

## **Producer Demonstration Site MDC Cash-flow Frequently Asked Question (FAQ)**

MLA/GRDC Partnership PDS projects require cash investment in the project, which is matched by the MLA Donor Company (MDC).

The [MLA Donor Company \(MDC\)](#) is a fully-owned subsidiary of Meat & Livestock Australia. The MDC receives funding from the Commonwealth of Australia under a Statutory Funding Agreement (SFA) to invest in eligible R&D.

The MDC's purpose is to act an investment vehicle which accelerates innovation across the value chain to ensure Australia's red meat and livestock industry remains competitive on the world stage. It does this by attracting commercial investment from individual enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry.

The funding split for the MLA GRDC Partnership PDS projects is outlined below, calculated on the total project value

- 50% GRDC Contribution
- 30% cash contribution + access fee (calculated on contribution value)
- 20% MLA MDC + access fee (calculated on contribution value)

The cash contribution can be from the participating producers or a third-party contributor. The MDC is not able to match funds sourced from the Commonwealth Government and may only be able to match funds from Australian State Governments under limited circumstances. A warranty that the Participant's co-funding related contribution is not derived from the Commonwealth Government is required.

This FAQ has been developed to assist producer groups in understanding the mechanics of cash flow with MDC.

For more information on cash flow and invoicing, contact Alana McEwan, MLA Project Manager – Producer Demonstration Site program, at [pds@mla.com.au](mailto:pds@mla.com.au).

### **1. You paying MDC:**

#### **Q: Why do we pay a project cash contribution to MDC?**

**A:** The statutory funding agreement that MDC has with the Federal Government outlines the order in which payments must occur. This is a non-negotiable process.

#### **Q: What reference information shall we provide when paying MDC?**

**A:** Please enter the project code (P.PSH.xxxx), MDC invoice number, or customer name in the payment reference field.

**Q: How often will MDC send us invoices to pay?**

**A:** There are two types of MDC invoices – **Cash contribution** invoices and **MDC Access fee** invoices.

MDC will send you **Cash Contribution** invoices on the dates outlined in the *Your Cash Contributions* table in your contract. Cash Contribution invoices usually align with the commencement of each milestone.

MDC will send invoices for your proportion of the **MDC Access fee** on a quarterly basis. Example Cash Contribution and Access fee tables are below

**Cash Contribution table**

Date of Invoice	Milestone	Source of contribution	Contribution amount
01.11.2017	1		
04.11.2017	2		
12.12.2017	3		
17.01.2018	4		
01.09.2018	5		
<b>Total</b>			

**Access fee table**

Date of Invoice	Access fee amount
01.11.2017	\$500.00
01.02.2018	\$500.00
01.05.2018	\$500.00
01.08.2018	\$500.00
<b>Total</b>	<b>\$2,000.00</b>

**Q: Are MDC invoices emailed or posted?**

**A:** MDC invoices are sent to the email address you have provided us. If your email address changes, please let us know at [amcewan@mla.com.au](mailto:amcewan@mla.com.au)

**Q: What is the latest I can pay MDC invoices?**

**A:** Payment is required within 30 days from the date of invoice. MDC has standard payment terms of 30 days.

**2. MLA/MDC paying you:**

**Q: How do we send MLA/MDC my invoice?**

**A:** Please send all invoices via email to

To: [invoices@mla.com.au](mailto:invoices@mla.com.au)

CC: [amcewan@mla.com.au](mailto:amcewan@mla.com.au)

Subject: Project Reference Number (This is the P.PSH.XXX code on your contract with MLA/MDC)

**Q: What do we need to put on the invoice?**

**A:** Please ensure all the following details are included on your invoice.

1. The document should be titled 'Tax Invoice'
2. Project Reference Number (This is the P.PSH.XXX code on your contract)
3. Addressed to:
  - Meat & Livestock Australia
  - PO Box 1961
  - North Sydney NSW 2059
4. Your name & / or company name
5. Your address
6. Your ABN
7. Your invoice number
8. Your bank details
9. Your business letterhead (if you have one)

**Q: How does the money flow?**

**A:** After you pay MDC your cash contribution and MLA has confirmed you have achieved the milestone, we will pay your invoice.

