



Fermanagh & Omagh  
District Council  
Comhairle Ceantair  
Fhear Manach agus na hÓmaí

# Payment Policy

Version 2 – December 2021  
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## **Introduction**

Fermanagh and Omagh District Council recognises the importance of cash flow within the supply base and wishes to ensure that the payment process to suppliers is effective and efficient with payments processed as promptly as possible.

The standard payment term of the Council is to provide payment within 30 days from the receipt of a valid/undisputed invoice subject to the satisfactory delivery of the goods and/or services to which the invoice relates.

Where possible, the Council will make payment within 10 working days.

Both Council employees and suppliers have a role to play in facilitating a prompt and efficient payment process.

## **1. Aim**

The purpose of this Policy is to document the Council's approach to the payment for goods and services. This policy will be supported by detailed financial procedures.

## **2. Scope**

The Payment Policy is relevant to all employees involved in the payment process and should be kept in mind by those involved in procuring goods and services.

The Policy has a consequential impact on suppliers to the Council and should be read in conjunction with the Council's Procurement Policy.

## **3. Objectives**

The objective of this Policy is to ensure that the payment approach of the Council is open, clear and transparent to all. The objective of this Policy is to ensure that the payment approach of the Council is open, clear and transparent to all.

## **4. Policy Responsibility**

The Director of Corporate Services & Governance has overall responsibility for the implementation and monitoring of the Payments Policy and Head of Finance has responsibility for the day-to-day management and administration of the Policy.

## **5. Review**

This policy will be subject to scrutiny and, from time to time, updates and re-issues will be circulated.

## **6. Payment Terms and Reporting Requirements**

Fermanagh and Omagh District Council recognises the importance of cash flow to all suppliers of the Council.

The standard payment terms of the Council are to produce payment within 30 days from the receipt of a valid/undisputed invoice subject to the satisfactory delivery of goods / services to which the invoice relates.

The Council is bound by the Late Payment of Commercial Debts (Interest) Act 1988 (as amended by the Late Payment of Commercial Debt Regulations 2002 (SI 1674) and Late Payment of Commercial Debt Regulations 2013 (SI 395).

The Council regularly keeps its payment performance under review.

In line with guidance issued by the Department for Communities (LG 19/2016, Guidance on Prompt Payment of Invoices) the Council will pay suppliers as promptly as possible and endeavour to meet the 10 working day prompt payment commitment made by the Northern Ireland Executive.

Information regarding payment performance will be published on the Council website and submitted to the Department for Communities on a quarterly basis (LG 19/2016).

The Council is one of the bodies subject to mandatory participation in the National Fraud Initiative (NFI) Data Matching Exercise. Details of payments made to suppliers will be supplied to NFI on request.

As a public body, the Council, on request and subject to certain exemptions provide information to members of the public on payments made to suppliers in compliance with The Freedom of Information Act 2000.

In compliance with the Taxes Management Act (TMA) 1970 the Council will on an annual basis submit to HMRC details of all payments made to suppliers for services rendered.

## **7. Valid/Undisputed Invoice**

Invoices can be received electronically or by postal delivery.

Emailed invoices should be in PDF format and sent to [finance@fermanaghmagh.com](mailto:finance@fermanaghmagh.com). Where an invoice is received by email, there is no requirement to send a hard copy unless requested to do so by the Council.

Invoices must be made out in the name of Fermanagh and Omagh District Council.

To receive prompt payment the supplier invoice must contain, at a minimum, the following:

- The word 'invoice' clearly written;
- The invoice date;
- The supplier company name and address;
- The supplier company VAT number (where applicable);
- A unique invoice number;
- A valid Fermanagh and Omagh District Council purchase order number; and
- Details of the goods / services supplied including quantity, proper allocation of labour and materials (HMRC CIS scheme), unit price, net amount, VAT and total cost.

Where applicable, a Unique Tax Reference (UTR) and National Insurance or Company Registration Number (whichever relevant) should be provided for works in relation to capital projects, buildings or facilities.

For individual items, the invoice must detail:

- Unit price or rate (excl VAT);
- Quantity of goods;

- Rate of VAT being applied;
- Total amount payable (excluding VAT);
- Discount applied to the account;
- Freight charges;
- Total amount of VAT charged; and
- Payment terms.

If invoices do not include the above details the supplier will be advised promptly, and they will be recorded as disputed until all details have been amended and verified.

The key priority during the processing of payments to suppliers is to ensure that proper bone fide invoices are paid; that invoices are only processed for valid orders delivered; that prices quoted are in line with quotations/tenders and that accuracy is maintained throughout the process. There should be no reduction in the standard of financial control in attaining prompt payment of suppliers.

## **8. Payment Method**

All payments will be denominated in pounds sterling unless in exceptional one-off circumstances as agreed by the Head of Finance.

The preferred payment method of the Council is facilitated through BACS (Bank Automated Clearing System). It is the responsibility of the supplier to provide accurate bank account details to the Council.

The Council are not responsible for the banking system, exchange rate losses, or any delays that may occur in the system.

## **9. Remittances**

Remittance advice notes are generated at the time when a payment is processed. It is recommended that a generic company email address is supplied to the Council rather than that of an individual person.

Remittance advice notes are produced as a PDF file.

## **10. Supplier Information Amendments**

Amendments to standing supplier information which the Council holds can only be accepted in writing (either hard copy or email).

Where applicable, such requests should be on / accompanied by a company headed document.

Requests for amendments to bank details will be followed up by further contact with the supplier before any changes are made.

## **11. Supplier Payments to Sub-Contractors**

The Council encourages suppliers to adopt similar payment terms to pay their subcontractors.