

## **DESPS ADVISORY NOTICE 05/2007**

### **ESP CLAIMS**

#### **VENDOR NUMBERS**

*DESPS Advisory Notices provide advice or more detailed explanations concerning aspects of the ADF Reserves Employer Support Payments (ESP) Scheme.*

#### **ADVICE**

The following advice is provided specifically in relation to processing of self-employed Reservist claims.

#### **Background**

Self-employed Reservists have a ROMAN Vender Number created when they join the Defence Force for allowances and other payments which can not be paid through CENRESPAY or DEFPAC. This personal vender number generally commences with "3".

When the ESP Scheme was initiated in 2001 and GST was applicable, many self-employed Reservists had another vender number created under their business name with the same bank account details. These vendor numbers generally commenced with "1".

Over time, it was discovered that many Reservists had several vendor numbers and, to eliminate the necessity to create more vendor numbers, it became an acceptable practice that, if the bank account details were the same and the Reservist did not object, then the member's personal vender number was used.

#### **Remittance Advices**

Remittance Advices are sent when Suppliers are paid for goods and services received.

Remittance Advices are not sent to Defence personnel. The amount is credited to the member's bank account with an identifier which advises the member what the payment was for e.g. TA 26 Apr 07.

#### **Issue**

Reservists who are receiving ESP using personal vender numbers are unable to reconcile ESP payments with claims as they do not receive detailed remittance advices.

#### **Solution**

When processing ESP payments, ESP clerks should ensure that all self-employed Reservists have a vendor number created under their business name as a Supplier to Defence. Personal vendor numbers should no longer be used for ESP payments as claimants do not receive remittance information enabling reconciliation of ESP payments with claims.

## **Completing Form AD601 – Credit Union accounts**

When completing Form AD601 – Vendor Creation or Change Request – ROMAN – ESP clerks must complete all applicable sections. If the claimant is using a Credit Union account, the vendor trading name must be the actual account name (eg this could be B. P. Blow or BLOW PTY LTD). If the account name is not entered into the vendor trading name box, the payment may be rejected by the Credit Union.

The Vendor Creation Cell in ROMAN has advised this situation only happens with Credit Unions (and not with all Credit Unions). If other institutions have rejected ESP payments or reject them in the future, this should be advised to the ESP email address ([esp@defence.gov.au](mailto:esp@defence.gov.au)) for attention of Mrs Margaret Roach.

If **delegates or clerks** have any queries about this topic (or about any aspect of the ESP Scheme), they are encouraged to ring the ESP Help Line on 1800 001 696.

*Doug Stedman*

**M.D. STEDMAN**

Director ESP Scheme

**4 April 2007**