**Q: When do we send MLA/MDC our invoice? How quickly can MLA/MDC pay us?**

**A:** You can send MLA/MDC an invoice for the payment associated with each milestone once:

- MLA/MDC has received your project cash contribution; and
- The milestone deliverable has been received, approved, and confirmed by MLA's Project Manager – Producer Demonstration Site Program

MLA/MDC has standard payment terms of 30 days. MLA/MDC will process your invoice on a Monday for payment on Friday of the same week. If you include 7-day payment terms on your invoice we will seek to honour those terms.

If MDC has not received your project cash contribution and/or received and approved the milestone deliverable, payment will be delayed.

**Q: Do we need to provide expense receipts and if so what for?**

A: Yes, MLA/MDC requires you to provide receipts for all project consumables. MLA/MDC does not require receipts for fees.

The *Milestones, Budget and Payments* table in your contract outlines the maximum amount of fees and expenses you can invoice MLA/MDC for. Fees must be invoiced in the same breakdown as in the payment table. For example, in the table below, fees for milestone 1 cannot exceed \$5,000.00 and the total project fees cannot exceed \$20,000. Expenses must not exceed a total of \$7,500.00 and receipts must be provided to support the claim.

**Milestones, budget, and payments**

Milestones	Provider	Start Date	Completion Date	Fees (\$) ex GST	Operating Expenses (\$) ex GST	Total (\$) ex GST
Milestone 1				5,000.00	2,500.00	7,500.00
Milestone 2				5,000.00	2,500.00	7,500.00
Milestone 3				10,000.00	2,500.00	12,500.00
<b>TOTAL</b>				<b>20,000.00</b>	<b>7,500.00</b>	<b>27,500.00</b>

**Q: Do we send you our expenses as they are incurred?**

A: No. Expenses can be claimed at the end of each completed milestone. MLA/MDC is only able to pay on expenses already incurred. Supporting documentation can be copies of your receipts or a printout from your finance system. If providing a printout from your finance system this is on the understanding that you may be asked to provide copies of the relevant receipts at a later date.

**Q: Do we include GST on my invoice?**

A: Yes, for items where GST is applicable. The *Milestones, Budget and Payments* table in your contract shows excluding GST (ex GST). However, when you submit your invoice to MLA/MDC for payment, GST should be added to relevant items.

**Q: What if we do not use all the project budget?**

A: If you do not spend all your project budget, MDC will return the remaining project Cash Contribution funds in the same proportions they were received in.

**Q: If we have unspent contribution funds after a milestone is completed, when do I get refunded for the unspent contribution funds I have paid to MDC?**

A: Unspent funds on a milestone can be rolled over to the next milestone. Any unspent contribution funds will be refunded after the project is completed.

**Q: What if we have overspent?**

A: If you think you are likely to overspend, please inform MLA well before the project is overspent. You will need to inform us that you may require additional funds. Additional funds will be allocated

on a competitive basis. If you overspend without informing MLA, MLA will not be responsible for any loss incurred.

### **3. Other (covering contractual relations, access fee, cash contribution)**

#### **Q: Can we offset my cash contribution to MDC by purchasing equipment or consumable goods for the project?**

**A:** No, you must pay your cash contribution invoices in full and invoice MDC for your payment after the milestone is completed and confirmed by MLA's Project Manager – Producer Demonstration Site Program. The statutory funding agreement that MDC has with the Federal Government requires all partner cash contributions to pass through MLA.

#### **Q: What is the MDC Access fee for?**

**A:** The MLA MDC program is self-funded and is not supported by industry levy funds. The program can only be offered if sufficient funding is raised within the program to support the management, administration, and delivery of MDC activities.

For this reason, a project access fee is applied to all MDC-supported projects.

The MDC access fee is currently 8% or 12% of the cash contribution value, depending on the type of investment partner.

Industry levy-payer (Producer) partner contributions incur an 8% access fee, while other third-party partners pay 12%.

The access fee is invoiced quarterly or annually, payable to MLA and is on top of the project value (e.g. it is not disbursed to delivery partners as a part of milestone payments).

The MLA GRDC preliminary and full application guidelines (available here: [MLA/GRDC Partnership – Producer Demonstration Site \(PDS\) projects | Meat & Livestock Australia](#)) provide more details on calculating funding and access fee amounts.

#### **Q: What is the contractual relationship between Meat & Livestock Australia Pty Ltd (MLA) and MLA Donor Company (MDC)?**

**A:** MLA Donor Company is a fully owned subsidiary of Meat & Livestock Australia. MDC accelerates innovation across the value chain so the Australian red meat and livestock industry can remain competitive on the world stage. It does this by attracting commercial investment from individual enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry.