



Dividends



# About this manual

This module will discuss paying simple dividends to creditors.

At the completion of this module, you will be able to:

- Enter Proof of Debt ("PODs")
- Adjudicate on PODs
- Declare a dividend
- Pay a dividend
- Understand how dividend entries are created in the accounting system
- Produce Cheques/EFTs and notices for dividends
- Delete a Dividend
- Review reports that show details about the dividend

# Entering Proofs of Debt

Before a dividend can be distributed to a creditor, the creditor must have lodged a POD detailing their claimed and have their POD approved by the appointee.

1. In the Job window, click Financials -> Creditors -> Then the Creditor Class you need:

2. Double-click into the Creditor you want to add a POD for and enter the details, then hit save and exit:

**Note:** If the POD total is the same as the amount recorded for the creditors in the ROCAP, the system will automatically populate the same amounts..

## Adjudicating on PODs

There are several ways of adjudicating on Proofs in the system:

- Manually
- All creditors within the same class automatically
- Selected creditors within the same class automatically
- Automatically prior to importing

### Manually

1. Double click into the Creditor you are adjudicating and fill out their admitted column. Then hit save and exit:

Test Case CC - 37661 - Unsecured Creditor AUSTRALIAN TAXATION OFFICE

File Documents (0) Advanced Help

Creditor Name: AUSTRALIAN TAXATION OFFICE

Contact Person for Correspondence: <None> Creditor Reference:

☒ Send Mail to Default Address Additional Recipients

Save and Exit Save and New Cancel Prev Next

Address Claim **Proof Of Debt** Meetings Distributions Portal Custom Data

P.O.D. Date: 30/08/2021

Total: 0.0

Withdrawn: 0.0

☐ POD Is Informal

Reasons for Rejection:

Claim Type	Total Claimed	GST Claimed	Total Admitted	GST Admitted	Total Rejected	Total Distributed
Unsecured	90,000.00	8,181.82	90000	8,181.82	0.00	0.00
Deferred	0.00	0.00	0.00	0.00	0.00	0.00
Contingent	0.00	0.00	0.00	0.00	0.00	0.00
Totals	90,000.00	8,181.82	90,000.00	8,181.82	0.00	0.00

## Adjudicating automatically

There are two ways to admit PODs automatically

1. Select any creditor and right mouse click, then select Auto-Admit Claim:

The screenshot shows the Insol6 software interface. On the left, a 'Creditor Class' list includes 'Unsecured'. A right-click context menu is open over the creditor list, with 'Auto-Admit Claim' highlighted. The main window displays a table of creditors and their claims. The 'Admitted' column shows the results of the automatic admission process.

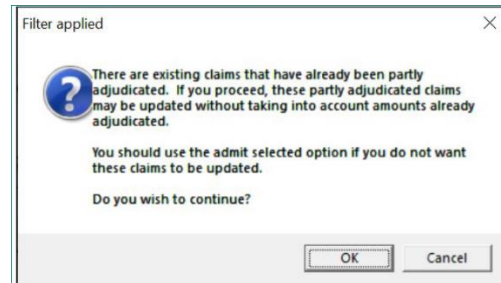
Name	ROC	Advised	Claimed	Admitted	Rejected	Under Consid...	Distributed	Proposed Div	Div
TOTALS	292,400.00	292,400.00	720.00	500.00	0.00	220.00	0.00	Automatic	
Altek Roofing (Queanbeyan NSW)	1,000.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
AUSTRALIAN TAXATION OFFICE - ATO (Penrith NSW)	90,000.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
G.J. Gardiner Homes (KIRWAN QLD)	20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
Garrards (Brendale QLD)	1,200.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
Hume Doors & Timber (Cabramatta NSW)	13,000.00	13,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
Man, Bat	100.00	100.00	320.00	100.00	0.00	220.00	0.00	0.00	✓
Midcoast Windows (Port Macquarie NSW)	7,000.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
S & M Joinery - Kitchens Pty Ltd (Queanbeyan NSW)	8,500.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
Sensis (Sydney NSW)	4,000.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
Sidekick, Robin	400.00	400.00	400.00	400.00	0.00	0.00	0.00	0.00	✓
Telstra (VIC)	8,500.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	✓
Test Creditor (ABC ABC)	120,000.00	120,000.00	0.00	0.00	0.00	0.00	0.00	0.00	✓

