

Payroll Procedure:

- 1) We paid the Property Managers weekly as per the award. Preparing the pays in this way (weekly as per the award, and a monthly bonus), allowed us to show clearly that we were meeting the obligations of the modern award. Also, any deductions for things like carparking, errors etc, had to come out of the bonus, they could not come out of the award payment, as this would then mean they were being paid under the award.

At the time this was:

\$668.04 per week for 38 Hours

\$195.00 per week Car Allowance

Plus any overtime for Saturdays, as per the award.

All of the above payments (apart from Additional Saturdays) were deducted from the Bonus calculation.

There were two types of Saturdays – Rostered and Additional.

Property Managers were required to work a certain number of Saturdays per year as per a Roster system. If they worked any Additional Saturdays, these were added back into the Bonus, to make sure that they received extra reward for working extra time.

- 2) To calculate the bonus, I would prepare a spreadsheet which would calculate the day rate and bonuses due, and could also be used to check the Property Manager’s pay calculations. In this spreadsheet in the “Mgt Fee” tab, I would key the Rent Commission from the Console Statistics (in the pink column).

Number of properties gained: 1
 Number of properties lost: 7
 Number of owners: 152

	Residential	Commercial	Holiday	Total
Properties	160	0	0	160
Tenants	156	0	N/A	156
Vacant Properties	8	0	0	8
Rented Properties	152	0	0	152
Bookings	N/A	N/A	0	0
Vacancy Factor	5.00	0.00	0.00	5.00
Rent Received	\$282,763.70	\$0.00	\$0.00	\$282,763.70
Let Fees Taken	\$4,372.50	N/A	N/A	\$4,372.50
Rent Commission	\$24,171.01	\$0.00	\$0.00	\$24,171.01
Outgoings Commission	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance Commission	\$0.00	\$0.00	\$0.00	\$0.00
FDT	\$0.00	\$0.00	\$0.00	\$0.00

AD	AE
	Console STATICS
	-
1	13,851.49
2	24,171.01
3	21,124.41
4	15,208.07
5	145.20
6	128.70
7	32,714.89
8	31,024.52
9	33,988.65
10	23,839.80
11	25,736.19
12	286.88

Then I would key the Management Figures, using the Management Fee Reports for Mid and End of Month from Console, manually split into Property Manager.

ABN: 14-920-134-454

Account name(s)	prorentals.com.au 4	Account	PROMGMT4
		Statement from	15 Jul 2010
		Statement to	30 Jul 2010
		Statement number	79

2010	Details	Debit	Credit	Balance
	Balance brought forward			\$0.00
22 Jul	482868 Management Fee to agent		\$299.20	\$299.20
23 Jul	482872 Management Fee to agent		\$171.60	\$470.80
	482873 Management Fee to agent		\$73.92	\$544.72
	482874 Management Fee to agent		\$363.00	\$907.72
30 Jul	483584 Management Fee to agent		\$116.16	\$1,023.88
	483587 Management Fee to agent		\$190.08	\$1,213.96
	483590 Management Fee to agent		\$74.36	\$1,288.32
	483593 Management Fee to agent		\$88.87	\$1,377.19
	483596 Management Fee to agent		\$52.80	\$1,429.99
	483599 Management Fee to agent		\$158.40	\$1,588.39
	483602 Management Fee to agent		\$92.40	\$1,680.79
	483605 Management Fee to agent		\$135.52	\$1,816.31
	483608 Management Fee to agent		\$225.28	\$2,041.59

"Y OF THE YEAR"

	End				
	Begin	End	Mgt Fee	Net	Gst
Emp1	907.72	12,493.93	11,586.21	10,532.92	1,053.29
Examp1	12,493.93	31,561.04	19,366.31	17,605.74	1,760.57
Emp2	31,561.04	49,055.53	17,494.49	15,904.08	1,590.41
Emp3	49,055.53	62,261.84	13,206.31	12,005.74	1,200.57
Emp4	62,261.84	62,504.06	242.22	220.20	22.02

As it is a report with running balances, I keyed the beginning balance, and end balance, and the spreadsheet calculates the Mgmt Fee, Net and GST. This was done for both Mid and End of Month. The Spreadsheet would calculate the totals, which would compare to the Console Statistic in the DIFF Column. I investigated large differences. I then keyed any adjustments for errors into the adjustments column (so that these would automatically come off the day rate). This alters the DIFF Column, hence I checked the figures before I entered the adjustments.

2010 JULY		TOTAL		
	End	Adjustments		TOTAL
4 Employee 3	13,206.31	- 16.97		15,191.17
5 Employee 4	242.22			242.22
6 Employee 5	56.93			128.71
7 Employee 6	27,935.75	50.82		
8 Employee 7	25,838.10			
9 Employee 8	25,971.04	- 36.30		34,136.54
10 Employee 9	20,507.13	122.34		23,909.64
11 Employee 10	22,737.68	- 49.28		25,686.92
12 Employee 11	286.88			286.88

Gregory St

The day rate should be automatically calculated (the management fees divided by the number of Rent Collection Days in the month). **Remember to change the number of Rent Collection days to 21 and update the formula in this column** The day rate can then be used to calculate Leave Cover. A printout was taken of the day rate and distributed to the Property Managers to assist them in the pay calculation.

