

# **Interest Rate Changes**

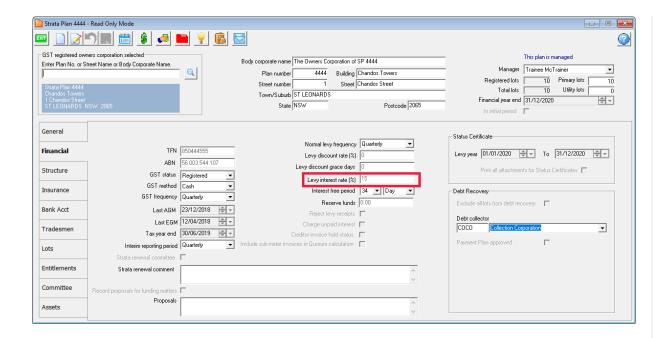
As part of the Legislation update for Western Australia on 1 May 2020, the Maximum Interest Rate applicable to Owners Corporation's has been set at 11% (reduced from 15%).

For further information on these legislation changes in Strata Master please see Strata Master Version 12.0.3 Release Notes

The below article is a guide to assist you in changing the interest rate for each owners corporation in Strata Master. As this change will impact historical interest you will need to consider if you are required to charge owners the current interest outstanding prior to making this change. This article will guide you through this process.

### Changing the Interest Rate for each Owners Corporation:

- 1) Navigate to the Corporation Screen
- 2) Select the Financial Tab
- 3) Click Edit Mode
- 4) Adjust the field for Levy Interest Rate to be 11%.



DISCLAIMER - ADJUSTING THE INTEREST RATE FOR AN OWNERS CORPORATION WILL ADJUST HISTORICAL INTEREST ARREARS. THIS MEANS THAT THE FULL AMOUNT OF INTEREST ACCRUED PER LOT WILL BE ADJUSTED. FOR INSTRUCTIONS ON CHARGING CURRENT INTEREST BEFORE APPLYING THE NEW RATE, PLEASE CONTINUE TO READ BELOW.

## Charging Owners the Current Interest Outstanding

- 1) Generate Aged Arrears Report for All Corporations to identify owner's within your portfolio that have outstanding interest.
- 2) For each Corporation, generate a Levy Positions Report. View the 'Interest Due' column for Admin and Capital works to see outstanding interest amounts per lot. Write these figures down, or export the document to CSV.



#### Levy Positions - Complete for the financial year to 30/04/2020

						Adminis	trative Fund	1					
			Standard levies					Interest					
Lot	Unit	Paid to	Due	Paid	Arrears	Advance	Due	Paid	Arrears	Advance	Due	Paid	GST due
1	1	31/12/2020	1,199.60	2,399.20	0.00	1,199.60	0.00	0.00	0.00	0.00	0.00	12.38	109.06
2	2	31/12/2020	1,199.60	2,399.20	0.00	1,199.60	0.00	0.00	0.00	0.00	0.00	39.29	109.06
3	3	31/12/2020	1,199.60	2,399.20	0.00	1,199.60	0.00	0.00	0.00	0.00	0.00	39.29	109.06
4	4	31/03/2020	1,199.60	599.80	599.80	0.00	0.00	0.00	0.00	0.00	0.00	51.19	109.06
5	5	31/03/2020	1,199.60	599.80	599.80	0.00	0.00	0.00	0.00	0.00	0.00	160.22	109.06
6	6	31/03/2020	1,199.60	599.80	599.80	0.00	0.00	0.00	0.00	0.00	0.00	164.62	109.06
7	7	31/03/2018	1,199.60	(4,570.51)	5,770.11	0.00	0.00	0.00	0.00	0.00	377.55	1,114.53	109.06
8	8	30/09/2019	1,199.60	(582.35)	1,781.95	0.00	0.00	0.00	0.00	0.00	80.32	1.21	109.06
9	9	30/09/2019	1,199.60	(261.42)	1,461.02	0.00	0.00	0.00	0.00	0.00	35.24	335.55	109.06
10	10	31/03/2019	1,199.60	(2,722.67)	3,922.27	0.00	0.00	0.00	0.00	0.00	168.20	8,805.34	109.06
			11,996.00	860.05	14,734.75	3,598.80	0.00	0.00	0.00	0.00	661.31	10,723.62	1,090.60
	Due	Excl. GST	10,905.40				0.00						
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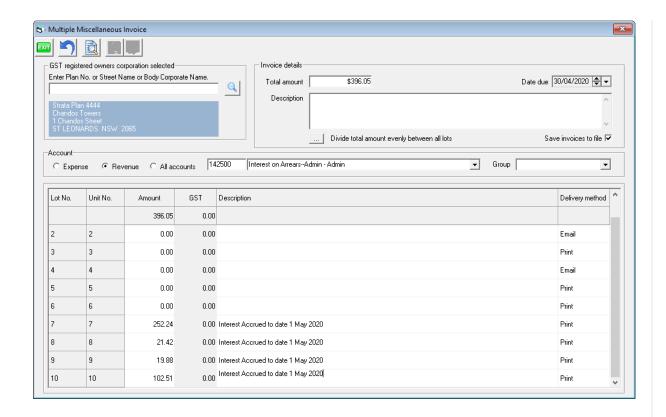
- 3) Complete the Above steps (1-4) to change interest rate in the corporation to 11%.
- 4) Generate a new Levy Positions Report to view the new amounts of Interest Due per lot. Calculate the difference between the old Levy Positions report and the new Levy Positions report.



