

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 much 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:

Unsecured Credit	itors Claims (10)	APRES	CALPLIK									×
Creditor Class	Нер		Gene	ral and Dividends F	ilters and Searching	Importing Exp	orting Circulars (& Mailing Porta				
Secured Priority Priority(Emp)	<all> Class A Deficiency In Security Employees</all>		Too	All Creditors) Pick Creditors	☐ Equalise This Div c/\$ a	Claims to:	c/\$	0		Exit	
Unsecured Deferred Contingent All & Stat. Interest	Lease and Finance Companies Trade Creditors		E	ixd. Emp. Max Wage ixd. Emp. Max Leave Admit Selected	s/Super: 2,000 :: 1,500	Available	Statutory Inter Total Propose e Cash/Investment	est: d: ts: 334	0.0		Reports Dist. <u>H</u> istor	y
	Add Creditor			Hume Succes	BUILL BI	Dividend can not all POD's	not be paid as adjudicated.	Dividen	d		🕑 Help	•
Name		ABN*	RS** D	oc ROCAP	Advised	Claimed	Admitted	Rejected	Under Consid	Distributed	Proposed Div	Div
TOTALS		-	_	171,900.00	171,900.00	0.00	0.00	0.00	0.00	0.00	Automatic	
Alltek Roofing (Queant	beyan NSW)	- <u>*</u>	2	1,000.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	V
Amber Tiles Oxenford	(Oxenford QLD)		-	18,700.00	18,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
AUSTRALIAN TAXATIO	IN OFFICE - ATO (Penrith NSW)	- X		90,000.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
G.J. Garuner Homes (I		ă		20,000.00	1 200 00	0.00	0.00	0.00	0.00	0.00	0.00	
Hume Doors & Timber	(Cabramatta NSW)	ă	-	1,200.00	13 000 00	0.00	0.00	0.00	0.00	0.00	0.00	
Midcoast Windows (Po	rt Macquarie NSW)	ő	-	7,000.00	7,000,00	0.00	0.00	0.00	0.00	0.00	0.00	V
S & M Joinery - Kitchen	is Ptv I tv. (Queanbevan NSW)	Ö	-	8,500.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sensis (Sydney NSW)		Ū.	-	4,000.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
Telstra (VIC)		0	Ξ	8,500.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
LEGEND * ABN/TFN: 0	& Entered 😵 Not Entered 🛛 ** Recipier	nt Stati	JS: 📷 E	Email Agreed 🖼 Em	ail or Hard Copy 💳	Hard Copy						

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

	USTRALIAN TA	XATION OFF	ICE				
C	ontact Person f	or Correspor	idence:	Creditor Re	ference:		Save and New
<	<none></none>		-				<u>C</u> ancel
ē	✓ Send Mail to	Default Addr	ess	Additi	onal <u>R</u> ecipient	s	Prev 🕐 Nex
	P.O.D. Date	20/08/202		gs Distribu	Reasons for R	ejection:	
	Total: Withdrawn:	: 95,000 : 0).0).0	POD Is Informal			
	Claim Type	Total Claimed	GST Claimed	Total Admitted	GST Admitted	Total Rejected	Total Distributed
	Unsecured	95,000.00	8,636.36	0.00	0.00	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
		05 000 00	8 636 36	0.00	0.00	0.00	0.00



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:

AUSTRALIAN TA	XATION OFF	ICE				
Contact Person 1	for Correspor	idence:	Creditor Refe	erence:		Save and New
<none></none>		*				<u>C</u> ancel
Send Mail to	Default Addr	ess	Addition	nal <u>R</u> ecipient	s	🛈 Prev 🗕 🔍 Nex
Tota	l: 0		POD Is			
Withdrawn	n: C	.0	Informal			
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
Conungent	00 000 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:

