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## FP006 – Timely Payment of Creditor Accounts

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### 1. Intention

To provide for the timely payment of creditor accounts (supplier invoices) and methods of payment. This policy should be read in conjunction with the Purchasing and Procurement Policy and Purchase Orders Policy.

### 2. Scope

This policy applies to Elected Members and employees of the Shire of Waroona.

### 3. Statement

In accordance with Clause 12 of the *Local Government (Financial Management) Regulations 1996*, Council may delegate the authority to the Chief Executive Officer to authorise payments from the Municipal, Trust and Reserve Funds.

Payments may be made by the following methods:

#### 1. Electronic

Where a payment is to be made electronically it shall be made utilising Council's online banking facility by means of a personal identification number (PIN) and bank token.

The following employees shall be issued with an approved authority token of which any two (2) may authorise a payment:

- Chief Executive Officer
- Director Corporate Services
- Director Infrastructure Services
- Manager Corporate Services
- Manager Works & Waste Services

Each employee is responsible for the token and its use and under no circumstances shall the token be distributed to another employee.

#### 2. Direct Debit

Authority for direct debit shall be any two of the following employees:

- Chief Executive Officer
- Director Corporate Services
- Director Infrastructure Services
- Manager Corporate Services
- Manager Works & Waste Services

Such transactions must be included as part of any list of payments presented to Council.

### 3. Cheque

Where practical, employees shall settle accounts that are due and payable on a fortnightly basis. Notwithstanding that employees are authorised to make a special payment at any time where an incentive to pay is offered (discount etc) or due to contract requirements.

Cheque signatures shall be any two of the following employees:

- Chief Executive Officer
- Director Corporate Services
- Director Infrastructure & Development Services
- Manager Corporate Services
- Manager Works & Waste Services

### 4. Credit Card

Payment of creditor accounts by credit card is not permitted unless specifically authorised and actioned by the relevant credit card holder.

*Note: refer to FP004 – Corporate Credit Cards.*

#### 3.1 Listing of Accounts Paid

A list of all accounts paid in the month prior shall be presented to Council at its next Ordinary Council meeting as per Section 13 of the Local Government (Financial Management) Regulations 1996.

#### 3.2 Terms of Payment

Standard payment times for all creditor accounts shall be within 30 days from receipt of the supplier Tax Invoice or date of the invoice.

## 4. Legislative and Strategic Context

The *Local Government Act 1995* and the associated subsidiary legislation provide the broad framework within which this policy operates.

## 5. Review

This policy is to be reviewed triennially.

## 6. Associated Documents

Nil.

<b>Division</b>	Finance				
<b>Policy Number</b>	FP006				
<b>Contact Officer</b>	Director Corporate Services				
<b>Related Legislation</b>	Local Government Act 1995 Local Government (Financial Management) Regulations 1996				
<b>Related Shire Documents</b>	FP001 – Purchasing and Procurement FP003 – Purchase Orders				
<b>Risk Rating</b>	Medium	<b>Review Frequency</b>	Triennially	<b>Next Review</b>	June 2027
<b>Date Adopted</b>	18/12/2018			OCM18/12/126	

<b>Amendments</b>		
<b>Date</b>	<b>Details of Amendment</b>	<b>Reference</b>
17/12/2019	Updated as part of major review.	OCM19/12/163
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071
25/06/2024	Reviewed with minor amendments	OCM24/06/090
<b>Previous Policies</b>		
FIN027 –Timely Payment of Creditor Accounts		