



Australian Government

**Office of the Australian Building and
Construction Commissioner**

Finance Direction 11

Payment of Accounts

Process Owner:	Chief Financial Officer
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Change History

Update the following table as necessary when this document is changed:

Date	Nature of Change
March 2008	Procedure Drafted
January 2011	Position titles amended
August 2011	Procedure Updated for New Organisational Structure

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1. Commissioner’s Instruction (CI)

Payments shall only be made for goods or services that have been:

- approved by a Delegated Official;
- verified by an appropriate ABCC employee that the “Goods and/or Services have been Satisfactorily Received”; and
- “Certified Correct for Payment” by a Certifying Official appointed by the Chief Financial Officer.

2. Introduction & Objectives

This procedure provides guidance for making payments to suppliers for goods and services. Before making payment a delegated Certifying Official must carry out a number of checks to ensure that the account may properly be paid, including checking that the purchase was approved by a delegated Approver and that “Goods/services were satisfactorily received”.

3. Supporting Information

3.1 Related References & Pronouncements

FMA Act 1997:	<ul style="list-style-type: none"> ■ Section 26 & 27
FMA Regulations:	<ul style="list-style-type: none"> ■ Regulations 9 to 12
Related Finance Directions:	<ul style="list-style-type: none"> ■ Finance Direction 10 – Procurement of Goods & Services ■ Finance Direction 2 – Delegations

3.2 Responsible Officers and Contacts

Position/Title	Level	Responsibility
Assistant Director, Business Services	EL1	Overall responsibility for ensuring accurate and timely processing of payments.
Approver	Various	Employee delegated to approve expenditure proposals.
Certifying Official	Various	Employee delegated to perform specified checks prior to an account being paid.

3.3 Definitions & Terms

Term	Definitions
Tax Invoice	Tax Invoice issued by supplier should include; the words “Tax Invoice”, name and ABN of supplier, date of issue, address or ABN of acquirer, description of services/goods, extent of services provided (where applicable), GST inclusive price and GST amount.

4. Guidelines

4.1 Claims for Payment

4.1.1 All Tax Invoices are, in the first instance, to be sent to Business Services for recording. Business Services will then forward the claim to the relevant business area for endorsement, that is, sign that “Goods/services satisfactorily received”. The claim is then returned to Business Services for checking by a ‘Certifying Official’. When the ‘Certifying Official’ has certified the claim as correct, payment may be scheduled.

4.2 Receipt of Goods and Services

4.2.1 An ABCC staff member is to confirm the satisfactory receipt of the goods or services prior to the invoice being paid. Goods or services delivered should be endorsed as follows:

- Contracted purchases – Contract Manager
- Property purchases – Assistant Director, Business Services
- IT purchases – Director, IT and Performance Analysis
- Legal service purchases – Deputy ABC Commissioner, Legal
- Other purchases for \$500 or more – Staff member, ideally at or above the EL1 level, in a position to have reasonable knowledge of the purchase.
- Other purchases for less than \$500 – Any member of staff.

4.2.2 The staff member receiving the goods or services is to write the following on the supporting documentation (e.g. Tax Invoice):

“Goods/services satisfactorily received”

Signature Date / /

Name

4.2.3 Business areas are to ensure claims are endorsed “Goods/services satisfactorily received” and returned to Business Services as soon as possible and not later than 5 working days of receipt. However, during the last 3 working days of each month claims are to be returned immediately to ensure that expenditure is recorded in the correct month and reports provided to the Executive are accurate.

4.3 Goods/Services Variances

4.3.1 Variances in the goods or services ordered can occur when:

- Goods/services delivered do not agree to the order; and/or
- Goods/services ordered do not agree to the Tax Invoice received.

4.3.2 When goods/services delivered do not equal the order, the receipting staff member should:

- Inform the relevant Business Unit of the variance; and.
- Note the variance on the supporting document before forwarding to Business Services.

4.4 Certification of Payment to Supplier

- 4.4.1 Prior to making a payment to a supplier a delegated 'Certifying Official' must certify the claim as correct for payment.
- 4.4.2 A 'Certifying Official' may undertake any investigations they consider necessary to establish that an account may properly be paid.
- 4.4.3 Before certifying an account, a Certifying Official must:
- a) ensure the wording 'Tax Invoice' appears on the account;
 - b) ensure the account includes the supplier's Australian Business Number;
 - c) ensure that the payment is for the correct amount;
 - d) be satisfied that the account has been approved by an 'Approver';
 - e) endorsed by appropriate ABCC staff member that "Goods/services satisfactorily received";
 - f) be satisfied that the account has not been previously paid;
 - g) ensure that the account is paid in the name of the payee or other approved person;
 - h) ensure that the account reflects the correct account code;
 - i) ensure that any credit notes for the payee have been offset against the amount owing; and
 - j) arrange for accounts to be paid by the due date.
- 4.4.4 Certifying Officials are not subject to any instructions other than those above.
- 4.4.5 In accordance with the Commonwealth General Conditions of Contract (available at <https://www.tenders.gov.au/?event=public.document.list>), accounts shall be paid within 30 days of the acceptance of the goods/service and the receipt of a correctly rendered invoice, unless other terms of trade have been agreed with the supplier in writing or incorporated into the contract for goods/services.

4.5 Cheque Payments

- 4.5.1 Payment by cheque is discouraged. However, in exceptional circumstances e.g. where supplier only accepts cheque or when payment is required immediately, the Chief Financial Officer may approve payment by cheque.