Creditor Class		General and Dividends	-Iltere	and S	Searchin	ng Importing	Exporting Circula	ars & Mailing Por	tal					
Secured Priority Priority(Enp) Unsecured Deferred Contingent All & Stat. Interest	CAUS Deficiency In Security Employees Lease and Finance Compi Trade Creditors	View Creditor Details Enter/View POD/Adjudicate Claim View Meeting Details View Distribution Details Creditor Has No Claim Delete Creditor Auto-Admit Claim		red r : [2,000 1,500	Equal This Div c	ise Claims to: /\$ and Total: Statutory Ir Total Prop able Cash/Investm	c/\$ 0 nterest: osed: nents:	0 0 0.0 90.0				Egit Reports Dist. <u>Histor</u>	/
	Add Creditor	Reject Claim in Full Creditor Circulars	>			Dividend on not all PO	cannot be paid as D's adjudicated.	Divid	end				😢 Help	•
Name		Select All For Admission of Claim		5**	DOC	ROCAP	Advised	Claimed	Admitted	Rejected	Under Consid	Distributed	Proposed Div	Div
TOTALS		Unselect All for Admission of Claim				292,400.00	292,400.00	720.00	500.00	0.00	220.00	0.00	Automatic	
Alltek Roofing (Quear	beyan NSW)			1	-	1,000.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	V
AUSTRALIAN TAXATIC	ON OFFICE - ATO (Penrith N	Pick All for Dividend		E		90,000.00	90,000.00	0.00	0.00	0.00	0.00	0.00	0.00	V
G.J. Gardiner Homes	(KIRWAN QLD)	Unpick All for Dividend		10		20,000.00	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	V
Garrards (Brendale Q	LD)			1		1,200.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
Hume Doors & Timber	(Cabramatta NSW)	Change Claim Account	>	F.		13,000.00	13,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
Man, Bat			\$	10		100.00	100.00	320.00	100.00	0.00	220.00	0.00	0.00	
Midcoast Windows (Pr	ort Macquarie NSW)		0	Ξ		7,000.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
S & M Joinery - Kitcher	ns Pty Lty (Queanbeyan NSW)		0	Ξ		8,500.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sensis (Sydney NSW)			0	Ξ		4,000.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	Y
Sidekick, Robin			0	Ξ		400.00	400.00	400.00	400.00	0.00	0.00	0.00	0.00	
Teletra (VIC)				9		8,500.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00	4
leisua (vic)	14		100	-	141									10.04

2. Select the Admit All option:

🙎 Unsecured Credit	tors Claims (13)									
File Advanced	Help									
Creditor Class		General and Dividends	Filters	and S	earchi	ng Importing E	xporting Circula	rs & Mailing Port	al	
Secured Priority	<all></all>	 All Creditors 	O Pick	Cred	itors	🗌 Equalis	se Claims to:	c/\$		
Priority(Emp)	Employees Lease and Finance Companies	Tools Stat. Interest	Calcula	tor		This Div c/	\$ and Total:	0	0	
Deferred	Trade Creditors	Excl. Emp. Max Wag	ges/Sup	er:	2,000	D	Statutory In	terest:	0	
Contingent All & Stat. Interest		Exd. Emp. Max Lear	ve:	[1,50	D	Total Propo	osed:	0.0	
		Admit Selected		Admi	t All	Availa	ble Cash/Investm	ents:	90.0	
						Dividend o 11 claims a	an be paid, are unproven.	Divide	nd	
	Add Creditor 💌 Add Account									
Name			ABN*	RS**	DOC	ROCAP	Advised	Claimed	Admitted	
TOTALS						292,400.00	292,400.00	720.00	720.00	
Alltek Roofing (Quean	beyan NSW)		\$	6		1,000.00	1,000.00	0.00	0.00	
AUSTRALIAN TAXATIC	DN OFFICE - ATO (Penrith NSW)		0	Ξ		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 QL	LD)		0	2		1,200.00	1,200.00	0.00	0.00	
Hume Doors & Timber	(Cabramatta NSW)		8			13,000.00	13,000.00	0.00	0.00	
Man, Bat			- V			100.00	100.00	320.00	320.00	
and shared de-				- 10						



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:

Filter ap	lied
	There are existing claims that have already been partly adjudicated. If you proceed, these partly adjudicated claims may be updated without taking into account amounts already adjudicated.
	You should use the admit selected option if you do not want these claims to be updated.
	Do you wish to continue?
	(OK) Cancel

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

Admi	t all claims		×
N	Admit all claims at claimed value. Admit all claims with variance <=	10	% of RATA/Advised value.
	Cancel		<u>o</u> ĸ

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:

Creditor Class:	Unsecured Credito	ors	-	
Description:	First Dividend for U	Unsecured Creditors		
Est. Rate c/\$:	50			
Date Declared:	1/09/2021 -	- Is Final		
Prove By Date:	24/09/2021 -	Dividend		

