceable under contract law the amount of the liquidated damages should reflect a reasonable measurement of the anticipated loss. Otherwise, it may be considered a penalty clause and prove unenforceable.

Where the manager is not being retained by the buyer, it is recommended that the buyer or his agent communicate with the tenants, licencees and occupiers immediately following completion of the sale to advise of the sale and to secure payment of ongoing charges.

## 2.1.1 Property setup information

Information required for the property management set up would usually be requested under standard enquiries before contract. If not, such information, should be passed to the buyer (or their agent) prior to completion, or within five working days of the completion date.

Property Handover Information should include:

- service charge accounting period
- service charge apportionment basis
- details of void areas, landlord's liability and landlord's funding
- details of any tenant direct charges
- current service charge budget
- copies of the last three years' reconciled service charge accounts
- details of commercialisation income and interaction with the service charge accounts
- details of any sinking funds, reserve funds or depreciation charges, as set out in paragraph 2.1.5 below, including current valuation statements, assets, contribution, schedules and expiry dates of funds; and
- a statement of funds currently held in the service charge account along with a list of creditors.
- demand addresses, agency arrangements, trading names and contact details
- tenancy details, including occupancy and vacancy dates, in an up-to-date tenancy schedule
- details of all tenant disputes, payment plans and breaches
- the basis of collection for all direct charges

## 2.1.2 Tenant financial information

Detailed up to date property and tenant financial information should be provided to the buyer (or their agent) at completion, or within five working days of the completion date to include:

- detailed tenant arrears statement including details of disputes, payment plans and breaches
- details and copies of the last tenant on-account demands both for service charges and direct charges
- for direct charges, including utility recharges, the basis of collection and up-to-date meter readings should be provided; and
- an interest summary showing credits to the service charge account.

## 2.1.3 Financial transfer

This is the physical movement of funds between the buyer and seller in the sale process. At completion, the service charge bank account will often contain monies that have not yet been expended. The amount will depend on the level of service charge tenant arrears and the amount owed to suppliers for services rendered. The amount to transfer may be very small.

The sale contract should provide that prior to completion, the seller should supply a full statement of tenant service charge arrears and also within five working days after completion, an updated statement of arrears as at the completion date.

Unless the service charge is being administered by a management company which is being taken over by the buyer, and which will continue to administer the service charge, the buyer will be responsible for collecting from the tenants any outstanding or future on-account payments or balancing charges.

If there are extensive service charge arrears outstanding, the buyer may adjust the purchase price to deduct these to avoid the risk of non-payment.

The seller should ensure, so far as is practicable, that all supplier invoices and credit notes are issued and paid from the service charge account prior to completion.

The buyer may have to fund the service charge account in the period between the completion date and the date when the service charge account is credited with funds from the seller or its manager, or payment by the tenants of on-account sums.

## 2.1.4 Statements of service charge movements

### Current service charge year

As described in section 2.1, as soon as practicable but in any event within four months of the completion date the seller (or their agent) should provide a statement of service charge movements for the period from the start of the current accounting period up to the completion date. The statement should include:

- the income received on account of the service charge, with copy demands
- the statement of service charge expenditure incurred with copies of vouchers / invoices
- an analysis of seller landlord's liabilities and tenant direct charges, marketing and commercialisation accounts. These should be separately identified and where tenant direct charges apply these should be treated separately to the service charge
- a service charge cash reconciliation (calculated as detailed in appendix B)
- an up-to-date arrears statement (if changed from the statement issued within five working days after completion), together with explanatory notes on any disputes; and
- explanatory notes on major variations from the original budget for that service charge accounting period.

Where the closing balance on the service charge cash reconciliation is a positive sum, the seller shall transfer to the buyer within five working days of the issue of the service charge cash reconciliation, the positive balance (after deduction of any interim payment already made on account of such credit balance under paragraph 2.1).

