

14 September 2006

This is our **last edition** of the CASES21 Finance Advice.

Some of the information that usually appears in this Advice will be contained in the **CASES21 Bulletin** from October 2006 onwards.

The CASES21 Bulletin is normally sent to schools via the DE&T Mail – so keep an eye open for the first combined CASES21 Bulletin in early October.

CASES21 Upgrade, Version 39.1

The CASES21 Upgrade, version 39.1 is currently available on your school's CASES/CASES21 Administration fileserver. Information regarding this Upgrade was sent to schools via the DE&T Mail on Tuesday 12 September 2006.

Receipt Printers

Rumour has it that DE&T will be purchasing new receipt printers as part of the new equipment roll-out. This is NOT true.

At present DE&T are going through a tender process for receipt printers. This tender is to develop a list of 'preferred suppliers' who will offer the cheapest price possible for schools themselves to purchase the receipt printers. The exact timing of when this tender process will be completed is not yet clear.

At present, if you want to purchase a receipt printer you can either wait for the results of the tender process; or approach a vendor, pay a bit more and risk that the receipt printer you purchase may not be supported.

VELS

New VELS chart of account codes will be added with the EOY upgrade. These codes primarily use the previously reserved code numbers in the 1000 – 1300 range. Other Sub Program codes in the existing chart of accounts which are superseded by the new VELS codes will become reserved – meaning they will still be present for reporting but will not be able to have new transactions created against them. The new COA is available on the Finance Website <http://www.sofweb.vic.edu.au/schoolfinance/cases21.htm>

Local Payroll

You are reminded that when paying local payroll employees to please ensure that the hours are recorded correctly and not 'lumped' into a single hour with a higher hourly rate. This is especially important with regards to CRTs as the number of hours worked can affect their commencement salary. Refer to Circular 062/2005 "Approved teaching experience for commencement salary purposes" for further information.

CRT Salary Rate increase

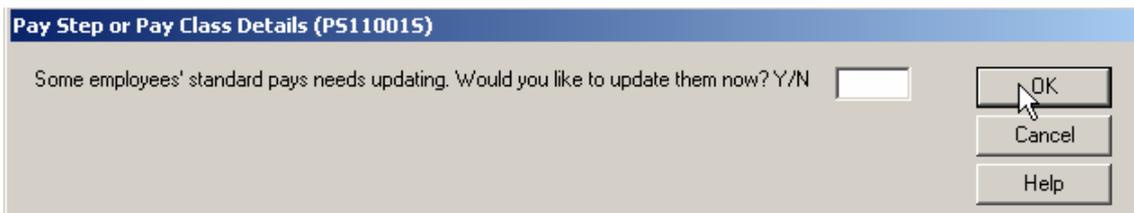
The hourly rate paid to Casual Relief Teachers is due to increase from 1 October 2006. The salary rates are listed on HRWeb. All payrolls prior to October **MUST** be completed before the rate is changed.

Hourly Rate	Maximum Daily Rate	Effective from:
\$36.10	\$216.50	1 October 2006

The *Pay Steps or Pay Class Details (PS11001S)* format must be updated by the school payroll administrator before the new rate can be paid to CRT's. To do this:

- Open the *Financial | Payroll | Reference Tables | Payroll Data Maintenance | Pay Step or Pay Class Details (PS11001S)* format.
- Select **9501** from the **Pay rate step** drop down list and click **OK**.
- Change the **Effective date** field to **1/10/2006**.
- Enter **71578.60** in the Annual field
- Enter **38** into the **Weekly std hours** field.
- The Hourly rate of 36.10 will be automatically calculated and displayed.

- Click the **Save** icon on the tool bar to save these changes.
- The following screen will be displayed:



- Enter **Y** to update the standard pay rate for all staff being paid using this step and click **OK**.

If you are using the Pay rate step 9502 in your payroll, you will need to repeat the above information to change that Pay rate step as well.

