

Levy Discounting User Guide

From Version 5.0 of STRATA Master, the levy discount rate is recorded when the levy is being posted. This allows for different discount rates being resolved for levies within the same plan.

When posting levies the levy discount rate recorded in Corp > Financial will be shown as a default in the levy posting screen, and this should be changed if required.

Prior to upgrading from Version 4.0.6 or earlier

It is important that any outstanding discounts which can be applied are done prior to upgrading. Any levies which are due prior to the date of upgrade will not have the levy discount included in the levy posting as STRATA Master will not recognise that a discount is due.

Upgrading to Version 5.0

During the upgrade from any previous version the discount rate recorded in Corp > Financial will be automatically applied to levy postings; for all levies due on or later than the date the upgrade is run.

Levy Notices

In order to display the wording and discount on the levy notice a discount rate must be recorded in Corp > Financial.

This rate will not calculate the discount shown; it is just the trigger to include the discount on the levy notice.

Grace Days for Discounts

The number of grace days may be configured at the owners corporation level, in the financial tab from Version 5.5 and later.

To record grace days for an owners corporation:

- Select the owners corporation
- Open the Financial tab in the Corp screen
- Enter the number of days grace to be allowed.

The field will record zero grace days by default, which means the discounting will be processed based on the due date of the levy.

When is the discount applied to a lot?

Bank Receipts and Downloads

When the receipt is allocated against a levy, STRATA Master will determine if a discount is due for the levy. At this time the discount receipt is applied to the lot.

The date shown on the levy payment receipt and the levy discount receipt will be the same.

The discount recorded in the general ledger will be dated the due date of the levy which attracted the discount.

Manual Banking

There are two steps in STRATA Master when creating manual receipts.

The first is the entry of the cash or cheque in the manual receipting screen. The second step is closing off the banking. At the time when the banking is finalised the levy discount receipts will be applied to the lot.

Exceptions

As the credit lot functionality creates a credit receipt not a levy receipt, there will not be any automatic creation of a discount where a levy has met the discount criteria as a result of a lot credit.

Cancellations

Levy Posting

A levy posting can only be cancelled if there are no levy receipts recorded against the levy. Where a levy receipt has created a discount levy only the levy receipt is cancelled and then the levy posting can be cancelled.

At the moment there is no way to cancel a discount receipt, so a manual levy journal would need to be created to offset any discount allowed which requires reversal.

Remember when a levy journal is saved the general ledger account updated in the levy income account. It may therefore be required that a journal is done (for each fund) to dr 143000 and cr 159500. This will reduce the levies due (income account) and reduce the discount allowed (expense account).

Reporting

New Standard Fund Accounts

Version 5.0.3 introduces the following new standard fund accounts.

Assets

Account Number	Account Name
12990d	Prepaid Levy Discounts Allowed
22990d	Prepaid Levy Discounts Allowed
32990d	Prepaid Levy Discounts Allowed

Liability

Account Number	Account Name
13990d	Prepaid Levy Discounts

23990d	Prepaid Levy Discounts
33990d	Prepaid Levy Discounts

Journals as at Receipt Date

The new standard fund accounts are utilised when a discount receipt is created. This ensures the prepaid discounted levy is reflected on the Balance Sheet.

STRATA Master will create journals for the amount of the discount receipt representing the amount of prepaid levy discount.

In the example shown below a discount receipt for \$100.00 has been created on 15/11/2012 to the Administrative Fund, for a levy due on 01/12/2012.

Date	Account	Account Name	Debit	Credit
15/11/2012	12990d Asset	Prepaid Levy Discounts Allowed	100.00	
15/11/2012	13990d Liability	Prepaid Levy Discounts		100.00
01/12/2012	13990d Liability	Prepaid Levy Discounts	100.00	
01/12/2012	12990d Asset	Prepaid Levy Discounts Allowed		100.00

Journals as at Levy Due Date

When the levies fall due, the discount amount is no longer prepaid and the journals are automatically reversed as shown above.

At this time, the discount allowed is also expended.

Formatted Reports

The following reports now display the levy discount included in the levy posting.

- Owner Ledger
- Levies Due
- Levy Posting

Screen Changes

The following screens now display the levy discount included in the levy posting.

- Receipting > Levy or Owner Invoice
- Levy Processing > Calculate and/or post levies
- Levy Journal
- Search/Cancel Levy Posting

Useful Links

<https://kb.rockend.com/help/cancelling-a-levy-discount-receipt-on-an-strata-master-ledger>

Frequently Asked Questions

Owner Ledger Discount -v- General Ledger Discount

When the initial levy payment is receipted STRATA Master does not know that a discount is to be created, so the first receipt created must total the actual levy paid regardless of discount.

The receipt then prompts STRATA Master to issue the discount receipt. Where the receipt was created via the download the receipt amount shown allocated to each fund may not be equal to the actual discount issued.

However, the entry to the general ledger is correct, and the discount rate for each levy due is displayed in the levy summary section at the top of the Owner Ledger report.

20/12/2021 7:28 pm AEDT