Month-end collections close

Fourteen steps in sequence. Work them in order. Steps 6 and 7 are the two that most teams get wrong, and they are the two that decide whether your late payment charges are enforceable.

RUN IN THIS ORDER

01 Pull every architect certificate issued this period. Confirm each one is signed by the developer's architect or engineer in charge of the housing development.

02 Match each certificate to a stage number in the affected unit's payment schedule. Not to the contractor's claim number.

03 List certificates received but not yet invoiced. Carry the number forward. This is the first figure your FD will ask for.

04 Generate progress billings for all certified stages. Stamped SPA units only, unless you have a documented reason to override.

05 Confirm the differential sum is settled on every loan-financed unit before any billing goes to the end financier.

06 Issue billings and record the posting date, not the generation date. The posting date is what the due date is built from.

07 Compute each due date correctly: posting date, plus 5 days deemed receipt, plus 30 days. Not 30 days from the invoice date.

08 Submit every billing to MyInvois. Confirm a UUID is returned against each one. No UUID means not compliant.

09 Review the 72 hour window. Anything needing cancellation must be actioned within 72 hours of LHDN validation. After that it is permanent.

10 Issue e-Receipts against every payment received in the period.

11 Age the ledger by unit, by banker and by lawyer. Flag every instalment past its computed due date.

12 Issue first reminders on all overdue instalments.

13 Issue final notices where 14 days have passed since the first reminder. Diarise the further 14 days.

14 Compute late payment charges at the SPA rate, day to day, from expiry of the 30 day period. Reconcile the total to the general ledger.

THE ESCALATION LADDER

DAY 0	+5 DAYS	+30 DAYS	OVERDUE	+14 DAYS	+14 DAYS	THEN
Billing posted	Deemed received	Payment due	First reminder	Final notice	Last chance	Notice of termination

Quarter-end and year-end add-ons

- Form 7(f) quarterly progress report. Submission window opens on the 1st and closes on the 21st of April, July, October and January. Via HIMS.
- Form 7(e) audited annual financial statements plus the Gazette notice. Within six months of the company's financial year end. Via HIMS.
- Housing Development Account withdrawal applications, each supported by an architect's certificate.

If it reaches termination

- Apply the purchaser's prior payments to any outstanding late payment charges first.
- Forfeit the sum stipulated in the executed SPA. Confirm the rate and the payments-received threshold against the SPA, not from memory.
- Refund the balance to the purchaser. Neither party then has any further claim under the agreement.
- Record the termination before the unit is relisted, and keep the full history.

CLOSE SIGN-OFF

PREPARED BY	REVIEWED BY	PERIOD	UNITS CLOSED	UNINVOICED CERTS C/F

FORWARD THIS UP

→ Certificates received but not invoiced is the single number that converts directly into uncollected cash. Ask for it every month.

→ Due dates built from the invoice date rather than deemed receipt make late payment charges unenforceable. That is revenue we are entitled to and are not charging.

→ Every day between certification and billing is a day of drawdown that has not been requested from the bank.

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Architect certificate to invoice

Seven checks before you bill. These are the errors that come back as reversals, credit notes and a fresh 30 day clock.

> **Why this sheet exists.** Under the prescribed SPA, every notice requesting a progress payment must be supported by a certificate signed by the developer's architect or engineer in charge. Where that notice is incomplete or does not comply, the developer is not entitled to impose late payment charges on that instalment. A sloppy billing does not just create rework. It forfeits the charge.

THE SEVEN CHECKS

01 **Signatory.** Signed by the developer's architect or engineer in charge of the housing development. A certificate from the contractor, the project manager or any other consultant is not a valid progress claim certificate.

02 **Reference and date.** Certificate reference number and issue date recorded against the billing. If you cannot produce them on demand, you cannot defend the billing.

03 **Stage match.** The certified stage matches the stage number and description in that unit's payment schedule. Contractor claim numbers and Third Schedule stage numbers are different things.

04 **Unit list.** Every unit in the billing run appears on the certificate. Units sold mid-progress need their earlier certified stages billed too, and those are the ones that get missed.

05 **SPA status.** The e-SPA is signed and stamped, with the stamp certificate on file against the unit. Bill stamped units only unless there is a documented and approved reason.

06 **Differential sum.** On loan-financed units, confirmed settled, with the confirmation of settlement letter issued to the end financier's solicitor. No confirmation means no drawdown.