Education Maintenance Allowance (EMA)

Parent Portion

If a parent signs over his/her portion of EMA to the school, you should treat it as a normal Family receipt and allocate it to an invoice raised against subject contributions, camps or any other permissible locally raised GL code.

- For schools using the Families module, the parent portion of the EMA grant should **ALWAYS** be receipted via Families and allocated to a permissible Locally Raised Funds invoice.
- For schools not using the Families module, the parent portion of the EMA grant should **ALWAYS** be receipted via General Ledger using the GL code appropriate to the revenue type the funds are being used for; for example, if the funds were being used to pay for a camp, then the camp revenue code would be used. **7002** should not be selected.

GL Code **7002** should only be used for recognising the school portion of EMA and should not be used to capture the parent side of EMA. Schools using the Families module and completing the *Autogenerate EMA Journals (GL31089S)* process will have **7002** credited for the school portion of EMA automatically.

EMA Journal and End of Period/End of Year

In the CASES21 Version 39.1 Upgrade, running the *Autogenerate EMA Journals (GL31089S)* format will become a requirement prior to End of Period if any EMA receipts for the current year have been allocated in that month. The journal must also be run in December if any EMA has been allocated in December prior to End of Year completing successfully. The EMA Journal can be run more times per month if required.

Schools should endeavour to fully allocate all of their EMA each year. The *Unallocated EMA Receipts (DF21313)* report can assist in identifying any EMA receipts yet to be allocated.

Family charges in 2006 which relate to 2007

Schools raising invoices in late 2006 which relate to 2007 are reminded that completed Family invoices from 2006 are deleted during End of Year (EOY) processes and cannot be viewed in the new year. For example, if you raise a 2007 charge in 2006 and then receipt money into CASES21 and fully allocate this to the 2006 charge it will be removed during the EOY process – it will NOT show on the Family Statement, the Charge by Charge Type report etc in the new year. This is because Families in CASES21 Finance works as a standard

debtor management system – common to commercial accounting software where it is accepted that once a debt is fully paid no further software management is required. Because of the nature of Families management in schools however, an enhancement to retain family history for 12 months will be considered for 2007 onwards.

NOTE: In the majority of situations, fully allocated items are removed from the family history at EOY; partially allocated items are kept for the new year.

Schools have three options for invoicing families in 2006 for charges which relate to 2007:

Option 1: Raise the 2007 charge in 2006, but do NOT allocate the receipt to the charge until 2007.

This way the charge and receipt will show on all 2007 reports. If this option is used, schools will need to perform a Balance Day Adjustment – please see *Section 10 – Balance Day Adjustments* of the *CASES21 Finance Process Guide* for more information. Balance Day Adjustment journals will also be covered in the End of Year CASES21 Training.

Advantages of Option 1:

- Family statements can be sent out showing the 2007 charges in 2006 with any unallocated receipts showing.
- After the allocations have been done in 2007, the Charge by Charge Type report or Family Statements etc will contain a fully comprehensive list of all invoices and receipts for that Fee Code.

Disadvantages of Option 1:

- Balance Day Adjustments MUST BE created – a journal before the EOY process and a subsequent journal after EOY. If the Balance Day Adjustment is NOT completed, it will inflate the 2006 revenue figures and under-report revenue collected in 2007.
- You need to keep a separate record of who has paid for what until allocations are completed in the new year. The Charge by Charge Type report will not show any receipts until 2007 and therefore you will need another means to establish (and temporarily record) money received. This means family statements will not display receipt allocations to invoices correctly until the allocations are made. The total outstanding on the Family Statement is correct however.
- Unallocated receipts will need to be allocated in the new year.

Option 2: Raise the 2007 charge in 2006; allocate the receipt to the charge in 2006

Raise the 2007 charge in 2006, allocate the receipt to the charge and ensure that all of the various family reports (family statements, charge by charge etc) are printed off and retained for reference in 2007. If this option is used, schools will need to perform a Balance Day Adjustment – please see *Section 10 – Balance Day Adjustments* of the *CASES21 Finance Process Guide* for more information. Balance Day Adjustment journals will also be covered in the End of Year CASES21 Training.

