Southern New England Landcare

POLICY
INTEREST ALLOCATIONS TO SUB-GROUP ACCOUNTS

Policy number	N/A	Version	2
Drafted by	Karen Zirkler	Approved by Board on	12 August 2026
Responsible person	Karen Zirkler	Scheduled review date	June 2028

Purpose

This policy guides the allocation of interest on accounts held by Southern New England Landcare Ltd.

Scope

Southern New England Landcare Ltd manages funds for its member sub-groups (hereafter, ‘sub-groups’). These funds are tracked separately in the Xero accounting system using the Track Categories feature. All funds are held together in the organisation’s bank account, where they accrue monthly interest. This policy outlines how interest earned is fairly distributed among the sub-group accounts.

Definitions

Sub-group funds: Funds held by Southern New England Landcare Ltd on behalf of member sub-groups.

Company funds: Funds belonging directly to Southern New England Landcare Ltd.

Pro-rata allocation: Distribution based on each sub-group's proportion of total sub-group funds.

Policy

Interest earned on Southern New England Landcare Ltd cash holdings shall be allocated quarterly to sub-group accounts in proportion to their share of total sub-group funds. An administration fee of $200 per annum ($50 per quarter) will be deducted before the allocation is distributed.

Exceptions

Where total interest earned for a quarter is less than the administration fee, the Board may determine that no interest allocation is made for that quarter.

Negative sub-group balances are not eligible for interest allocations.

Responsibilities

The CEO (or delegated staff member) is responsible for calculating and processing interest allocations each quarter. The Board of Directors reviews the allocation through the quarterly financial reporting process.

Timing

Interest income is allocated to the sub-group accounts and the administration fee is charged quarterly, as part of the preparation of the quarterly financial reports presented to the board of directors.

Procedure

A detailed procedure is provided in the attachment.

Records

The completed Interest Allocation spreadsheet, supporting Xero reports and journal entries must be retained in the quarterly Board Meeting financial reporting folder.

Authorisation

Emeritus Professor Nick Reid
Chair, Southern New England Landcare Ltd

12 August 2026

PROCEDURE
INTEREST ALLOCATIONS TO SUB-GROUP ACCOUNTS

Summary

The total funds held by sub-groups is calculated as a percentage of the organisation's overall cash funds. The total interest earned on the organisation's overall cash funds is multiplied by the percentage calculated in Step 1 to determine the interest attributable to sub-group funds. This is the amount of interest owed to sub-groups for the quarter. The Administration Fee of $50 is subtracted from this interest and credited to Southern New England Landcare's company funds. The remainder of the interest earned by the sub-groups is allocated in proportion to each sub-group's quantum of funds.

Methodology

1. Obtain quarter-end sub-group balances
2. Export Balance Sheet from Xero
3. Determine total cash holdings
4. Export account transactions
5. Determine total interest income
6. Calculate interest attributable to sub-groups
7. Deduct administration fee
8. Allocate remaining interest proportionally
9. Process journal entry
10. Update quarterly financial reports

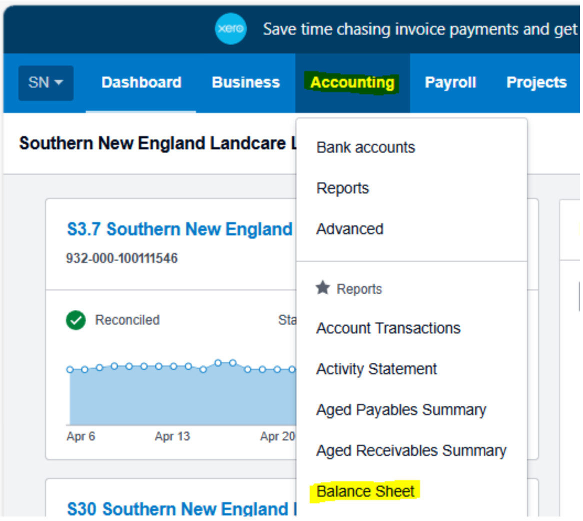
Further detail is provided in the steps below.

1. Open Z:\ADMINISTRATION\Meetings - Board\2025*current meeting date*\Financial Report 01-07-202X-XX-XX-202X.
2. Enter all information into the Financial Statement (example below) for the quarter.
3. Open Z:\ADMINISTRATION\Meetings - Board\2025*current meeting date*\Financial Report 01-07-202X-XX-XX-202X\Interest Allocation to Sub-Groups 01-XX-202X to XX-XX-202X.
4. Copy and paste as numbers, the Closing balance for all sub-groups from one spreadsheet to the other.
5. In the **Interest Allocation to Sub-Groups spreadsheet,** paste as numbers into Column B, starting at Row 4.