Where the closing balance on the service charge cash reconciliation at the date of transfer is negative (this will occur when the expenditure exceeds the income), the buyer will reimburse such negative balance to the seller within five working days of the issue of the service charge cash reconciliation.

The buyer or its manager will then be responsible for completing the full year service charge reconciliation. This will include certifying the accounts and arranging for their independent review or independent audit, where required, in accordance with the SCSl / RICS Service charges in commercial property Code of Practice, (the Service Charge Code).

The buyer or its manager will then issue the statement of expenditure and any balancing service charges to the tenants at the end of the service charge year in the usual way.

### Prior service charge years

If there are prior service charge years for which the closing accounts have not yet been issued, the contract should set out what is to happen. See section 2.1 for various options.

## 2.1.5 Sinking and reserve funds

In all instances where the seller operates sinking or reserve funds, the information about these will normally be provided in response to standard preliminary enquiries before contract. If not, the sale contract should provide for the following information to be supplied before the completion date (or at the latest within five working days after completion):

- details of all funds and assets covered
- details of the term of the fund, expiry date and life expectancy of the assets
- a full statement showing fund values / bank balances broken down between each asset and details of landlord and tenant contributions, tax and interest
- a statement of expenditure from each fund, if applicable; and
- details of tax liability and any trust status applicable to each fund.

## 2.1.6 Depreciation charges

If the service charge included depreciation charges, but details have not been provided in response to standard enquiries before contract, then the sale contract should provide for the following information to be supplied, before the completion date (or at the latest within five working days after completion):

- details of all assets covered by the charges
- details of the period of cover including start date and cost of asset; and
- the final book value of each asset and details of the charges recovered from each service charge year, from each tenant up to the completion date.

## 2.1.7 Security deposits for utilities

There has been a growing trend over recent years for utility companies to request a security deposit from owners as a condition of the supply agreement.

If that utility supply agreement is to be novated to the buyer the seller should obtain confirmation that the supplier recognises the buyer as the beneficial owner of the security deposit, and the security deposit will roll over with it. The sale contract should then provide for the buyer to reimburse the seller an amount equivalent to the deposit. This could be included in the financial transfer procedure set out in section 2.1.3.

If the utility supply agreement is to be terminated on completion (and the buyer will arrange its own in substitution) then the seller can arrange direct for the refund to it of the deposit.

If the original deposit was included as a 'cost' in any previous service charge period, the buyer should account for the return of the deposit as a credit item as part of the service charge reconciliation up to the date of sale.

# Handover Procedures upon Change of Manager

## 2.2 Introduction

A change of manager will often occur as a result of a sale of property, in which case, the procedures outlined in section 2.1 should be adopted. Where a change in manager occurs for any other reason, the following procedures should apply (and the obligation to comply with them should form part of the management contract).

### 2.2.1 Property set up information

All information required for the property management set up should be provided to the new manager no later than three weeks before the management handover date, to include:

- service charge accounting period
- service charge apportionment basis
- details of void areas, landlord's liability and landlord's funding
- details of any tenant direct charges
- current service charge budget
- copies of the last three years' reconciled service charge accounts
- details of commercialisation income and interaction with the service charge accounts
- details of any sinking funds, reserve funds or depreciation charges, as set out in paragraph 2.1.5 below, including current valuation statements, assets, contribution, schedules and expiry dates of funds
- statement of funds currently held in the service charge account along with a list of creditors.
- demand addresses, agency arrangements, trading names and contact details
- tenancy details, including occupancy and vacancy dates, in an up-to-date tenancy schedule
- details of all tenant disputes, payment plans and breaches the basis of collection for all direct charges

## 2.2.2 Financial information

Detailed up to date property / tenant financial information should be provided to the new manager no later than three weeks before the management handover date to include:

- A detailed tenant arrears statement including details of disputes, payment plans and breaches
- details and copies of the last tenant on-account demands both for service charges and direct charges
- for direct charges, including utility recharges, the basis of calculation collection and up-to-date meter readings, and
- an interest summary showing credits to the service charge account.