Advantages of Option 2:

- You do not need to keep a record of who has paid for what.

Disadvantages of Option 2:

- You have no way to report on any 2007 charges raised in 2006 after EOY rollover into 2007 as all fully allocated charges are removed from the system.

- You need to print (and possibly refer to) TWO sets of reports – two Family Statements, two Charge by Charge Type reports, etc. In other words, you will need to have both the 2006 reports AND the 2007 reports to establish who has paid for what.
- Balance Day Adjustments MUST BE created – a journal before the EOY process and a subsequent journal after EOY. If the Balance Day Adjustment is NOT completed, it will inflate the 2006 revenue figures and under-report revenue collected in 2007.

Important Note regarding Options 1 and 2 above:

As fully receipted charges (invoices) are removed at EOY, attempting to apply a credit note in 2007 against a charge raised and fully paid for in 2006 is poor practice (for example, applying a credit note if the student paid in 2006 and then does not attend the activity in 2007). This can result in negative revenue figures being reported on the Operating Statement and other reports. You need to exercise caution in raising invoices which apply to the following year. You must also ensure that the correct journal entries for pre-paid revenue (Balance Day Adjustments) are completed correctly.

Option 3: Do not raise the charges in 2006 at all; raise charges in 2007

Raise the 2007 charges in 2007. Receipt money in 2006 given to the school in 2006 into CASES21 as unallocated then make the allocations in 2007 AFTER the charges have been raised.

Advantages of Option 3:

- No Balance Day Adjustments required.
- The Charge by Charge Type report and Family Statements will be fully comprehensive for 2007.

Disadvantages of Option 3:

- No report exists in CASES21 that shows families what moneys they owe (if any) for the coming year. (For example, CASES21 is not able to produce a family statement in 2006 that shows any charges owing in 2007.)
- You need to keep a separate record of who has paid for what until allocations are completed in the new year. This means that Family Statements will not be accurate until the allocations are made. The Charge by Charge Type report in 2006 will not show any of the charge details – this will only be available in 2007.

We advise you to think carefully about your options. The two forthcoming changes being considered – an unallocated family receipts report and the ability to retain 12 months of family history – will greatly assist with this process.

It should also be noted that the Balance Day Adjustment process is relatively simple and straightforward – Section 10 of the CASES21 Finance Process Guide outlines the steps needed and they will also be discussed during the End of Year CASES21 Training.

Further information about the End of Year charges is available in *Section 11 – End of Year Procedures* of the *CASES21 Finance Process Guide*.

Diesel Rebate

From the 1st of July 2006, diesel rebates are to be incorporated into the BAS itself – previously this rebate was recorded on a separate form. This means that where schools are entitled to a rebate from the ATO the final payment/refund generated by CASES21 will be out by the rebate amount.

For schools which have been approved for claiming a diesel rebate and are **expecting a payment to the ATO** (for example: \$100 less a \$20 rebate for diesel):

- Complete your BAS processes as per the process guide as normal (including the *ATO Journal (GL31085)* and *ATO Payment or Receipt (GL31086)*). Print the voucher and the cheque (currently for \$100), but DO NOT post the cheque to the ATO. Staple cheque to the payment voucher and make a note that an adjustment is required due to diesel rebate.
If you pay the ATO on-line, obviously a cheque is not required; however, a note should still be made on the payment voucher as per instructions above.
- Perform a *General Ledger Reverse Payment (GL31072)* for \$100. Use Bank: 10002; Subprogram: 0000; Initiative: 000; GL Code: 89309 (ATO Charges/payments); GST: NP6; Description: BAS fix – diesel; Type: EFT; Received from: ATO.
- Tick off **both** the original ATO payment (if the cheque is not printed the bank reconciliation will display the reference number) and the reverse payment in the *Reconcile bank accounts* task and save to update.
- Perform a *General Ledger Payment (GL31071)* for \$80 (this is the \$100 amount that CASES21 has calculated LESS the diesel rebate the school has MANUALLY calculated). Use Bank: 10002; Subprogram: 0000; Initiative: 000; GL Code: 89309, GST NP6; Description: BAS <insert BAS period> payment; Type: CHQ; Payee: ATO.
- Print the cheque and remittance advice for the ATO using *Cheques and remittance advice (GL21301S)* and *GL Payment Voucher (GL21302S)*.
- When lodging your BAS online ensure you remember to include the diesel rebate.
- It is important that you retain relevant records as to how you determined the diesel rebate.
- This will leave 89309 with negative expenditure but this is supported via the rebate calculations.

