

# Policy

## Loans by Strata Managers to Strata Companies

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### Policy Purpose

Strata Community Association WA provides this policy as a guideline for its members to refer to when considering lending funds to clients to temporarily cover the scheme's expenses.

### Policy Basis

Strata Community Managers may occasionally loan funds to a client strata company to temporarily cover the scheme's expenses. Typically this is done if the scheme does not have sufficient funds on hand to pay a creditor pending the raising and/or receipt of contributions levied on proprietors. This is most commonly done for strata insurance premiums, where the strata manager may be concerned the scheme may be left without compulsory and vital insurance unless the premium is paid by the manager from their own funds (to be reimbursed later). Interest on the loaned amount is sometimes, but not always, charged to the scheme.

### SCA WA Position

It is the position of the SCA WA that manager members ought not to lend funds to their client strata companies.