

MATATIELE LOCAL MUNICIPALITY



MATATIELE

LOCAL MUNICIPALITY

PAYMENT POLICY

<u>POLICY INFORMATION</u>	
<u>DATE OF COUNCIL ADOPTION:</u>	22/05/2024
<u>COUNCIL RESOLUTION NUMBER:</u>	CR 652/22/05/2024
<u>POLICY NUMBER:</u>	MLM/BTO/P22



MR. LMATIWANE
MUNICIPAL MANAGER

22/05/2024
DATE



CLLR. S.MNGENELA
MAYOR

22/05/2024
DATE



CLLR N NGWANYA
SPEAKER COUNCIL

22/05/2024
DATE

Policy on Payment 01 July 2024

Where Nature, Agriculture, Tourism are Investments of Choice.

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 522 Finance Office: 039 737 3565 Disaster and Fire: 039 7364610 039 523 2223
Police(SAPS): 039 737 2204 039 737 2205 Water: 039 737 1476 Ambulance: 039 737 1477 Traffic: 079 522 9774



Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next Review	

Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council.

Policy on Payment 01 July 2024

Where Nature, Agriculture, Tourism are Investments of Choice.

Electrical Services: 079 522 9170 Prepaid Sales: 079 522 0272 Finance Office: 039 737 3565 Disaster and Fire: 039 2560610/079 523 2223
Police(SAPS): 039 737 3565 Water: 079 522 9170 Ambulance: 039 737 3565 Traffic: 079 522 9170



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1.1.11 Disputed payments will be returned to the creditors section. It is the responsibility of the creditors section to ensure that the supporting documentation is complete.3	
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1.1.14 The cheques and the supporting documentation are forwarded to the Municipal Manager and Chief Financial Officer or to the signatories appointed by them for signing.3	
1.1.16 Every signatory must inspect the documentation and satisfy him or herself as to the validity of the expense before he/she signs the cheque.4	
1.1.17 Two signatories must sign every cheque.4	
1.1.18 The cheque number must be annotated on the supporting documentation. The documentation should also be stamped as evidence of it being paid.4	
1.4 Electronic payments	4
1.1.20 The Chief Financial Officer or delegated official must prepare the electronic funds transfer (EFT) for those suppliers that are paid electronically.4	
1.1.21 The Municipal Manager and/or the Chief Financial Officer must insert passwords to effect the electronic funds transfer after reconciling it to the relevant supporting documents.4	
1.1.22 The Chief Financial Officer or delegated official must stamp the supporting documentation as paid.4	
1.5 Debit Order payments	4
1.1.25 The accounting section should prepare a schedule of all debit orders that were processed in any respective month. This schedule will form part of the monthly bank reconciliation. This schedule should be forwarded to the creditors section. 4	

Policy on Payment 01 July 2024

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Electrical Services: 0344 524 9770 Prepaid Sales: 0714 523 022 Finance Office: 0344 737 3561 Disaster and Fire: 029 2560910/079 523 2223
Police(SAPS): 0344 7429914 Water: 0344 720 1470 Ambulance: 0344 Traffic: 0344



1.1.27 The schedule accompanied by supporting documentation should be submitted to the Chief Financial Officer to satisfy himself/herself that these are in order. 5

1.1.28 The Chief Financial Officer signs this schedule as evidence that he/she has inspected the supporting documentation and is satisfied as to the validity of the deduction.....5

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Policy on Payment 01 July 2024



2. OBJECTIVE

The objective is to describe the process to be followed regarding payment of invoices from creditors.

3. GUIDELINES

1.1 Batch processing of payment requests

The creditors section receives the following in batches on a weekly basis:

- Orders with corresponding requisitions from the purchasing section;
- The suppliers delivery note and the internal goods received note (GRN) from the stores section; and
- If the supplier forwards his invoice with the delivery note, the receiving official should forward the invoice to the creditors section who should immediately on receipt of the invoice put a date stamp on the invoice.
- If the invoice relates to a service that was supplied, the official that requested the service should sign the invoice to indicate that the service was received.

