

Co-Contributor Producer Demonstration Site Cash-flow Frequently Asked Question (FAQ)

MLA's Co-Contributor Producer Demonstration Site(PDS) aims to increase the rate of adoption of key management practices and technologies that improve business profitability, productivity and sustainability, through supporting groups of livestock producers pursuing new skills, management practices and in local livestock production systems.

Co-Contributor projects require producer investment (cash) in the project, which is matched by the MLA Donor Company (MDC). Funding for these projects is split as follows:

- 50% Levy
- 25% Producer cash contribution
- 25% MDC
- 8% access fee (of total project value)

This FAQ has been developed to assist producer groups to understand the mechanics of cash flow with MDC. For more information on cash flow and invoicing, contact the Alana McEwan, project manager - Productivity and Market Insights on amcewan@mla.com.au or 07 3620 5227/0417 541 000.

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		
Total			

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
Total	\$2,000.00

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

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: pmo@mla.com.au

CC: 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 of 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:
Attention: Project Management Office (PMO)
MLA/MDC
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 - Productivity and Market insights

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
TOTAL				20,000.00	7,500.00	27,500.00

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 of 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 - Productivity and Market

Insights. 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: All MDC projects include an access fee to cover costs associated with providing and operating MDC programs. The Access Fee enables MDC to provide programs like Co-Contributor Producer Demonstration Site projects. For Co-Contributor Producer Demonstration Site projects an 8% access fee of the total project value applies.

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.