- 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

General Corporate Financia	ls Document	t Management	Messages and Pu	ublishing Tasks Portal			
Batches Accounts Creditor	s Assets C	Distributions	Position WIP and	Fees			
All Distributions				Reports	🔒 Manua	al Dividend	🔒 Declare Dividend
Creditor/Shareholder Class	Date Ded.	Prove Date	Date Paid	Description		Total Pai	d Total Unclaimed
Upper uned Creditore	1/09/2021	24/09/2021	UNAUTHORISED	First Dividend for Unsecured Creditors		Chow Diet	ribution Dotails
onsecured creators						Show Dist	ribution Details
	12/08/2021	N/A	12/08/2021	First Dividend for Ordinary Shares Share	ehok	Pay Distrib	ution
Ordinary Shares	12/08/2021	N/A	12/08/2021	Second Dividend for Ordinary Shares Sh	nareł	Delete Dist	ribution
						Distribution	n Summary Report
						Distribution	n Detail Report

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**.

Creditor Class		General and Dividends	Filters and Searching) Importing E	xporting Circula	rs & Mailing Port	al			
Secured	<al></al>	All Creditors	O Pick Creditors	Equal	e Claims to:	c/\$				E <u>x</u> it
Priority(Emp)	Employees	Tools Stat. Interest	: Calculator	This Div c	\$ and Total:	50.00	2,500.0			
Unsecured	Trade Creditors	- 1 - H - H	in		Statutory In	terest:	0			
Contingent		Excl. Emp. Max Wa	ges/Super: 2,000							Reports
All & Stat. Interest		Exd. Emp. Max Lea	ive: 1,500		Total Prope	osed:	2,500.0			Dist. History
		Admit Selected	Admit All	Availa	ble Cash/Investm	ents:	5,000.0			
				Dividend o	an be paid.	Divide	nd			
	Add Creditor 💌 Add Account] [d			😢 Help 💌
lame		ABH" BS" DOO	ROCAP	Advised	Claimed	Admitted	Rejected	Under Consid	Distributed	Proposed Div D
OTALS			45,000.00	45,000.00	45,000.00	45,000.00	0.00	0.00	0.00	Automatic
iunny, Bugs (Sydney	NSW)	🥪 🐱	15,000.00	15,000.00	15,000.00	15,000.00	0.00	0.00	0.00	7,500.00
leha Cunningham (S)	YD NSW)	🧼 🔛	20,000.00	20,000.00	20,000.00	20,000.00	0.00	0.00	0.00	10,000.00
			10.000.00	10.000.00	10.000.00	10.000.00	0.00	0.00	0.00	5,000.00



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.

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

Please sele	ect an ex	isting dividend from the list	or declare a new d	ividend.
First Divid	lend for L	Unsecured Creditors (UNAU	THORISED)	1

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

Creditor Class:	Unsecured Creditors
Number:	1
Total Claims:	45,000.0
Rate (c/\$):	50
Total Distribution:	22,500.0
Unclaimed:	0.0
Status:	
Description:	First Dividend for Unsecured Creditors
Date Declared:	1/09/2021 -
Prove by Date:	24/09/2021 - Is Final Dividend
Date to be Paid:	25/09/2021 - EFT Payment
Bank Account:	Cash at Bank 👻
Current Balance:	55,000.00
Batch Type:	<none> *</none>
	PROPOSE

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.



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



6. 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

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

All Distributions					Reports	🔒 Manual D	Dividend	Declare Dividend
Creditor/Shareholder Class	Date Ded.	Prove Date	Date Paid	Description			Total Paid	Total Unclaime
Unsecured Creditors	22/03/2019	21/03/2019	28/03/2019	First Dividend for Unsecured Creditors			21,150.	.00 0.0
				Show Distribution Details			21,150.	00 0.0
				Cancel Distribution Payments				
				Distribution Summary Report				
				Distribution Detail Report				

2. 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.

Help	ld/Import/Export Data						
etails Participants and	Advice Printing						
Creditors included in this	distribution:						
Name	Distribution	Stat Int	Cash Total	Unclaimed			
Bunny, Bugs (Sydne	7,500.00	0.00	7,500.00	0.00			
Neha Cunningham (10,000.00	0.00	10,000.0	Show Creditor Details			
Test Creditor (ABC	5,000.00	0.00	5,000.0	Show Distribution Entry			
	22,500.00	0.00	22,500.0				
				Reissue Distribution Cheque			
				Cancel Divide	nd Payment		
				Mark Distribut	tion as Unclaimed		