2. Select the **Admit All** option:

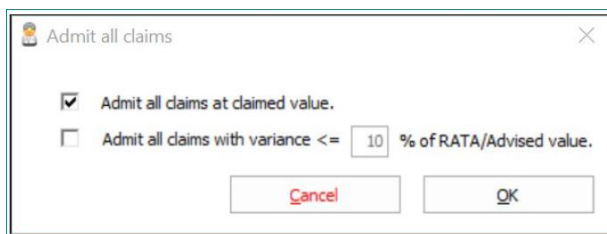
The screenshot shows the Insol6 software interface with the 'General and Dividends' tab selected. The 'Admit All' button is highlighted in the 'Tools' section. The main window displays a table of creditors and their claims. The 'Admitted' column shows the results of the automatic admission process.

Name	ABH*	RS**	DOC	ROC	Advised	Claimed	Admitted
TOTALS				292,400.00	292,400.00	720.00	720.00
Altek Roofing (Queanbeyan NSW)	✓	✓		1,000.00	1,000.00	0.00	0.00
AUSTRALIAN TAXATION OFFICE - ATO (Penrith NSW)	✗	✗		90,000.00	90,000.00	0.00	0.00
G.J. Gardiner Homes (KIRWAN QLD)	✗	✗		20,000.00	20,000.00	0.00	0.00
Garrards (Brendale QLD)	✗	✗		1,200.00	1,200.00	0.00	0.00
Hume Doors & Timber (Cabramatta NSW)	✗	✗		13,000.00	13,000.00	0.00	0.00
Man, Bat	✓	✓		100.00	100.00	320.00	320.00

**Note:** If there are existing claims that have already been partly adjudicated, you will receive the following notification when you choose to Admit All claims. Click ok to continue:



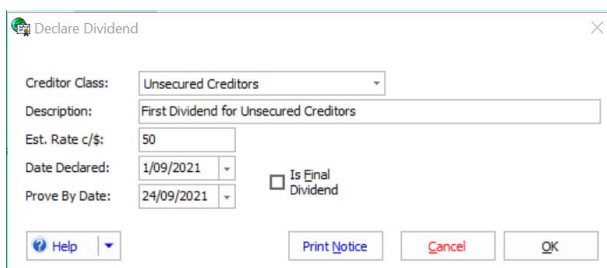
3. You can set to admit claims at claimed value or with variance:



## Declaring Dividends

At the time a dividend is declared it is likely that all assets will be realised and the only remaining assets will be in cash or investments.

1. To declare a dividend, go to Financials -> Distributions tab. Then fill out the dividend details:



2. From this screen you can produce a notice of dividend by clicking the Print Notice button, which will kick off the document production wizard.
3. Once done, click **OK** and review the distribution details.

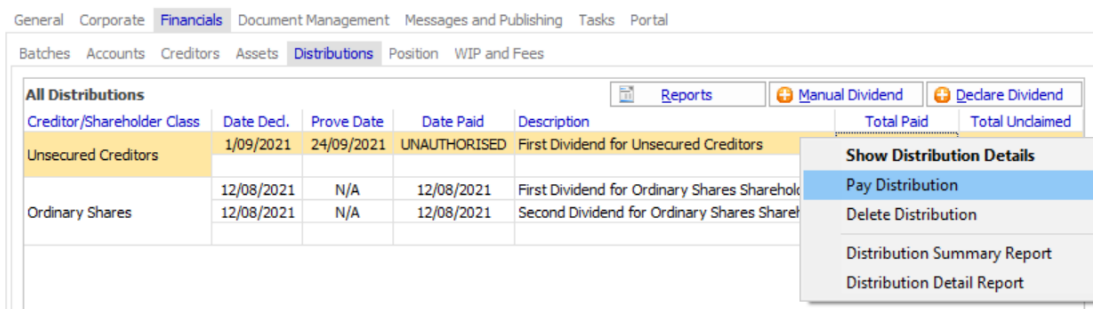
# Paying Dividends

Before paying a dividend, creditor claims must be adjudicated and admitted. The normal process of paying dividends involves declaring a dividend, producing a notice of dividend and the distribution of the dividend.