### Levy Positions - Complete for the financial year to 30/04/2020

		-				Adminis	trative Fun	<u> </u>					
			Standard levies					Interest					
Lot	Unit	Paid to	Due	Paid	Arrears	Advance	Due	Paid	Arrears	Advance	Due	Paid	GST due
1	1	31/12/2020	1,199.60	2,399.20	0.00	1,199.60	0.00	0.00	0.00	0.00	0.00	12.38	109.06
2	2	31/12/2020	1,199.60	2,399.20	0.00	1,199.60	0.00	0.00	0.00	0.00	0.00	39.29	109.06
3	3	31/12/2020	1,199.60	2,399.20	0.00	1,199.60	0.00	0.00	0.00	0.00	0.00	39.29	109.06
4	4	31/03/2020	1,199.60	599.80	599.80	0.00	0.00	0.00	0.00	0.00	0.00	51.19	109.06
5	5	31/03/2020	1,199.60	599.80	599.80	0.00	0.00	0.00	0.00	0.00	0.00	160.22	109.06
6	6	31/03/2020	1,199.60	599.80	599.80	0.00	0.00	0.00	0.00	0.00	0.00	164.62	109.06
7	7	31/03/2018	1,199.60	(4,570.51)	5,770.11	0.00	0.00	0.00	0.00	0.00	125.31	1,114.53	109.06
8	8	30/09/2019	1,199.60	(582.35)	1,781.95	0.00	0.00	0.00	0.00	0.00	58.90	1.21	109.06
9	9	30/09/2019	1,199.60	(261.42)	1,461.02	0.00	0.00	0.00	0.00	0.00	15.36	335.55	109.06
10	10	31/03/2019	1,199.60	(2,722.67)	3,922.27	0.00	0.00	0.00	0.00	0.00	65.69	8,805.34	109.06
			11,996.00	860.05	14,734.75	3,598.80	0.00	0.00	0.00	0.00	265.26	10,723.62	1,090.60
	Due	Excl. GST	Г 10,905.40				0.00						
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5) Navigate to the Multiple Miscellaneous Invoice function (Accounting > Issue Invoice > Multiple Miscellaneous Invoice). Enter in the difference for each lot. This will create an invoice against each lot for the interest difference that is being changed as a result of step 3. This will need to be done for both the Admin and Capital Works funds.



Each Lot will now have an Owner invoice due for the amount of the interest difference (Pink), with the remainder outstanding as Interest Due (Blue)

