

CASHBOOK HELP NOTES

AWB Harvest Loan Pool



Once the AWB Harvest Loan is set-up, there are four issues to consider:

1. The initial Harvest Loan **Advance**
2. The second loan **Advance** in the following May (sometimes there *could* be a third loan Advance, which is input in the same manner)
3. The five (or sometimes 6) **Pool Distributions** over the following 15 – 18 months
4. Interest needs to be input from the AWB quarterly statement, which you should be receiving automatically. Underwriting will be entered for each delivery payment advice.

1. **The Loan Advance**

At harvest, after delivering the grain, you are given 20% - 80% in a loan advance (depending on the option you have chosen), which is a loan drawdown. This is not considered as income at this stage as you are merely lending the funds from the AWB. The simplest way to input these details is in the AWB Harvest Loan Liability Account in the register.

Date	Payment Date according to Harvest Payment Advice
Payee	AWB Pool Advance
Increase	Amount shown at "Draw-down of National Pool Harvest Payment Loan" on Harvest Payment Advice

MUST THEN PRESS SPLIT

Category	Grain Selling Costs: AWB Underwriting Fee
Tax Code	5
Amount	Amount shown as "Less total underwriting"
Tax Amount	0

THEN GO TO NEXT LINE

Category	Cheque Account
Tax Code	Blank (not shown on BAS as not income)
Amount	Amount shown as "Allocation of Funds"
Tax Amount	0

Check transaction in the cheque account has gone through as a deposit with the amount as the "Total Payment" amount. No other fees are accounted for in this payment.

2. **The Second Loan Advance**

The second loan advance is much simpler as it does not include any underwriting fees. It is however possible to request this payment not to be lent to you but you will have to organise this with AWB Grower Services prior to the loan draw-down taking effect. If you have accepted the second loan advance the procedures are:

Click on the "**Transfer**" icon on the blue toolbar in the AWB Harvest Loan Account and then:

Transfer Money From	AWB Harvest Loan Account
To Account	Your working account (usually Cheque Account)
Date	Payment Date on Payment Advice form
Description	AWB Pool Advance
Amount	Allocation of Funds amount according to Payment Advice

As there are no GST implications with this transaction (it is not income) there is no need to assign a Tax Code.

3. The Harvest Loan Pool Distribution

When you receive one of the five pool distributions, this is when the funds become Taxable Income and GST is accounted for. Enter these details again in the AWB Harvest Loan Account:

Date	Issue Date according to Payment Advice & RCTI
Payee	AWB Pool Distribution
Decrease	Amount shown at Allocation of Funds "Repayment to Harvest Payment loan" on Payment Advice

YOU MUST THEN PRESS SPLIT

Category	Wheat (Income)
Tax Code	S
Amount	"Total \$ (GST excl)" on Payment Advice & RCTI
Tax Amt	Automatically calculates GST \$

THEN GO TO NEXT LINE

Category	Grain Selling Costs: Levies
Tax Code	5 *
Amount	Amount shown at "Less levies not subject to GST" (Must be a minus figure – in red)
Tax Amt	0

* It is possible you may have some fees and charges which will have GST included which you can claim back (eg Variety Royalties). If this is the case you will need to separate this amount and assign a Tax Code of 4 to this amount only so your GST credit can be claimed back.

If you also have received an amount for the standard National Pool (Quarterly Payment Option) this amount will need to be transferred to the cheque account.

ON THE NEXT LINE IN THE TRANSACTION ABOVE

Category	Transfer to Cheque Account (or your working account)
Tax Code	Blank (this transaction is not income – only a transfer)
Amount	The amount to transfer should be the remaining amount and also should be the amount shown at "Paid to nominated Payee Bank Account" (must be a minus figure – in red)
Tax Amt	0

There must be no amount showing in the "**Remainder**" section at the bottom right of the Split Transaction Window.

Check transaction in the cheque account has gone through as a deposit with the amount as the Allocation of Funds "Paid to nominated payee bank account".