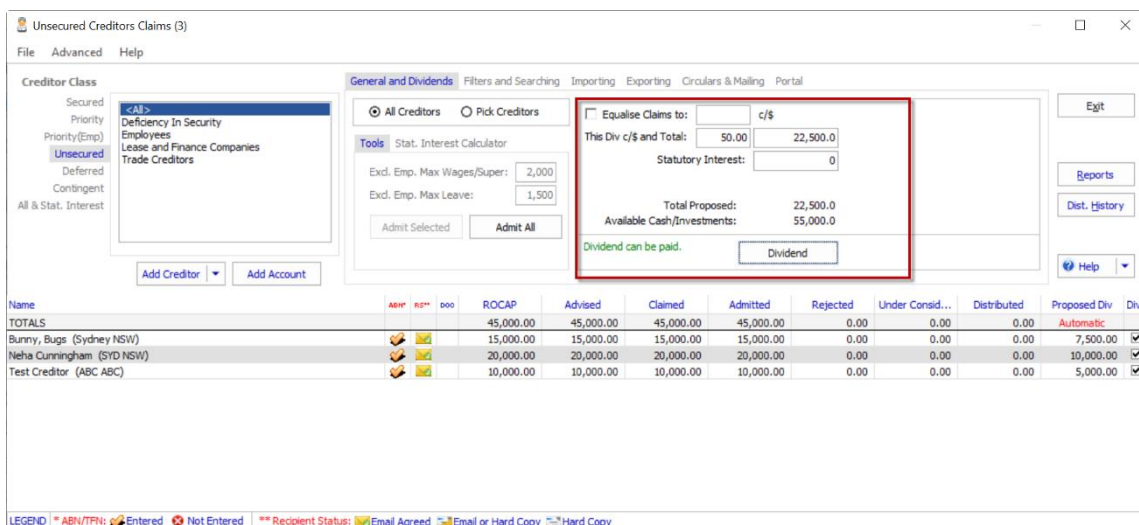
## Paying Dividends

The system will create the accounting entries that are required to record the dividend.

1. To pay a dividend, right hand click on the dividend that was just declared and select **Pay Distribution**. You will then be redirected to the Creditor Register screen



2. At the top of the Creditor Register, enter the amount of the dividend. The **Available Cash / Investments** amount is the total of the cash accounts. Then click on the dividend button and click **OK**.



**Note:** A dividend can only be paid if all creditor claims have been deal with (Rejected or Admitted)

By clicking Pick Creditors, you can select certain creditors to participate in the dividend if the dividend is not to be paid to all creditors.

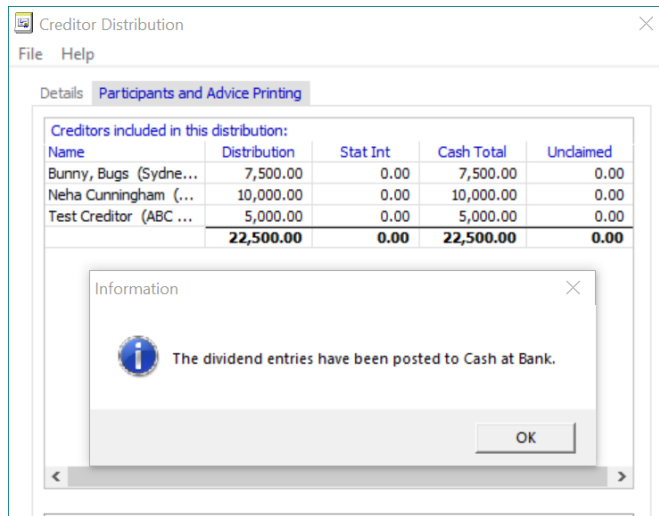
- The Dividend Selection appears, select the Dividend to pay then click **OK**.