For schools which have been approved for claiming a diesel rebate and are **expecting a refund from the ATO** (for example: \$300 refund plus a \$40 rebate for diesel):

- Complete your BAS processes as per the CASES21 Finance Process Guide as normal (including the *ATO Journal (GL31085)* and *ATO Payment or Receipt (GL31086)*). This will result in a \$300 deposit into the official account (which is \$40 short).
- Create an additional receipt for the difference between the refund from the ATO and the MANUALLY calculated diesel rebate (ie \$40). Use *General Ledger Receipt (GL31061)* – Bank: 10002; Subprogram: 0000; Initiative: 000; GL Code: 73502; GST NS6.
- When lodging your BAS online ensure you remember to include the diesel rebate.
- This will show as revenue against 73502 – this is supported via the rebate calculations.

PRMS21/Schools Maintenance System Creditor – 9999

Notes:

- PRMS is now referred to as **Schools Maintenance System (SMS)**.
- Schools should run the CASES21 Upgrade, version 39.1 prior to consulting this article as the vast majority of issues with the 9999 default creditor will be rectified when this Upgrade is installed.

ALL schools require a creditor with a Creditor Key of **9999**. Some schools have their PRMS / SMS Default Creditor key as *PRMS21DEFA*. The Creditor key should be **9999**. The CASES21 Version 39.1 Upgrade will change the Creditor Key from *PRMS21DEFA* to **9999**.

If you do not have a PRMS/SMS Default Creditor at all, please follow the instructions below to ensure you have a 9999 creditor:

Changing the Default Creditor Key – if your PRMS default Creditor key is not 9999 or PRMS21DEF

- Open the *Financial | Creditors | View and Maintain Creditor Details | Creditor Details (CR11001S)* format.
- Select the **Prms21 Default Creditor** from the **Creditor key** drop down list and click **OK**. (The easiest way to do this is to sort the list by Title (you do this by clicking on Title) and type **P** in the drop down list – this will take you to the first Creditor key beginning with P. You can then scroll down the list until you locate your default PRMS/SMS Creditor. If the Creditor key of **9999** already exists, it should be the first creditor listed in the drop down list.)
- If the Creditor Key for your default PRMS/SMS Creditor is not 9999, click on the **Edit** menu and select **Change Key**.
Note: you will not be able to change any Creditor Key details if you have any unprocessed batches. You will need to update these batches before you can proceed further.
- Enter **9999**. Click **OK**.
Note: Check the description of the **9999** creditor – this should be **SMS Default Creditor**. If the description is not SMS Default Creditor, you will need to change the description by clicking in the field and entering **SMS Default Creditor**.
- **Save** your changes.
- If there are any transactions relating to the amended creditor key, you will be prompted to accept the changes. Click **OK** to accept the changes.

Adding the Default Creditor – if you do NOT have 9999 and have NO other default

You should only need to add a new creditor if you do not already have a PRMS21 / Schools Maintenance System Default Creditor.

