

 <p>DISTRICT COUNCIL of TUMBY BAY</p>	POLICY# 5.02 Accounts for Payment POLICY AREA Finance	Version No:	4
		Issued:	Nov 2015
		Next Review:	Feb 2017

Aims & Objectives

To provide direction for Council officers to undertake payment of Council accounts and payroll.

To provide for appropriate and accountable payment processes.

Policy Detail

1. All disbursements over one hundred dollars (\$100.00) shall be by cheque, electronic funds transfer (EFT) or by credit card.
2. All invoices, purchase orders, goods received notes/notification packing notes and cart notes (if applicable), are to be forwarded to Council Administration without delay.
3. Invoices and supporting documentation are to be referred to the ordering officer to check the calculations, additions and extensions of the invoices, allocate account numbers and authorise the invoices for payment. Invoices over one hundred dollars (\$100) in value are not to be processed unless a purchase order is attached and the receipt of the goods has been validated. Items on a purchase order which have not been received are to be marked as "on backorder" and a copy of the purchase order is put with the invoice received. Original purchase order to be put with invoice only when all items have been received.
4. Invoices will be processed for payment on a fortnightly basis by the Finance Officer and verified by the Deputy Chief Executive Officer. **Payments to be made under the Building and Construction Security of Payments Act will be paid in accordance with clause 19 of this policy.**
5. A cheque shall only be prepared when:-
 - (a) An invoice (tax compliant) has been presented which describes the goods or services supplied.
 - (b) The invoice has been authorised for payment by a responsible officer and verified that the goods or services have been received in accordance with the relevant official purchase order or the invoice matches the authorised signed order.
 - (c) The prices charged are fair and reasonable.
 - (d) The calculations, additions and extensions are correct.
 - (e) The invoice has not previously been paid.

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6. A payment voucher must be prepared where an invoice in the name of the District Council of Tumbly Bay is not present. Situations where this may arise include the reimbursement of expenses, refunds of amounts overpaid and the payment of donations. The payment voucher must where possible include supporting documentation for reimbursements, refunds and for donations. The payment voucher must contain the following information:-
 - (a) The date;
 - (b) Name and address of the payee;
 - (c) Cost account number and total for each cost account on each invoice;
 - (d) Total amount of the payment;
 - (e) Signature of the relevant officer authorising the payment.
7. A cheque shall be prepared from the information contained on the invoice or payment voucher, whichever is applicable, and under no circumstance may third party payments be made.
8. The cheque, together with the supporting documentation, must be presented to the authorised cheque signatories for signing.
9. No cheque shall be signed unless accompanied by a duly authorised invoice or payment voucher.
10. All cheques are to be issued in sequential order and are to be marked as 'Not Negotiable'.
11. All cheques shall be signed by any two authorised persons.
12. In processing of invoices, all payment vouchers and supporting documentation shall be stamped '*PAID*' immediately after the relevant invoice has been input into Authority.
13. The Chief Executive Officer shall cause to be prepared a list of all payments made from Council's operating bank account at least each month. The list shall contain:-
 - Payee
 - Cheque number or EFT reference number
 - Amount
14. Reconciliations
 - Suppliers' statements (where available) are to be reconciled monthly to invoices and payments made.
 - Creditors' control account is to be reconciled monthly to the creditors' ledger; and discrepancies/reconciling items are promptly followed up.
 - Creditors' ledger balances are to be regularly reviewed and unusual items such as debit balances investigated.

EFT Payments

15. Electronic Funds Transfers (EFT) will be used for the direct crediting of payroll to the bank accounts of employees and for the payment of some creditors.
16. The Finance Officer will produce an EFT file that will be used for processing of the EFT payments. The Finance Officer and Deputy Chief Executive Officer will sign a hard copy of the file as evidence that the totals have been checked against the payment preview generated by AUTHORITY.

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17. An authorised signatory will co-sign the electronic file.
18. When EFT is used for the payment of a creditor, all the respective supporting documentation should be included together with the hard copy of the EFT file and the invoices or payment vouchers will be produced and authorised for payment as per this policy.

Building and Construction Industry Payments

19. BCISPA Payment Process

Payment Claims made under the Building and Construction Industry Security of Payments Act 2009 (BCISPA) shall be given to the authorising officer as soon as possible following receipt of the claim.

The authorising officer shall then determine if the claim is to be paid in full and if so authorise the immediate payment of the claim.

Where part payment of a claim is to be made the authorising officer shall:

- (a) Within 15 days issue a “payment schedule” to the contractor detailing the payment to be made and the basis for withholding part payment.***
- (b) Authorise immediate payment of the undisputed part of the claim.***

Strategic Link:

Delegation:

Authorised persons to sign cheques shall be:-

- Mayor
- Deputy Mayor
- Chief Executive Officer
- Deputy Chief Executive Officer
- Finance Officer

Authorised persons and limits for EFT payments are:-

- Chief Executive Officer - \$500,000.00 per day
- Deputy Chief Executive Officer - \$500,000.00 per day
- Finance Officer - \$250,000.00 per day
- Executive Assistant - \$250,000.00 per day

Documentation (Legislation & Forms):

Authority: Adopted by Council: 10/11/2015 {Motion 7c/112015}

SIGNED:

Responsible Officer

Date: ____/____/____

Last Updated by	Glenda Pickford Addition: Minor changes	Executive Assistant	Date	13/11/2015
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