- The Creditor Distribution form appears. Finalise the dividend by ticking Authorise and entering the date or payment:

**Note:** A dividend can only be authorised by a user who have the appropriate authority. Otherwise to finalise the dividend, a user who has no authority is required to click the **Propose** button to then be authorised by a user with the permission to do so.



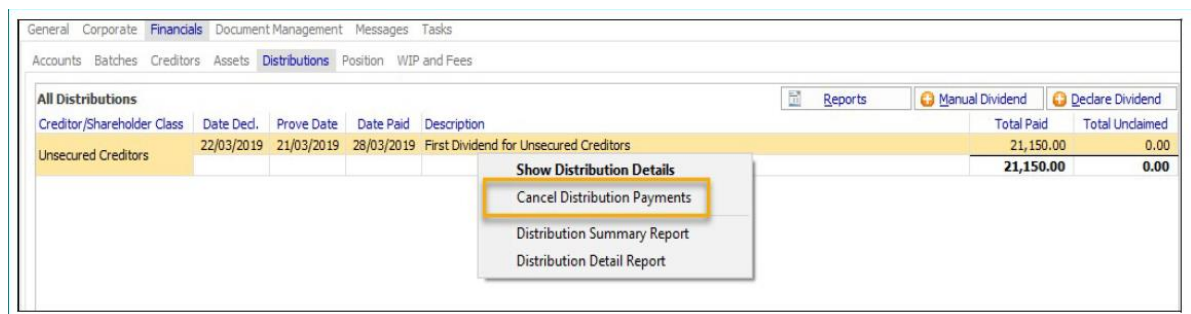
- The dividend transactions are now created and have been posted to the account selected.



- The Creditor Distribution register now opens, and users can view/print related documents e.g. distribution reports, Notice of Dividend – Form 549.

## Deleting a dividend

- To cancel a dividend, right mouse click on the dividend you want to cancel and select **Cancel Distribution Payments**.



- Once cancelled, users can right mouse click the dividend entry and click Delete Dividend to delete the distribution from the system.

## Cancelling a distribution payment for one creditor without cancelling the whole dividend

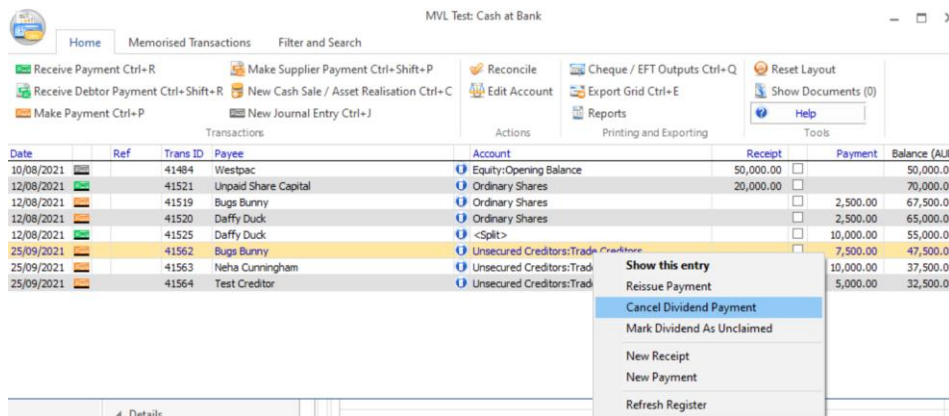
You can delete individual dividend payments (either from the cash book or dividend participants tab) and that will remove them from the dividend.

When you delete a dividend payment, total paid and admitted amount for the dividend are updated.

If you process another dividend with the same description and the same date as the first distribution, both dividends are grouped in to one on ASIC Form 5602, Section 2.

### From the Cashbook

1. Click on the creditor to highlight the transaction to be cancelled.
2. Right click on the highlighted creditor and select "Cancel Dividend Payment". The payment will be deleted



### From the Cashbook

1. Click on Financials -> Distributions.
2. Double click on the distribution that you want to amend.
3. Click on Participants and Advice Printing tab
4. Left Click on the Creditor you wish to Cancel from the dividend
5. Right click on the highlighted creditor and Select Cancel Dividend Payment.

