

**CPPREP4005 Prepare to work with real estate trust accounts**

**CPPREP4125 Transact in trust account**

**Assessment Task Cover Sheet – Assessment Task 2**

**Students:** Please fill out this cover sheet clearly and accurately. Make sure you have kept a copy of your work.

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| **Name:** |  |
| **Date of submission:** |  |
| **Cluster:** | Trust Accounts |
| **Units:** | CPPREP4005 Prepare to work with real estate trust accounts  CPPREP4125 Transact in trust account |
| **No. of Pages in Submission:** |  |

### STUDENT DECLARATION

I declare that these tasks are my own work.

* None of this work has been completed by any other person.
* I have not cheated or plagiarised the work or colluded with any other student/s in the completion of this work.
* I have correctly referenced all resources and reference texts throughout these assessment tasks.
* I understand that if I am found to be in breach of the RTO’s policies, disciplinary action may be taken against me.

Student Signature: Date:

*Scenario:*

*You work at Your Home Real Estate Pty Ltd.*

*Part of your job is to manage the company’s trust account.*

*As part of this role you are required to complete the following tasks:*

* *Document receipts of payment received*
* *Enter all the transactions in the appropriate journals from the source documents*
* *Write up the ledger*
* *Reconcile the accounts once a month*

You will need to record all appropriate details in the company’s Trust Account Cash Receipts, Cash Payment and Transfer journals and ledgers for their trust account. You will be required to use the information included below to complete the tasks.

You will be the one issuing the receipts and writing out the cheques. You will not sign the cheques. You have at your disposal access to the bank account to check the statement day to day and see if there are any electronic funds transfers into the account. This will allow you to ensure that sufficient funds are on hand before payments are processed and to maintain the security of the trust account records.

You can either use the Excel spreadsheet provided or Xero, Google Sheets or an appropriate accounting software system to complete this task. If you choose the spreadsheet, note that there are five worksheets provided:

* + Receipt
  + Journals
  + Ledgers
  + Statements
  + Trial Balance & Reconciliation

Use the following details to prepare all the journals and ledgers and reconcile from the following details.

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| **Date** | **Information** |
| Starting date: 01/04/20XX | Ted Johnson has listed his house with the agency to sell. The address is: 2 Second St Wodonga. He has agreed to an advertising campaign. The first payment for the advertising of $350.00 is received on 02/08/20XX. You will  start with Receipt no. 1206. |
| John Jones of 10 Circuit St Wodonga, has 3 rental properties with the company. They are: 65 Martin St ($1200 per month), 15 Drysdale Ave  ($1350 per month), and 47 Robert St ($1,500 per month). |
| James Smithson has a commercial property he rents through your company. It is located at 34 Drinkwater Parade. It is rented to BAC  Commercial for $2000 per month. |
| 03/04/20XX | The tenant Bill Fredericks pays rent for the property at 47 Robert St of  $1,500 with a cheque. |
| 08/04/20XX | The tenant Ray Richards pays rent for the property at 65 Martin St by cash  $1200. |
| 13/04/20XX | BAC Commercial pays monthly rent of $2000 by EFT. |
| 15/04/20XX | The tenant Jill Sharp pays by EFT the rental of $1350 for 15 Drysdale Ave. |
| 20/04/20XX | Fred Sykes signs a contract to buy Ted Johnson’s house for $535,000.00. He pays 2% ($10,700.00) at the signing of the contract with the balance of  the deposit to be paid in 3 days. The contract is due to settle in 30 days. |
| 23/04/20XX | Fred Sykes pays the rest of the deposit – $42,800.00. |
| The air conditioning unit needs replacing at 47 Robert St. This will cost  $1900. The tenant wants it done immediately. So John Jones agrees to this and asks you take the necessary funds from the rental at 47 Robert St and the balance from the rental at 65 Martin St. You need to transfer the funds so that the account can be paid and you need to allow for the commission to be paid to the office in the figuring. |
| 28/04/20XX | The unit is repaired on 28/4/20XX. A cheque (cheque no 1434) is paid that  day to Aircold Air-conditioning for $1900. |
| 30/04/20XX | You will pay the rent owing to James Smithson with Chq no 1435. |
| You will pay the rent owing John Jones with Chq no 1436. |
| You will pay the commission for both of these to the General Account using  Chq no 1437. |

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| **Date** | **Information** |
|  | You receive an account from the Agency general account for the advertising  fee of $350.00 for Ted Johnson’s house. Pay with Chq no 1438. |
| 03/05/20XX | Sale of a house at 150 White St Wodonga for D & S Gregson is finalised. The sale price was for $388,000.00. The agency has held the deposit of  $38,800 in its trust account. You now need to finalise this account and pay the commission to the agency and send the remaining funds to the Solicitor, Agnew and Fortescue, for settlement. The commission is 2.5% of the value. There will be a $20.00 accounting fee added as well. The Purchaser is B. Archer of 40 Black Rd Wodonga. You will use Chq no 1439 for Agnes &  Fortescue and Chq no 1440 for the commission. |
| 03/05/20XX | The tenant Bill Fredericks pays rent for the property at 47 Robert St of $1500  with a cheque. |
| 05/05/20XX | Bill Frederick’s cheque is dishonoured. |
| 07/05/20XX | Bill Frederick pays the rent by cash. |
| 07/05/20XX | You receive a deposit from R. Ramirez of 14 Dapto St Wodonga, for the  house of A. Jackson at 69 O’Brien Crescent. The full 10% deposit has been received. Deposit amount is $56,900.00. |
| 08/05/20XX | The tenant Ray Richards pays rent for the property at 65 Martin St by cash  $1200. |
| 13/05/20XX | BAC Commercial pays monthly rent of $2000 by EFT. |
| 15/05/20XX | The tenant Jill Sharp pays by EFT the rental of $1350 for 15 Drysdale Ave. |
| 20/05/20XX | Fred Sykes settles the sale of Ted Johnson’s house for $535,000.00. You now need to finalise this account and pay the commission to the agency and send the remaining funds to the Solicitor, Reddy and Co Pty Ltd, for settlement (Chq no 1441). The commission is 2.5% of the value. There will  be a $20.00 accounting fee added as well. (Chq no 1442). |
| 30/05/20XX | You will pay James Smithson (Chq no 1443) and John Jones (Chq no 1444)  the rents owing them less the commissions and statement fees. |
| You will pay the General Account the commission owing with Chq no 1445. |

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| **SUBMISSION**  **REQUIREMENTS** | * Completed Projects Templates spreadsheet or screenshots/exported documents from Xero, Google Sheets or an   appropriate accounting software system |