07 **Buyer TIN.** Validated before submission. A missing TIN blocks the e-Invoice, and a blocked e-Invoice holds the whole stage.

What a missing or invalid certificate costs you

- No late payment charge on that instalment, because the notice does not comply.
- The Housing Development Account withdrawal for that stage is not supportable. Every withdrawal must be supported by an architect's certificate.
- The end financier has nothing to disburse against, so the stage is simply not funded.
- Wrong stage or wrong unit means credit note, re-billing, and a brand new 30 day payment clock.

Record these four fields, every time

- Certificate reference number as issued by the architect.
- Certificate date, which is the certification date, not the date it reached your desk.
- Stage number and description exactly as they appear in the payment schedule.
- Affected units, as a list attached to the certificate record rather than typed into the billing.

If the certificate arrives on paper, log it the same day. The gap between the site team receiving it and credit admin seeing it is where the money goes.

FORWARD THIS UP

→ Late payment charges are only enforceable where the progress claim notice complies with the SPA. Non-compliant billings quietly write off charge income we are entitled to.

→ The architect's certificate gates three things at once: the billing, the bank drawdown, and the Housing Development Account withdrawal. One document, three cash consequences.

→ Certificate-to-invoice lag is measurable. If nobody owns that number, nobody is managing it.

Multi-party billing matrix

Who gets billed what, at every stage. Cash purchasers and loan purchasers run on different rails from the second instalment onwards.

THIRD SCHEDULE INSTALMENT	%	CASH PURCHASER	LOAN PURCHASER
Immediately upon signing the Agreement	10	Purchaser	Purchaser
Foundation of the said Building	10	Purchaser	Purchaser, until the differential sum is settled
Structural framework	15	Purchaser	End financier
Walls with door and window frames in position	10	Purchaser	End financier
Roofing, electrical wiring, plumbing, gas piping, telecommunication trunking	10	Purchaser	End financier
Internal and external finishes including wall finishes	10	Purchaser	End financier
Sewerage works serving the Building	5	Purchaser	End financier
Drains serving the Building	2.5	Purchaser	End financier
Roads serving the Building	2.5	Purchaser	End financier
On vacant possession, water and electricity ready for connection	17.5	Purchaser	End financier
On vacant possession, where title has been delivered to the purchaser	2.5	Purchaser	End financier
On vacant possession, held as stakeholder for the defects liability period	5	Remitted to the developer's solicitor as stakeholder. Do not bank it.	
Total purchase price	100	Every instalment from the second onwards must be supported by an architect's certificate	

The loan purchaser sequence, in order

1. Purchaser settles the differential sum, being the purchase price less the approved loan, after deducting deposits paid.
2. Developer issues a confirmation of differential sum settlement letter to the end financier's solicitor.
3. The solicitor advises the end financier to draw down, with the progress billing attached.
4. Every subsequent progress billing goes directly to the end financier, supported by an architect's certificate.
5. Funds are released into the developer's Housing Development Account, not to the developer directly.

Who else needs a copy, and why

- **End financier's solicitor.** Needs the differential sum confirmation and the billing in order to advise drawdown. Miss this and the bank never releases.
- **Purchaser.** Copy on every billing, even when the financier is the one paying. The liability stays with the purchaser.
- **SPA solicitor.** Not a billing recipient at every stage. Copy for the file where your SPA or panel arrangement requires it.
- **Stakeholder solicitor.** Concerned with the final 5% only. Needs the billing history and the architect's certification to make the 8 and 24 month releases.

TWO MISTAKES WORTH NAMING

- Billing all four parties on every stage. The prescribed flow is sequential and conditional. Blanket distribution creates reconciliation noise and duplicate follow-up.
- Billing the financier before the differential sum clears. Without the confirmation of settlement letter the solicitor cannot advise drawdown, so the billing sits and ages for no reason.

FORWARD THIS UP

→ Twenty-five per cent of the purchase price falls due on the vacant possession date. That single date deserves to sit on the finance calendar, not only the operations schedule.

→ The 5% stakeholder sum is collected but not available. It is held by the developer's solicitor and released in two tranches at 8 and 24 months after VP, conditional on defect certification.

→ Bank disbursements land in the Housing Development Account. Collected is not the same as available to spend.

Reversal decision tree

Something is wrong with an issued billing. Work down the questions. Do not pick the document first.