1.2 Matching of documentation

Each supplier invoice must be matched to a properly approved requisition and order form. The invoice must then be matched to the delivery note. The description of the goods, the quantity supplied and the signature of the authorized person receiving the goods must be confirmed.

4. Validation of documentation

- 1.1.2 The creditors section is responsible for checking the adequacy and completeness of documents received from the purchasing and stores sections. If the creditors section is not satisfied with the documents received from the purchasing or stores sections, they must interrogate the relevant purchasing or stores officials.
- 1.1.3 In the instance that the creditors section is still unhappy with the explanations supplied by these officials, the matter must be referred to the Chief Financial Officer for resolution.

5. Contract services

- 1.1.4 Where a service is rendered regularly in terms of a standing contract, or where a continuing service such as a telephone is provided, order forms are not required. The official receiving the service must approve the invoice before submitting it to the creditors section for checking and payment.
- 1.1.5 An initial or progress payment in terms of a contract or written agreement shall not be considered an advance but shall be brought into account as a direct charge to the appropriate vote or service. The voucher pertaining to such payment shall:
 - 1.1.5.1 Disclose the total amount payable in terms of the contract;
 - 1.1.5.2 Disclose the total amount of all previous payments in terms of the contract together with the cheque numbers or other appropriate payment references (if not paid by cheque);
 - 1.1.5.3 Disclose the total payment to date, including the payment being made as reflected in the voucher;
 - 1.1.5.4 Disclose the balance due; and
 - 1.1.5.5 Be supported by a certificate from a duly authorized official responsible for the management of the contract, that the supplier is entitled to the payment in terms of the contract and the work has been properly performed

6. Method and Timing

All payments:

- 1.1.6 Should be effected by cheque or preferably electronic transfer. Apart from petty cash, no payments should be made in cash; and
- 1.1.7 Should be made weekly, and, only under exceptional circumstances, as determined by the Chief Financial Officer, should a payment be made outside of these intervals

7. Preparation for Payment

- 1.1.8 The creditors section must prepare a list of payments to be made, differentiating between electronic and cheque payments.
- 1.1.9 The creditors section must present the payment listing together with supporting documentation to the Chief Financial Officer.
- 1.1.10 The Chief Financial Officer must critically inspect the supporting documentation to satisfy himself/herself that the requested payments are in order.
- 1.1.11 Disputed payments will be returned to the creditors section. It is the responsibility of the creditors section to ensure that the supporting documentation is complete.

1.3 Cheque payments

- 1.1.12 Cheque requisition forms are completed in the creditors section for each cheque payment.
- 1.1.13 These cheque requisition forms will be forwarded to an official who has been assigned the responsibility to prepare cheques.
- 1.1.14 The cheques and the supporting documentation are forwarded to the Municipal Manager and Chief Financial Officer or to the signatories appointed by them for signing.
- 1.1.15 The Municipal Manager and Chief Financial Officer may elect for cheques above a certain amount to be signed by the Municipal Manager and the Chief Financial Officer personally. These limits must be formally documented and strictly adhered to.

- 1.1.27 The schedule accompanied by supporting documentation should be submitted to the Chief Financial Officer to satisfy himself/herself that these are in order.
- 1.1.28 The Chief Financial Officer signs this schedule as evidence that he/she has inspected the supporting documentation and is satisfied as to the validity of the deduction.
- 1.1.29 If any deduction is disputed by the Chief Financial Officer then it will be referred to the creditors section, which will be responsible for following up on all queries with regard to payments.

DOCUMENTATION

The creditors section is responsible for maintaining all documentation relating to creditor payments.

RECONCILIATION

This includes a weekly reconciliation of the creditor's statements to the accounting records maintained by the Municipality.

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Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3565 Disaster and Fire: 039-2560610/079 523 2223
Police(SAPS): 039-7379904/9905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 9774