Management Fees July 10 Only	Your Gross % Income	21 Per Day	Holiday/Sick 50% Day Rate
Emp1	3,507.71	Formula = /21	83.52
Example	6,074.67	289.27	144.64
Emp2	5,328.73	253.75	126.87
Emp3	3,811.60	181.50	90.75
Emp4	60.78	2.89	1.45
Emp5	32.29	1.54	0.77
Emp6	8,221.22	391.49	195.74
Emp7	7,784.34	370.68	185.34
Emp8	8,565.17	407.87	203.93
Emp9	5,999.15	285.67	142.84
Emp10	6,445.08	306.91	153.45
Emp11	71.98	3.43	1.71
Emp12	8,330.75	396.70	198.35
Emp13	1,365.22	65.01	32.51

Please Add Lease Renewals to these Amounts + Monthly Checklist Bonus

I then used these figures to Calculate Pay Adjustments for Leave, as per below:

System Pay Adjustment - Leave:

Leave Type: Personal Leave

Dates: 06/07/2010

Number of Days: 1

Employee on Leave:

Covered By:

Daily Rate:
\$ 253.75

50/50 Split of Rate: \$ 126.88

Reduce Pay By: -\$ 126.88

Increase Pay By: \$ 126.88

A copy of this was given to Property Managers to help them calculate their pay. I also sent the Property Managers a reminder about additional Saturdays so that they could add these back into their pay.

Example

From: Amanda Reece-Anderson
Sent: Thursday, 29 July 2010 9:28 PM
To: [Redacted]
Subject: Additional Saturday
Hi [Redacted]

Please add \$228.54 back into your pay tomorrow for Additional Saturday worked on 3rd July.

Thanks!

Best Regards

Amanda Reece-Anderson

I then keyed the Adjustments into the "Sum" Tab of the Spreadsheet.

A	B	C	D	E	F	G	H	I	J	K	L
June 10 - Inc 21 Rent Days Close Done 5am 30/07/2010)	days	Emp1	Example	Emp2	Emp3	Emp5	Emp6	Emp7	Emp8	Emp9	Emp10
Jul-10	21	167.03	289.27	253.75	181.50	1.54	391.49	370.68	407.87	285.67	306.91
50% Day Rate		83.52	144.64	126.87	90.75	0.77	195.74	185.34	203.93	142.84	153.45
PM 1 = Mgt Fees at Gross Amt Net Gst		12,709.08	22,009.68	19,307.01	13,810.15	117.01	29,787.03	28,204.13	31,033.22	21,736.04	23,351.75
Pay at 27.6%		3,507.71	6,074.67	5,328.73	3,811.60	32.29	8,221.22	7,784.34	8,565.17	5,999.15	6,445.08
Total Gross Income to PM		3,507.71	6,074.67	5,328.73	3,811.60	32.29	8,221.22	7,784.34	8,565.17	5,999.15	6,445.08
Management Fees											
Extra Saturday			228.54				228.54				685.62
Extra Saturdays worked between 01/04-30/06/2010											59.45
Holidays/Sick											
06/07 Emp2 Pays Example 1 Day P/L	1		126.87	- 126.87							
12/07 Emp2 Pays Non System 1 Day A/L	1			- 126.87							
13/07 Emp3 Pays Emp12 5.5 Hours P/L	0.7236842				- 65.68						
16/07 Emp12 Pays Emp3 2 Hours A/L	0.2631679				52.20						

I would then key how much the Property Manager's have been paid for the month in their weekly pay (from the MYOB Payroll Activity Summary). Also I would calculate their total tax using the ATO Tax Calculator available on the ATO Website, then take off the tax already deducted during the weekly pays.

Reach Corporation Pty Ltd

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Payroll Activity [Summary]

06/07/2010 To 31/07/2010

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	Wages	Deductions	Taxes	Net Pay	Expenses
	4,024.67	0.00	758.00	3,266.67	362.22
Total:	4,024.67	0.00	758.00	3,266.67	362.22

Tax Withheld Calculator

30/07/2010 2:56:16 PM

Gross Monthly Earnings: \$6,413.05
Tax Applicable: \$1,486.00
Less Tax offsets: \$0.00
Less Medicare Levy Adjustment: \$0.00
Tax Withheld : \$1,486.00
Net Pay: \$4,927.05

June 10 - Inc 21 Kent Days Close Done 5am 30/07/2010)	days	Emp1	Example	Emp2
Less Carpark				
LESS LPMA			-176.91	
Photos				
		3,507.71	6,413.05	5,662.3
Gross Already Paid		- 4,024.67	4,024.67	- 3,987.2
Tax this pay		-	728.00	- 502.0
		-	1,660.38	1,173.1
Net Bonus Due		-	1,660.38	1,173.1
Superannuation			577.17	509.6

This then gives the Total Net Bonus Due, which is then checked against the Property Manager's Pay calculation.

Gross (A+B-C+D)	=	\$ 6,413.05	
Gross Already Paid	=	\$ 4,024.67	
Total	=	\$ 2,388.38	
Monthly Tax	=	\$ 1,486.00	See attached tax calculator print out
Tax Already Paid	=	\$ 758.00	
Total	=	\$ 728.00	
Net	=	\$ 1,660.38	
Annualised Salary	=	\$ 76,956.60	