	A	B	C
1	**Interest Calculations for Sub-Groups - Mar 2025 Quarter**		
2			
3	**Sub groups**	**Closing**	**Interest**
4	Armidale Urban Rivercare	$ 4,052.40	$ 28.70
5	Balala - Brushgrove Landcare	$ 1,073.07	$ 7.60
6	BOZO Landcare	$ 30,691.68	$ 217.34
7	Cooney Creek Landcare	$ 758.52	$ 5.37
8	Dangarsleigh Landcare	$ 3,754.32	$ 26.59
9	Dumaresq Landcare	$ 105.84	$ 0.75
10	Friends of Angophora	$ 10,442.95	$ 73.95
11	Friends of Barry Munday Reserve	$ 569.29	$ 4.03
12	Friends of Black Gully	$ 446.08	$ 3.16
13	Glen-Gro Landcare	$ 170.67	$ 1.21
14	Grass Growers Tea Party	$ 28.82	$ 0.20
15	Guyra Landcare Network Group (Malpas Catchment Group)	$ 1,594.20	$ 11.29
16	Harnham Landcare	$ 42,385.98	$ 300.15

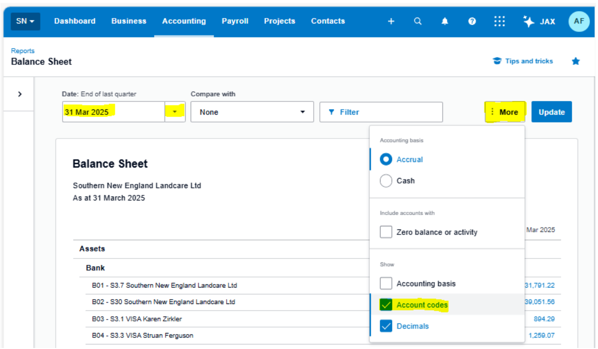
6. In Xero, click on **Accounting** > **Balance Sheet**.

   Note: Alternatively, click on **Accounting** > **Reports** and then select **Balance Sheet**, which is under **Financial Statements** category.

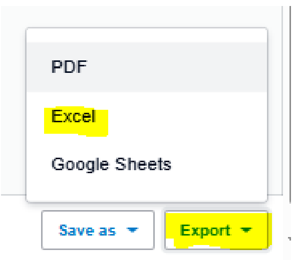


7. Make sure the **Date** is applicable to your reporting quarter. E.g. 31 Mar 2025.

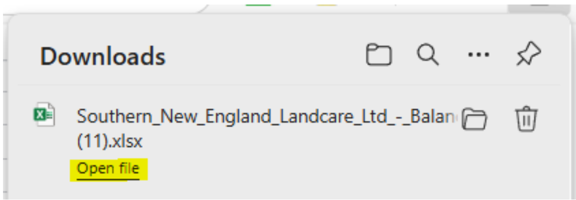
   Click on the **More** button and tick **Account codes**.



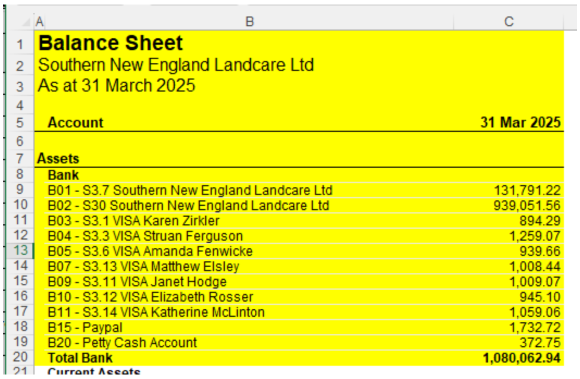
8. Go to the bottom of the screen. Click on **Export** > **Excel**.



9. Click on **Open file**.

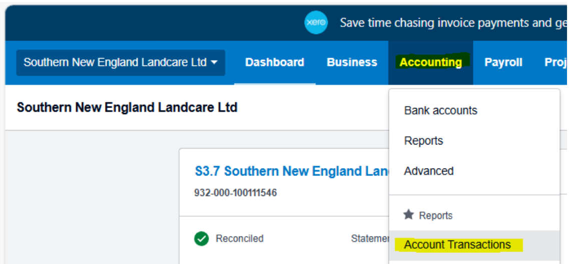


10. Copy this portion of the Balance Sheet (list of banks and amounts).

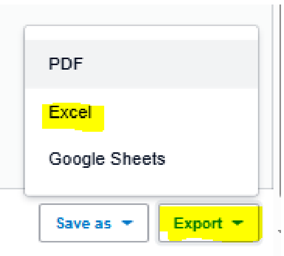


Balance Sheet	
Southern New England Landcare Ltd	
As at 31 March 2025	
Account	**31 Mar 2025**
Assets	
Bank	
B01 - S3.7 Southern New England Landcare Ltd	131,791.22
B02 - S30 Southern New England Landcare Ltd	939,051.56
B03 - S3.1 VISA Karen Zirkler	894.29
B04 - S3.3 VISA Struan Ferguson	1,259.07
B05 - S3.6 VISA Amanda Fenwicke	939.66
B07 - S3.13 VISA Matthew Elsley	1,008.44
B09 - S3.11 VISA Janet Hodge	1,009.07
B10 - S3.12 VISA Elizabeth Rosser	945.10
B11 - S3.14 VISA Katherine McLinton	1,059.06
B15 - Paypal	1,732.72
B20 - Petty Cash Account	372.75
Total Bank	**1,080,062.94**
Current Assets	

