

# Reconciling Bulk Funding

## Reconciling bulk funding

It is very important that you reconcile bulk funding payments you receive correctly. This will give an accurate picture of your income and expenses and correct financial reports.

A bulk funding notice is sent to your [Centre@playcentre.org.nz](mailto:Centre@playcentre.org.nz) email address at the time that payments are processed. If you do not receive it in your inbox, check your spam/junk folder.

If you have not received the bulk funding notice by the time the money arrives in your account, contact [accounts.receivable@playcentre.org.nz](mailto:accounts.receivable@playcentre.org.nz) and request a copy.

The Bulk Funding Notice is made up of 3 parts.

- Pg 1 - The bulk funding breakdown showing the gross funding, levies and any equity received
- Pg 2 - An example of how to reconcile your bulk funding payment
- Pg 3 – A tax invoice for the levies portion of your bulk funding. Note: The levies have already been removed before payment is made to your centre. The tax invoice is for your records only.

## Bulk funding breakdown

Bulk Funding Distribution March 2021 - FCH received for the period 1 October 2020 - 31 January 2021	\$ 9,956.02
Bulk Funding Distribution - Roll Adjustments	\$ 0.00
Less 50% on Funded Child Hours - NZPF Levies	-\$ 4,978.01
Less MOE occupancy charge	-\$ 11.50
MoE Equity 1 - Low Socio Economic funding	\$ 417.12
MoE Equity 2 - Special Needs funding	\$ 360.24
MoE Equity Funding - Language	\$ 0.00
MoE Equity Funding - Isolation	\$ 1,187.45
MoE Equity 1 - Low Socio Economic funding - Roll Adjustments	\$ 0.00
MoE Equity 2 - Special Needs funding - Roll Adjustments	\$ 0.00
MoE Equity Funding - Language - Roll Adjustments	\$ 0.00
MoE Equity Funding - Isolation - Roll Adjustments	\$ 0.00
Targeted funding	\$ 0.00
ATIS Funding	\$ 0.00
<b>Net Total</b>	<b>\$ 6,931.32</b>

All sums are inclusive of GST. Please retain this letter for audit purposes.

## An example of how to reconcile the payment in Xero

Xero entries: When reconciling the payment in Xero, enter Ministry of Education as the Contact. Click on 'add details' in the bottom right hand side of the blue box which will take you into the transaction. On the first line change the amount in the Unit Price to the gross amount received (see Page 1 for breakdown). On a new line enter a negative amount for the levies.

If you have paid MOE Occupancy Fee this is also entered as a negative on a new line. If you have received any equity, ATIS funding or targeted funding these are all entered on separate lines. If you have received any Roll Adjustments relating to a previous period where RS7's were re-submitted very late, please code these as you usually would. Please see the screen shot below for account codes to use. This will equal the net amount received.

If you have received Targeted Funding, this requires a specific code. Please contact Kim Armstrong - Accounts Administrator (kim.accounts@playcentre.org.nz) to request one.

From	Date	Reference	Amounts are				Tax Inclusive
Ministry of Education	5 Mar 2020						
Item	Description	Qty	Unit Price...	Account	Tax Rate	Amount NZD	
:::	Gross bulk funding received	1.00	10,157.65	1100 - MoE ECE Funding Subsidy	15% GST on Income	10,157.65	X
:::	Levies	1.00	-5,078.83	2100 - Affiliation Levies on MoE Funding	15% GST on Expenses	-5,078.83	X
:::	Low Socio Economic funding	1.00	159.16	1130 - MoE Equity Funding - Low Socioeconomic	15% GST on Income	159.16	X
:::	Special needs funding	1.00	357.29	1131 - MoE Equity Funding - Special Needs	15% GST on Income	357.29	X
:::	Language funding	1.00	95.79	1132 - MoE Equity Funding - Language Kaupapa	15% GST on Income	95.79	X
:::	Isolation Funding	1.00	1,179.53	1133 - MoE Equity Funding - Isolation	15% GST on Income	1,179.53	X
:::	ATIS funding	1.00	353.21	1120 - MoE Annual Top-Up for Isolated Services Funding	15% GST on Income	353.21	X
:::	Roll Adjustment for Low Socio Economic funding	1.00	6.60	1130 - MoE Equity Funding - Low Socioeconomic	15% GST on Income	6.60	X
						Subtotal	7,230.40
						Includes GST 15.00%	943.08
						<b>TOTAL</b>	<b>7,230.40</b>

From here you can create a reconciliation statement, also see contact.