On the management handover date, the old manager should provide to the new manager with

- a full service charge arrears list
- a tenant history reports
- details of disputes, payment plans and bad debts.

It is recommended that the old manager transfers to the new manager, within five working days of the management handover date an amount equal to its reasonable estimate of the credit balance on the service charge account.

The old manager should provide to the new manager (within two months of the management handover date) a final service charge cash reconciliation (calculated as detailed in appendix B), together with a transfer of funds equating to the cash balance analysed in the service charge cash reconciliation (less the earlier sum transferred, if any).

## 2.2.3 Statements of service charge movements

A change of manager is likely to be known in good time, unlike completion of sales which can take place at short notice. Consequently, it should be possible for the transfer timetable to be quicker. However, it is recommended that a statement of service charge movements for the period from the start of the current accounting period up to the handover date be provided within four months of the handover date.

The statement should include:

- the income received on account of the service charge, with copy demands
- the statement of service charge expenditure incurred with copies of vouchers / invoices

## 2.2.4 Sinking and reserve funds

In all instances where a sinking or reserve funds is operated, all statements and transfers should be made to the new manager no later than the management handover date together with the following information

- details of all funds and assets covered
- details of the term of the fund, expiry date and life expectancy of the assets
- a full statement showing fund values / bank balances broken down between each asset and details of landlord and tenant contributions, tax and interest
- a statement of expenditure from each fund, if applicable; and
- details of tax liability and any trust status applicable to each fund.

## 2.2.5 Depreciation charges

Where the service charge includes depreciation charges, the following information should be issued to the new manager no later than the management handover date.

- details of all assets covered by the charges
- details of the period of cover including start date and cost of asset; and
- the final book value of each asset and details of the charges recovered from each service charge year, from each tenant up to the completion date.

### 3. Supplier information

A lack of communication between buyer and seller, or between old and new manager, concerning suppliers can lead to a failure to terminate or novate supplier contracts and result in unauthorised work being carried out and incorrect invoices being issued.

In the course of a sale, a buyer would normally ask for details of the supplier contracts before exchanging the sale contract. In particular, the buyer will be focusing on the novation or termination provisions. The buyer can then decide whether to request novation, assignment or termination of individual contracts, and will provide for this in the sale contract.

If the supplier contract is to be terminated, the period of notice may overrun completion which will mean the seller has to pay supplier invoices for the period after completion or handover, so attention must be paid to this early on during the sale process.

Consideration should be made in advance, which supplier contracts are capable of novation or assignment. If the supplier contract cannot be novated or assigned, then the owner/ manager must assess what notice should be given to terminate it, and a new contract may need to be established with a new supplier.

It is important to focus on this early to avoid unnecessary duplication of payments to old and new suppliers.

The supplier contract will normally be with the owner / management company (the client) so a change of manager will not precipitate a need for novation, assignment or termination.

Where no arrangements are made for novation, assignment or termination of the supplier contract, the seller or previous manager will be responsible for any costs arising under the contract following completion / handover.

If the supplier contract has been novated, assigned or terminated, the old manager should not give instructions or order works from that supplier following completion/ handover.