Question 1. Has the e-Invoice been validated by LHDN yet?

NOT YET VALIDATED

Correct and resubmit

No reversal document is needed. Fix the source billing and submit again. Nothing has entered the LHDN record.

VALIDATED

Go to question 2

A UUID has been returned. The invoice now exists in the LHDN record and the clock is running.

Question 2. Are you within 72 hours of validation?

WITHIN 72 HOURS

Cancel or reject, then reissue clean

The cleanest outcome available. Cancel the validated e-Invoice and issue a corrected one. No note document chain to explain later.

PAST 72 HOURS

The invoice is permanent. Go to question 3

It can no longer be cancelled. It can only be corrected by a note document linked to the original by UUID.

Question 3. What is actually wrong? Pick one.

BILLED TOO MUCH, OR THE STAGE SHOULD NOT HAVE BEEN BILLED

Credit note

Reverses value against the original transaction. Must be linked to the original by UUID.

BILLED TOO LITTLE, OR AN ITEM WAS OMITTED

Debit note

Adds value against the original transaction. Also linked by UUID. Do not raise a fresh standalone invoice.

A CONCESSION HAS BEEN AGREED WITH THE PURCHASER

Rebate

Issued as a credit note. It must be offset against the original progress billing before the rebate can be approved.

MONEY SITTING AGAINST THE WRONG TRANSACTION

Offset

Moves an existing credit against an existing debit. No new tax document is created.

LEDGER CORRECTION WITH NO TAX EFFECT

Adjustment

Internal only. If it changes what the purchaser or the financier owes, it is not an adjustment.

MONEY HAS TO GO BACK TO THE PURCHASER

Refund note

Raised after the credit note, never instead of it. The credit note establishes the reduction, the refund note moves the money.

Sequence matters more than the document

- Credit note before refund note. Always.
- Offset before the rebate can be approved.
- Reversal before the unit is relisted on termination.
- Never correct a validated invoice by issuing a second invoice. It breaks the UUID chain and it will surface in an audit.

Record these six fields on every reversal

- Reason code, from your own fixed list. Free text is not a reason code.
- Original LHDN UUID.
- Approver name and date.
- Original transaction number.
- New LHDN UUID for the note document.
- Whether the purchaser, the financier or both were notified.

FORWARD THIS UP

→ The 72 hour cancellation window is the difference between a clean correction and a permanent note chain. It is a process control, not a software feature.

→ Reversal volume by reason code is the cheapest quality metric in the department. If the same code keeps appearing, the problem is upstream of credit admin.

→ Unlinked corrections break the UUID document chain, which is exactly what an audit looks for first.

VP handover billing checklist

Three blocks, in order. Before the notice, on the notice, and the two dates you have to diarise the moment vacant possession is delivered.

BLOCK A · BEFORE YOU SERVE THE NOTICE OF VP

- [ ] Certificate of Completion and Compliance issued by the architect.
- [ ] Water and electricity supply ready for connection to the unit.
- [ ] **Strata only.** Strata title issued, or the Housing Controller's written approval to deliver VP without strata title.
- [ ] **Strata only.** Deposit to rectify common property defects lodged with the Commissioner of Buildings, in cash or bank guarantee. Not less than 0.5% of the estimated construction cost excluding land, or RM50,000, whichever is higher. Notice of intention to deliver VP given to the COB 21 days beforehand.
- [ ] Electricity and water deposit receipts for each parcel, from the Project Manager.
- [ ] **Strata only.** Maintenance charges and sinking fund invoices, from the Property Manager.
- [ ] VP Statement prepared, covering quit rent, assessment, and water and electricity deposits.
- [ ] VP Billing prepared. All prior instalments settled and receipted.

BLOCK B · SERVE, BILL AND COLLECT

- [ ] Notice of VP served by registered post and email. Record the posting date.
- [ ] Deemed vacant possession is 30 days from service, whether or not the purchaser collects the keys. The defects liability period and both stakeholder clocks start then regardless.
- [ ] Bill 17.5% on vacant possession with water and electricity ready for connection.
- [ ] Bill 2.5% where the title has been delivered to the purchaser or the purchaser's solicitor.
- [ ] Collect 5% and remit it to the developer's solicitor as stakeholder. It is not developer cash and it does not go into the operating account.
- [ ] Prorate quit rent and assessment from the date the purchaser takes vacant possession or the date of transfer, whichever is earlier.
- [ ] Bill maintenance charges and sinking fund. Commonly four months' contribution, billed in advance.
- [ ] Loan-financed units: confirm the final drawdown has been received into the Housing Development Account.

