

## MATATIELE LOCAL MUNICIPALITY PAYMENT POLICY

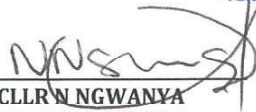
<u>POLICY INFORMATION</u>	
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<u>POLICY NUMBER:</u>	MLM/BTO/P22

  
MRS N.N. ZEMBE  
ACTING MUNICIPAL MANAGER

28/05/2026  
DATE

  
CLLR M.P. STUURMAN  
MAYOR

28/05/2026  
DATE

  
CLLR N. NGWANYA  
SPEAKER COUNCIL

28/05/2026  
DATE

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.

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## **1. OBJECTIVE**

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

## **2. GUIDELINES**

### **2.1 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.

### **2.2 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.

## **3. VALIDATION OF DOCUMENTATION**

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.

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.



#### **4. OBJECTIVE**

The objective is to describe the process to be followed regarding payment of invoices from creditors to ensure compliance with Section 65(2)(e) of the MFMA in that it requires the Accounting Officer to take all reasonable steps to ensure that all monies owed by a Municipality must be paid within 30 days from receiving a valid Tax Invoice.

#### **5. GUIDELINES**

##### **5.1 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 date stamp it and forward it to the creditors section.
- 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.

##### **5.2 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.

##### **5.3 Validation of documentation**

5.3.1 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.

5.3.2 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.

#### **5.4 Contract services**

- 5.4.1 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.
- 5.4.2 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 segment or service. The voucher pertaining to such payment shall:
  - 5.4.2.1 Disclose the total amount payable in terms of the contract;
  - 5.4.2.2 Disclose the total amount of all previous payments in terms of the contract together with the payment/voucher numbers or other appropriate payment references;
  - 5.4.2.3 Disclose the total payments to date, including the payment being made as reflected in the voucher;
  - 5.4.2.4 Disclose the balance due; and
  - 5.4.2.5 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

## **5.5 Method and Timing**

All payments:

- 5.5.1 Should be effected preferably by electronic transfer. Apart from petty cash, no payments should be made in cash; and
- 5.5.2 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

## **5.6 Preparation for Payment**

- 5.6.1 The creditors section must prepare a list of electronic payments to be made.
- 5.6.2 The creditors section must present the payment listing together with supporting documentation to the Chief Financial Officer.
- 5.6.3 The Chief Financial Officer must critically inspect the supporting documentation to satisfy himself/herself that the requested payments are in order.
- 5.6.4 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.

## **5.7 Electronic payments**

- 5.7.1 The Chief Financial Officer or delegated official must prepare the electronic funds transfer (EFT) for those suppliers that are paid electronically.
- 5.7.2 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.
- 5.7.3 The Chief Financial Officer or delegated official must stamp the supporting documentation as paid.
- 5.7.4 The Municipal Manager can elect to adopt the same delegated authorisation limits referred to in 2.7 above.



### **5.8 Debit Order payments**

- 5.8.1 In certain circumstances, the Municipality may have entered into agreements requiring payment by debit order. These arrangements must be authorised by the Chief Financial Officer and/or the Municipal Manager.
- 5.8.2 The Cashbook 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.
- 5.8.3 The Cashbook section will be responsible for providing documentation to support the validity of these deductions
- 5.8.4 The schedule accompanied by supporting documentation should be submitted to the Chief Financial Officer to satisfy himself/herself that these are in order.
- 5.8.5 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 debit orders.
- 5.8.6 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.

## **6. DOCUMENTATION**

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

## **7. RECONCILIATION**

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