



Minimum mandatory content of the condominium report

Which documents make up the condominium report? Which ones can absolutely not miss?

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It is well known that the Condominium Administrator is obliged, at the end of each year, to **give an account** of his own management.

In this regard, the code regulations (**Article 1130 of the Civil Code**) provide that if the Director does not report on his management within 180 (one hundred and eighty) days from the end of the financial year, the aforementioned could be subject to revocation by the Judicial Authority. on the appeal of each condominium.

In this case, in fact, the conduct of the Director would be qualified as a "serious irregularity".

At this point, there is a question that must be answered precisely: what does the Administrator's **report** consist of?

In order to answer this question it is necessary, **first of all**, to consider that there is a *pre-reform* situation and a vision of the *post-reform* report of the Condominium.

Situation before the reform

Until June 17, 2013, in fact, the report consisted, simply, of that document that was responsible for informing all the condominiums on the **economic**, **financial** and **patrimonial** situation of the condominium.

Before the so-called condominium reform, therefore, the consolidated orientation was that of not considering condominium accounting subject to corporate accounting rules, as the simple presentation of an accounting that was able to account for income, expenses and balances was sufficient following the breakdowns, accompanied by the related expense receipts (see, by way of example, Court of Cassation, Civil Section II, sentence 11 January 2017, n. 454).

Situation *after the reform* and reference legislation

However, with the so-called "condominium reform", which entered into force on 18 June 2013, a new rule was introduced for which the condominium accounting took on a different aspect, certainly different from the previous period.

This is the new art. 1130 *bis* of the *Italian Civil Code* which establishes that the condominium report must contain the entry and exit items and any other data relating to the patrimonial situation of the condominium, the available funds and any reservations that must be expressed in order to allow immediate verification.

In particular, art. 1130 *bis* co. The cc reads verbatim: " *The condominium report contains the entry and exit items and any other data concerning the property situation of the condominium, the available funds and any reserves, which must be expressed in such a way as to allow immediate verification.*

*It consists of an accounting register, a financial summary, as well as an **explanatory note** of the management with an indication also of the relationships in progress and the pending issues.*

The condominium assembly may, at any time or for more specifically identified years, appoint an auditor to verify the accounting of the condominium.

The resolution is passed with the majority foreseen for the appointment of the administrator and the relative expense is divided among all the condominiums on the basis of the thousandths of ownership.

The condominiums and the holders of real or enjoyment rights on the real estate units can view the



supporting documents of expenditure at any time and extract a copy at their own expense.

The records and supporting documents must be kept for ten years from the date of their registration ".

Essential documents of the "condominium report"

In accordance with art. 1130 bis of the Italian Civil Code, the **report** must therefore contain the following documents:

A. the chronological accounting register. This is a real **cash register** in which the Administrator must record in chronological order and within 30 (thirty) days of their execution, all the incoming and outgoing movements. This register can be kept electronically;

B. the FINANCIAL SUMMARY. It is the income statement of the condominium and consists of the analysis of costs and revenues with an indication of any cash surplus or deficit. This document makes it possible to compare the costs and revenues occurring within the reference financial year and therefore to calculate the **operating result**, ie the operating profits or losses;

C. the BALANCE SHEET. It consists of the schematic accounting document that specifically reports all the assets and liabilities of the condominium assets, with an express indication of the shareholders' equity.

In other words, the condominium asset situation allows you to compare the assets, i.e. the credits of the condominium (for example, those claimed against condominiums), with the related liabilities, i.e. the debts of the condominium (for example towards suppliers), including those of the previous accounting management and therefore defines the condominium **net assets**;

D. the SITUATION OF FUNDS AND RESERVES (for example, those for renovations);

E. the EXPLANATORY SYNTHETIC NOTE. This is the document that contains an indication of the relationships in progress and the pending issues.

Basically, this document has the function of describing, in a concise manner, the entire annual management, focusing respectively on the **extraordinary and / or ordinary expenses incurred**, on any unforeseen cost increases and on ongoing relationships and on issues (judicial and / out-of-court proceedings in progress), etc.

It should be noted that although the legislator has used the adjective "synthetic", it is believed that the content of the explanatory note must, however, allow an understanding of the overall situation of the condominium.

It is important to underline that the constant jurisprudence of merit has established that the **summary** is an essential document of the condominium report and, consequently, the absence of the explanatory summary note would invalidate the relative resolution approving the budget.

In this regard, sentence no. 3528 of the Court of Turin 4 July 2017, as well as sentence no. 1131 of the Court of Genoa May 25, 2021.

Conclusions

From the above, it is clear that the will of the legislator was to sort out the many different ways of presenting the condominium **accounting** that have taken place over the years and put a point on the issue in order to arrive at a broader protection of individuals. condominiums in terms of clarity, transparency and truthfulness.

Whether the intent of the legislator can be said to be definitively successful, only time will tell, but there is no doubt that the change of course has been outlined.

Source: <https://www.condominioweb.com/contenuto-minimo-inderogabile-del-rendiconto-condominiale.18477>

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