

UNALLOCATED FEES POLICY

This document sets out IFA-Aust's policy in relation to unallocated fees

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What are unallocated fees?

Independent Financial Advisers Australia (IFA-Aust) receives advice fees from your clients and passes them on to you each month. From time to time, IFA-Aust receives a payment that we are not able to attribute to a particular adviser or invoice – this becomes an unallocated fee.

Why can't a fee be allocated?

Except for advice fees that are paid to IFA-Aust from product providers, all client fees received must be applied to an invoice in Revex, this includes Ezidebit deductions, electronic funds transfer (EFT) and cheques. There are several reasons why a payment may not be able to be applied to an invoice:

1. The client has used an ambiguous reference as the remittance advice, eg. "FEES", which gives no indication of the invoice or adviser that it belongs to;
2. The client has used their name as part the remittance advice, eg. JANE SMITH FEES, however an invoice does not exist under Jane Smith's record in Revex for the payment to be applied to. This is usually because either a client has paid their fee (based on information in their client service agreement) before their invoice has been generated by the adviser, or when a recurring fee plan has not been created, or has expired;
3. The invoice in Revex is for a different amount to the payment received.

Why are unallocated fees a problem?

If a payment cannot be allocated to an invoice it cannot be passed on to the adviser. It could also result, albeit unintentionally, in a 'fees for no service' scenario – a breach of the Code of Ethics Standard 7 -- if fees have been collected but services are not being provided because an adviser is not aware of the payment.

How does IFA-Aust deal with unallocated fees?

Unallocated fees adviser notification

To ensure that all fees that are received are able to be paid to advisers in a timely manner, the IFA-Aust policy is as follows:

1. Details of unallocated fees are posted to the Adviser Portal each Friday morning (or previous business day if a public holiday), and advisers will receive an email notification that this has occurred. Any unclaimed payments from the previous week will remain on the list and be identified as such.
2. An additional post will also occur on the first working day of each month to include all payments still unallocated that were received during the previous month. Advisers will have until 12pm the following business day to claim fees from that list for them to be included in that month's fee reports. This will be the last unallocated fees post until after the monthly payment run is finalised.
3. The post contains a key to the action required so you can identify why the payment appears on the list and how to rectify it.
4. If, within 21 days of the payment being first included on an unallocated fee post, a fee that:
 - a. can be identified as belonging to a particular adviser but has not had an invoice generated or arrangements made by the adviser to have IFA-Aust refund it to the client, IFA-Aust will, without further notice, either:
 - i. manually generate the invoice in Revex and apply the payment, or
 - ii. contact your client directly to arrange for the payment to be refunded.
 - b. cannot be identified as belonging to a particular adviser will have a bank trace placed on the payment to identify who the payment belongs to. If this happens a fee of up to \$60 may be charged to the adviser which will be deducted from the following month's RCTI.
5. If it becomes necessary for IFA-Aust to undertake any of the actions listed in point 4 it may result in a breach of internal policy being recorded in the register.

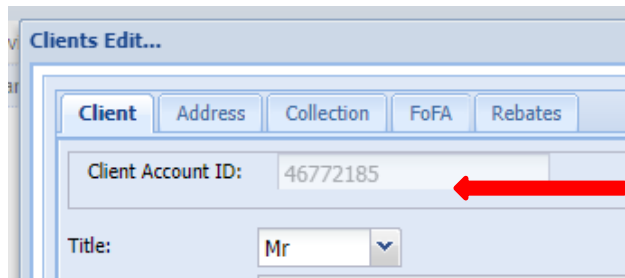
Payment reference guide

If a client is paying by:

6. Bank transfer/EFT and the invoice is:
 - a. a one-off (eg: FRMI, fact find or discovery session, ad-hoc advice), the reference that they enter into the transfer should be either:
 - i. their client code (refer PROC8010 in **\AFSL read only\1.0 TRAINING MATERIALS\HOW TOs**), or
 - ii. their Revex client account ID code (refer screen shot below), or
 - iii. their invoice number.

Any one of these references will ensure the payment is correctly allocated upon receipt of the funds.

- b. A recurring fee where the invoice number will change each month (eg: ongoing fee arrangement, annual agreement being paid in instalments) they should enter either:
 - i. their client code as per PROC8010 in **\AFSL read only\1.0 TRAINING MATERIALS\HOW TOs**, or
 - ii. their Revex 'client account ID'...



7. The webpay link on their invoice they will be prompted to enter their invoice number during the transaction
8. Ezidebit deduction (either bank account or credit card) no code/reference is required however the one-off invoice or recurring fee plan must be entered into Revex to allow for payment to be allocated on receipt of the funds from Ezidebit.

How to claim an unallocated fee

There are two ways to claim an unallocated fee:

1. From the Adviser Portal post notification email:
 - a) click the "Check It Out" button which will open a new browser window and take you to the IFA-Aust 'latest news' page with the unallocated fee post the main item.
2. Within Adviser Portal:
 - a) Log in to the Adviser Portal at <https://www.ifaacommunity.com/>, click on the 'Unallocated fee payments' post on the left hand side under Latest News (or if not listed, click on any of the listings to get to the news page which contains all non-archived post)
 - Select the "Click Here" button under the list of payments. This will generate a new email.
 - In the new email, provide the client name and the invoice number for the payment to be applied to and email it to admin@ifa-aust.com.au.
 - IFA-Aust will confirm receipt of the email and that the payment will be allocated accordingly.
 - Claims that are received after 12pm on the second working day of the month may not be included in the payment run the following day and will be carried forward to the following month.