## Tax invoice for Levies

**Invoice Number**  
INV 2107-293

Description	Quantity	Unit Price	Amount NZD
NZPF Levies 50% on Funded Child Hours for July 2021 Bulk Funding Distribution (for period 1 February 2021 - 31 May 2021)	0.50	\$ 4,274.91	\$ 4,274.91
		Subtotal	4,274.91
		Total GST 15%	\$ 641.24
		Total NZD	\$ 4,916.15

**The levies have been deducted at source so no payment is required.**

**This invoice is for tax records only.**

The tax invoice is for your records only. The levies have already been deducted from your bulk funding before payment is made.

## How to reconcile bulk funding in Xero

When you receive the bulk funding payment, it will look like this in your dashboard in Xero

10 Mar 2021 Direct Credit, TE WHANAU TUPU NGATA , Ref: ... More details	<b>6,931.32</b>	Options ▾
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Match
Create
Transfer
Discuss
Find & Match

Who  What

Why

No GST  Add details

Enter Ministry of Education as the Contact and click **Add details** in the bottom right-hand corner of the blue box. Which will bring up the following screen. Then fill in the details using the information on the first page of the bulk funding notice. Levies and ECC Occupancy need to be entered as –ve\$ amounts.

This example demonstrates all the funding types that your Centre could be paid. Not all Centres will receive all these funding types and some of these are only paid at certain times of the year. This example is to show them all and the Account codes that each item needs to be coded to.

**Received as**  📄

**From**  **Date**  **Reference**

Amounts are

Item	Description	Qty	Unit Price	Account	Tax Rate	Amount NZD
⋮	Gross bulk funding received	1.00	9,956.02	1100 - MoE ECE Funding Su...	No GST	9,956.02
⋮	Less levies 50%	1.00	-4,978.01	2100 - Affiliation Levies on ...	No GST	-4,978.01
⋮	EQI1 Low Socio Economic funding	1.00	417.12	1130 - MoE Equity Funding - ...	No GST	417.12
⋮	EQI 2 Special Needs funding	1.00	360.24	1131 - MoE Equity Funding - ...	No GST	360.24
⋮	Isolation funding	1.00	1,187.45	1133 - MoE Equity Funding - ...	No GST	1,187.45
⋮	MoE ECC Occupancy	1.00	-11.50	2780 - Rent / Lease / MoE O...	No GST	-11.50
⋮	Targeted Funding	1.00		1134 - Targeted Funding	No GST	
⋮	ATIS	1.00		1120 - MoE Annual Top-Up f...	<input type="text" value="No GST"/>	

[Add a new line](#)

Subtotal 6,931.32

GST 0.00

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**TOTAL 6,931.32**

Save Transaction
Cancel

Once you have entered all the information check that the total equals the Net Total on the bulk funding notice and Save Transaction.

Targeted funding	\$ 0.00
ATIS Funding	\$ 0.00
<b>Net Total</b>	<b><u>\$ 6,931.32</u></b>

All sums are inclusive of GST. Please retain this letter for audit purposes.

If your Centre is GST registered all your account codes will be set to the appropriate tax rate.

Now the correct information will be available in your Profit and Loss statement and other financial reports

### Profit and Loss

For the 3 months ended 31 May 2021

	Mar-May 2021
<b>Trading Income</b>	
Interest Income	10.40
Membership Fees	1,999.00
MoE ECE Funding Subsidy	9,956.02
MoE Equity Funding - Isolation	1,187.45
MoE Equity Funding - Low Socioeconomic	417.12
MoE Equity Funding - Special Needs	360.24
<b>Total Trading Income</b>	<b>13,930.23</b>
<b>Cost of Sales</b>	
Affiliation Levies on MoE Funding	4,978.01