# Appendix A: Glossary

<b>Accruals</b>	These are expenses incurred in a period for which no invoice has been received at the period end. As the cost relates to the period, it must be charged to the service charge account for that period.
<b>Arrears statement</b>	A transaction list of all unpaid charges demanded by the landlord from the tenants, collated on a tenant by tenant basis.
<b>Balancing service charge</b>	The resulting difference between an individual tenant's apportionment of expenditure and the on-account service charges demanded from that tenant for any specific service charge accounting period, having regard to any service charge concessions that may have been granted.
<b>Buyer</b>	The buyer is the new/prospective owner of the property.
<b>Commercial property</b>	All property that is not residential or agricultural, including retail, office, industrial and leisure properties.
<b>Completion date</b>	The date of the closing of the sale of a property.
<b>Depreciation charge</b>	The 'cost' to the owner representing the measure of the wearing-out, consumption or other reduction in the life of an asset.
<b>Direct charges</b>	Any expenditure that is charged directly to individual occupiers and not funded via the on-account service charges.
<b>Landlord</b>	The party that holds the interest in the reversion on the leases granted to the tenants and the party responsible for the provision of common services within the property. (Note: In the context of a sale of the property, the landlord will be the seller prior to the completion date and the buyer after the completion date.)
<b>Management handover date</b>	The date on which the responsibility to manage the property transfers from one property manager to another.
<b>Manager</b>	The person or team that budgets, forecasts, procures, manages and accounts for the services that comprise the service charge, whether they are the owner, an in-house team, a management company or a managing agent (including any wholly or partly owned related companies).
<b>On-account service charge</b>	An estimated charge raised in advance and in anticipation of the final service charge liability, calculated from the service charge budget.
<b>Prepayments</b>	These are expenses paid in one period that relate to the following period in whole or part.
<b>Reserve fund</b>	A fund formed to meet anticipated future costs of maintenance and upkeep in order to avoid fluctuations in the amount of service charge payable each year (for example, for external cleaning and redecorations).

<b>Sale contract</b>	The contract setting out the terms on which the property is to be sold and transferred between the seller and buyer.
<b>Seller</b>	The seller is the previous/current owner of the property.
<b>Service charge account</b>	The service charge funds held for the property.
<b>Service charge apportionment</b>	The method and details of apportioning liability between tenants for contributing to a service charge.
<b>Service charge arrears</b>	Any on-account service charge or balancing service charge owed by a tenant to the landlord.
<b>Service charge budget</b>	The expenditure estimated by the landlord or its manager that will be incurred in a given service charge accounting period.
<b>Service charge Code</b>	The SCSI / RICS Service charges in commercial property Code of Practice
<b>Service charge reconciliation</b>	A comprehensive comparison of all service charge income demanded against all service charge expenditure (including accruals and prepayments), for a given service charge accounting period that enables the calculation of any balancing charges and credits due from tenants and/or landlords.
<b>Sinking fund</b>	A fund formed by periodically setting aside money for the replacement of a wasting asset, (for example, heating and air-conditioning plant and equipment, lifts, etc.).
<b>Statement of service charge expenditure</b>	The account of service charge expenditure/costs and related notes.
<b>Tenants</b>	The immediate tenants of the landlord holding leases of lettable accommodation within the property.

## Appendix B: Example reconciliation statements

### On completion of sale

Income received from tenants for current open service charge year	€
Less: Expenditure incurred/paid for current open service charge year	€
Add: Vendor's liability at the date of completion for the current open service charge year	€
Add: Accruals at the date of completion for the current open service charge year	€
<b>Service charge cash to be handed over on completion</b>	<b>€.....</b>

### On handover

Service charge demanded from tenants for current open service charge year	€
Less: Expenditure incurred/paid for current open service charge year	€
Less: Service charge arrears for current open service charge period	€
Less: Arrears from past service charge years	€
<b>Service charge cash to be handed over on transfer</b>	<b>€.....</b>