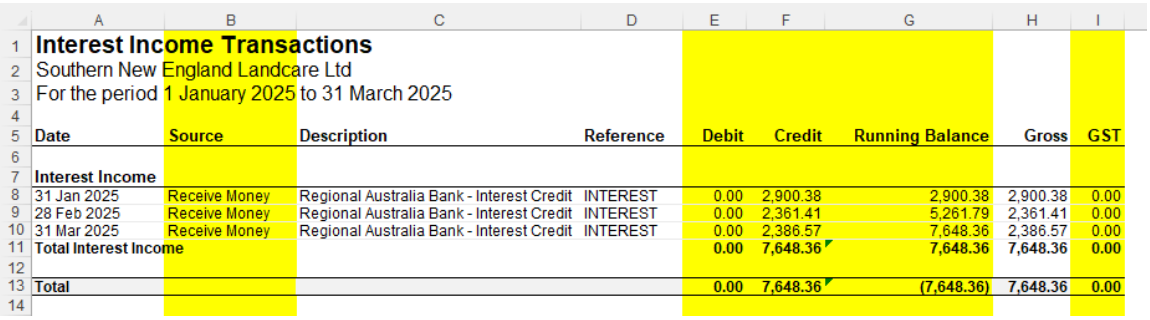
11. Paste into columns E-G/rows 3-21 of the Interest Allocation to Sub-Groups spreadsheet.
12. In Xero, click on Accounting > Account Transactions.



13. Go to the bottom of the screen. Click on **Export** > **Excel**.



14. Click on **Open file**.
15. Delete Columns B (Source), E (Debit), F (Credit), G (Running Balance) and I (GST).



A	B	C	D	E	F	G	H	I
Interest Income Transactions								
Southern New England Landcare Ltd								
For the period 1 January 2025 to 31 March 2025								
Date	**Source**	**Description**	**Reference**	**Debit**	**Credit**	**Running Balance**	**Gross**	**GST**
Interest Income								
31 Jan 2025	Receive Money	Regional Australia Bank - Interest Credit	INTEREST	0.00	2,900.38	2,900.38	2,900.38	0.00
28 Feb 2025	Receive Money	Regional Australia Bank - Interest Credit	INTEREST	0.00	2,361.41	5,261.79	2,361.41	0.00
31 Mar 2025	Receive Money	Regional Australia Bank - Interest Credit	INTEREST	0.00	2,386.57	7,648.36	2,386.57	0.00
Total Interest Income				**0.00**	**7,648.36**	**7,648.36**	**7,648.36**	**0.00**
Total				**0.00**	**7,648.36**	**(7,648.36)**	**7,648.36**	**0.00**

16. Copy amended report.
17. Go to the **Interest Allocation to Sub-Groups spreadsheet** and paste into Columns E-H/Rows 27-39.

Interest Income Transactions
Southern New England Landcare Ltd
For the period 1 January 2025 to 31 March 2025

Date	Description	Reference	Gross
Interest Income			
31 Jan 2025	Regional Australia Bank - Interest Credit	INTEREST	2,900.38
28 Feb 2025	Regional Australia Bank - Interest Credit	INTEREST	2,361.41
31 Mar 2025	Regional Australia Bank - Interest Credit	INTEREST	2,386.57
Total Interest Income			**7,648.36**
Total			**7,648.36**

18. Interest income is allocated on a proportional basis.
    Example Calculation

Item	Formula	Amount
Total cash holdings		$1,080,062.94
Total sub-group funds		$138,067.77
Sub-group proportion	= Total sub-group funds ÷ Total cash holdings	12.78%
Total interest earned		$7,648.36
Interest attributable to sub-groups	= Total interest earned x Sub-group percentage	$977.71
Less quarterly administration fee		$50.00
Interest available for distribution	= Interest attributable to sub-groups – Administration fee	$927.71
Individual sub-group allocation	= Interest available for distribution x Sub-group percentage share	

19. Use these interest amount to create a journal entry to allocate.
20. Go to **Xero**, click on **Accounting** > **Manual Journals**. Create a journal entry in the following format:

    DEBIT 495 - Sub-Group Funds – Current (each individual sub-group)

    CREDIT 903 - Sub-Group Funds Liability (total e.g. $977.71)

21. Print off Sub-Group Profit & Loss statements and update the Financial Statement for the current quarter.