- Open the *Financial | Creditors | View and Maintain Creditor Details | Creditor Details (CR11001S)* format.
- In the **Creditor Details** panel tab, click on the **Add a New Record** icon on the toolbar.
- In the **Creditor key** field, enter **9999** and then in next [blank] field enter **SMS Default Creditor**.
- Ensure the **PRMS Flag** (or SMS flag after the v39.1 upgrade) field is set to **Y** [yes]. (You were advised in the CASES21 Finance Advice, Issue 31 to have this field set to **N** [No], however for consistency with migrated schools please select **Y**.)
- Enter **Do Not Edit or Delete** into the **Address Line** field.
- Ensure the **Withholding/PAYG rate** field is **0** [zero].

- No **ABN** number is required – leave this field blank. (You were advised in the CASES21 Finance Advice, Issue 31 to enter eleven zeros into the **ABN** field, but this is no longer required.)
- **Save** your changes.

CR11001S Creditor Details - Display - 9991:CASES21 School

File Edit View Help

Creditor Information | Direct Deposit | Operator

Creditor key: SMS/Default Creditor: PRMS Flag: Edit Record

Contact: Telephone:

Address: Facsimile:

Suburb: Mobile:

State: Postcode: Email:

ABN:

Withhold/payg rate: Other ABN options: **Other, Overseas, RE-imbursments, Salary & wage**

ATO Business Portal

The Tax and Compliance Unit would like to recommend that ALL schools who submit their BAS electronically access the Business Portal at www.bp.ato.gov.au and download a copy of their school's running balance account details – this is a record of the schools debits and credits recorded by the ATO for each BAS lodged since July, 2000. You can download these details at any time.

As you will be completing the End of Year procedures in January for the December BAS, you will only be able to download the running balance account up to November or the most recent BAS lodged by your school.

If your school does not submit their BAS electronically, we strongly recommended that the person in your school authorised to talk to the ATO, contact the ATO on 132866 and request a copy of the schools running balance account. You may also consider applying to submit your BAS electronically – you can do this by accessing the Business Portal at www.bp.ato.gov.au

The balance of your school's account should be ZERO. (No further action required by school.)

If the balance of the account is in CREDIT, the person in your school authorised to talk to the ATO should contact the ATO for the refund.

If the balance of the account is in DEBIT, the person in your school authorised to talk to the ATO should contact the ATO for advice.

Proceeds from Sale of Assets/Asset disposals

Following the CASES21 Version 39.1 Upgrade any proceeds from the disposal (sale) of an asset will appear on the Balance sheet against the liability **38006** (Proceeds Asset Sales Clearing) until the corresponding invoice is raised via Families, Sundry Debtors OR a GL receipt is created. Once the corresponding invoice / receipt is created this will revert **38006** to a balance of **\$0.00**

The CASES21 Version 39.1 Upgrade has also changed the following invoicing formats to allow access to 38006:

- Family Student Invoices – Ad Hoc (DF31002)
- Debtor Invoice (DR31001)

If you are processing asset disposals which involve proceeds from the sale of the asset, you need to check that:

- The **GST Type** selected in the *Asset Disposals and Write-offs (AR31061S)* format is the SAME as that on the subsequent Family / Sundry Debtor invoice or GL receipt
- When you generate Family / Sundry Debtor invoices or GL receipts for the proceeds of the asset disposal please ensure that the 38006 GL code is used. This code is accessible via the *Family Student Invoices – Ad Hoc (DF31002)* and the *Debtors Invoice (DR31001)* formats. With regards to sub program coding, you should select whichever sub program is appropriate to show the proceeds of sale.

An update to *Section 4 - Assets* of the *CASES21 Finance Process Guide* is forthcoming.

CASES21 Finance Process Guide

The **Journal Generator** that was located in the *Schools / CASES21 / CASES21 Finance / Useful Tools and Resources* folder on EduLibrary **has been relocated** to the [School Finance](http://www.sofweb.vic.edu.au/schoolfinance/cases21.htm) webpage – accessible from: <http://www.sofweb.vic.edu.au/schoolfinance/cases21.htm>

Any reference to the Journal Generator in the CASES21 Finance Process Guide will be updated in the near future to reflect this change.

In the meantime, we recommend that you save the new location into your Favourites folder so that the Journal Generator is easily and readily available to you.