# Appendix C: Change of Managing Agent

Timeline	Information To Be Provided by Old Managing Agent to New Managing Agent
No Later Than 3 Weeks Prior To Management Handover Date	<b>Service Charges:</b>
	Confirmation of annual accounting period
	Basis of apportionment
	Details of Voids, Landlord liability / funding
	Details of tenant direct charges / recharges (eg utilities) and basis of calculation
	Current service charge budget
	Copies of last 3 years audited service charge accounts
	Details of commercialisation income and interaction with the service charge accounts
	Full details of sinking fund / reserve fund accounts held with interest earned
	A statement of funds currently held in the service charge account with interest earned
	A list of creditors.
	<b>Contractors:</b>
	List of all 3rd party suppliers / contractors and their contact details
	<b>Tenants:</b>
List of tenants and their contact details	
Details of all tenant disputes / payment arrangements	
Up to date tenancy schedule	
Detailed arrears statement for each tenant	
Copies of last billing period demands	
Management Handover Date	<b>Tenants:</b>
	Details of all tenant disputes / payment arrangements
	Up to date tenancy schedule
	Detailed tenant arrears statement for each tenant
	<b>Service Charges:</b>
	Statement of service charge funds held together with interest earned
	<b>Contractors:</b>
A schedule of creditors outstanding with copy invoices.	
Summary of all payments made to 3rd party suppliers / contractors	
Within 5 Working Days of Management Handover Date	<b>Service Charges:</b>
	Statement of service charge funds held together with interest earned
	Transfer of service charge bank account funds
Within 2 Months of Management Handover Date	Transfer of sinking fund / reserve fund bank account balances
	<b>Service Charges:</b>
Final service charge cash reconciliation	
Transfer of any residual service charge bank account funds	

## Appendix D: Sale of Property

Timeline	Information To Be Provided by Old Managing Agent to Buyer / New Managing Agent
Immediately Prior to Completion of Sale	<b>Tenants:</b>
	Detailed service charge arrears statement for each tenant
Prior to Completion but no Later Than 5 Working Days of Completion of Sale	<b>Service Charges:</b>
	Confirmation of annual accounting period
	Basis of apportionment
	Details of Voids, Landlord liability / funding
	Details of tenant direct charges / recharges (eg utilities) and basis of calculation
	Current service charge budget
	Copies of last 3 years audited service charge accounts
	Details of commercialisation income and interaction with the service charge accounts
	Full details of sinking fund / reserve fund accounts held with interest earned
	A statement of funds currently held in the service charge account with interest earned
	A list of creditors.
	<b>Contractors:</b>
	List of all 3rd party suppliers / contractors and their contact details
	<b>Tenants:</b>
	List of tenants and their contact details
	Details of all tenant disputes / payment arrangements
	Up to date tenancy schedule
Detailed arrears statement for each tenant as at sale completion date	
Basis of collection for all direct tenant charges	
Copies of last billing period demands	
Within 2 Months of Completion of Sale	<b>Service Charges:</b>
	Fully reconciled outstanding historic service charge accounts (if any)
Within 4 Months of Completion of Sale	<b>Service Charges:</b>
	Statement of service charge movements from start of service charge period to sale completion date
	Transfer all remaining service charge funds or seek payment from purchaser (if negative balance)

Dating back to 1895, the Society of Chartered Surveyors [www.scsi.ie](http://www.scsi.ie) Ireland is the independent professional body for Chartered Surveyors working and practicing in Ireland.

Working in partnership with RICS, the pre-eminent Chartered professional body for the construction, land and property sectors around the world, the Society and RICS act in the public interest: setting and maintaining the highest standards of competence and integrity among the profession; and providing impartial, authoritative advice on key issues for business, society and governments worldwide.

Advancing standards in construction, land and property, the Chartered Surveyor professional qualification is the world's leading qualification when it comes to professional standards. In a world where more and more people, governments, banks and commercial organisations demand greater certainty of professional standards and ethics, attaining the Chartered Surveyor qualification is the recognised mark of property professionalism.

Members of the profession are typically employed in the construction, land and property markets through private practice, in central and local government, in state agencies, in academic institutions, in business organisations and in non-governmental organisations.

Members' services are diverse and can include offering strategic advice on the economics, valuation, law, technology, finance and management in all aspects of the construction, land and property industry.

All aspects of the profession, from education through to qualification and the continuing maintenance of the highest professional standards are regulated and overseen through the partnership of the Society of Chartered Surveyors Ireland and RICS, in the public interest.

This valuable partnership with RICS enables access to a worldwide network of research, experience and advice.

**[www.scsi.ie](http://www.scsi.ie)**

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