

Withdrawal of funds from Victorian Trust Account

Making payments and withdrawal from the trust account are more or less a daily routine for a real estate agent. Knowing the Do's and Don'ts would be crucial for you to avoid unnecessary breaches. Let's dive in.

First thing first, as mentioned before, the trust accounting rules vary State to State. In this article, we are focusing on the Victorian rules.

Don't Pay until you received a well-formatted bill

The payments from trust account are only allowed where the recipients are entitled to received them. A **well-formatted** bill from the suppliers for the landlord would be a good start. As best practice, review the invoice received before paying the suppliers. For example, not having an ABN in an invoice can cause some issues as you are required to withhold some taxes before paying the invoice.

Do Pay yourself, but not too soon

Getting paid promptly helps your own cash flow. I know and agree! Yet, are you entitled to it? You should really deliver the service first before the true entitlement kicks in. Pay the disbursements first for the landlords, then recognise your entitlement along with a proper invoice. The software nowadays seems to handle everything for you, but are you sure is flawless? Any chance you can post a transaction to withdraw the commission from the trust account beforehand? Something for you to think about.

If you pay for the landlord first, do get your reimbursement

If you offer to pay the overdue bills first for your landlords when they don't have sufficient funds in their account, you are definitely entitled to get your money back. Just make sure you record all the relevant details for the transactions properly.

Speak to us

We hope we have given you a good concise summary of some of the Do's and Don'ts regarding the withdrawal from the Victorian Trust Account.

We would like to speak to you and assist if you have any questions or concerns. Contact us now for your **complimentary** and **no obligation** first meeting to discuss on how we can assist you to comply with your Trust Accounting compliance.

Your contact

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