BLOCK C · DIARISE ON THE DAY VP IS DELIVERED

8 months	First 2.5% stakeholder release. Blocked while any defect notice served before that date is unresolved. Requires the developer's architect to certify the defect made good.
24 months	Remaining 2.5% stakeholder release, on the same condition. The defects liability period ends.
Strata only	Common property defects deposit refunded on expiry of the common property defects liability period, or completion of rectification to the COB's satisfaction, whichever is later.
After CCC	Apply to the Controller to withdraw the Housing Development Account surplus.
After DLP	Once the solicitor certifies that titles have transferred for every SPA, apply to withdraw the remaining monies and close the account.

FORWARD THIS UP

→ The VP date triggers 25% of the purchase price, the start of a 24 month statutory liability, and the start of the developer's building management obligation. One date, three consequences.

→ Deemed possession means an absent buyer pauses nothing. The liability clocks run on our timetable, not theirs.

→ Cash remains locked after handover: the 5% stakeholder sum in two tranches, and the common property defects deposit until the COB is satisfied.

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Billing system specification checklist

Twenty things a property development billing system has to do. Tick what yours does today. There is no score, and no total to feel bad about.

#	CAPABILITY	DOES IT TODAY	MANUAL WORKAROUND	NO
A · BILLING GENERATION				
1	Payment schedules held per unit and per phase, with stage numbers and descriptions	☐	☐	☐
2	Architect certificate held as its own record, with reference number, date, stage and affected units	☐	☐	☐
3	Billing amount pulled from the unit's payment schedule, not keyed in by hand	☐	☐	☐
4	Restrict a billing run to stamped SPA units, as a controlled option	☐	☐	☐
5	Bill without an architect certificate as a logged, approved exception rather than a silent override	☐	☐	☐
B · DISTRIBUTION AND COLLECTION				
6	One action distributes to purchaser, end financier and the financier's solicitor, with no manual letters	☐	☐	☐
7	Differential sum settlement confirmation generated and tracked per unit	☐	☐	☐
8	e-Receipt issued automatically on payment received	☐	☐	☐
9	Reminder and final notice cadence configurable per project	☐	☐	☐
10	Late payment charges computed day to day at the SPA rate, from the correct due date	☐	☐	☐
C · COMPLIANCE				
11	e-Invoices submitted to MyInvois by API on approval, with the UUID returned and stored	☐	☐	☐
12	The 72 hour cancellation window tracked per validated invoice	☐	☐	☐
13	Credit, debit, refund and rebate notes linked to the original document by UUID	☐	☐	☐
14	Buyer TIN validated at booking, before any billing is raised	☐	☐	☐
15	Unit and purchaser data synced to HIMS, with the e-SPA stamp certificate held against the unit	☐	☐	☐
D · CONTROL AND REPORTING				
16	Standing report of architect certificates received but not yet invoiced	☐	☐	☐
17	Aging by unit, by banker and by lawyer, not just by customer	☐	☐	☐
18	Housing Development Account withdrawal documentation supportable per stage	☐	☐	☐
19	Sales progress extract ready for the quarterly Form 7(f) submission	☐	☐	☐
20	Termination recorded before the unit is relisted, with forfeiture computed per the SPA and full history retained	☐	☐	☐

How to read your own ticks

- Every line in the manual workaround column is a person doing a system's job. Headcount cost and single point of failure at once.
- Every line in the no column is either a control you do not have, or a compliance obligation someone is carrying in their head.
- Lines 11 to 15 are not preferences. They are mandated, and the mandate does not care what your system can do.

Use it on your own system first

- Fill it in for the system you run today, first. The gaps are your requirements list.
- Then hand the same sheet to any vendor, including us. Same twenty lines, same three columns.
- Generic receivables modules clear group B and fail A, C and D. That is where property development stops being generic.

FORWARD THIS UP

→ The workaround column is the honest measure of how much of our billing depends on individuals remembering things.

→ Groups A, C and D are the property-specific half. Testing only invoicing and collection tests the easy half.

→ The completed sheet is the requirements document, whatever we decide to do next.