



**POLICY ON CREDITORS – ACCOUNTS PAYABLE COD
PAYMENTS**



TITLE AND COPYRIGHT

Title	POLICY ON CREDITORS – ACCOUNTS PAYABLE
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1. Purpose

It is the policy of University of Venda to pay creditors who demand immediate payment instead of the 30 days grace on cash on delivery (COD) basis, in extremely exceptional cases.

2. RULES

2.1 All purchasing rules as stipulated will be enforced, with the following additions:

2.1.1 Pro forma invoice (original) must be attached.

2.1.2 Orders must be handed in and signed for before 14:00 prior to the day of payment (Wednesdays).

2.1.3 Should the main creditor run be within 5 working days before or after the stipulated day, no COD will be processed in that week.

2.1.4 COD will not be paid electronically, unless specifically arranged.

2.1.5 COD are considered as a once off payment to a new company, and will subsequently thereafter be considered as a normal 30 day creditor, unless suitable negotiations and documentation is available and a negotiated discount may be taken.

2.1.6 The creditors have the right to renegotiate payment terms with the suppliers, thus being able to change payment terms. Creditors may negotiate settlement discounts as well.

2.1.7 Quotation attached to the order must also indicate the COD status.

2.2 Where cheques are used, they are not to be posted to suppliers, they must be collected. Cheques may be collected by staff members.

2.3 Creditors will release payment only on receipt of an original signed invoice. Creditors will **only accept invoices** that:

2.3.1 Are original and signed by recipient

2.3.2 From a registered and legitimate company

2.3.3 Are issued according to SARS specifications. See **POLICY ON ACCEPTED INVOICES –FIN/POL3**.

3. PROCEDURE

3.1 The goods required by the department/section are ordered centrally by means of a requisition (RR), available from Procurement Services.



- 3.2 The Procurement Services issues an official order to order the required goods.
- 3.3 The Procurement Services will indicate on the order the COD status, register the order in the COD register, and hand deliver to the Creditors (see 2.1).
- 3.4 The processing takes place and payment made by cheque. The suppliers/staff member must collect cheques. No cheques may be posted

4. FORMS

RR - Requisition for the procurement of goods and services.

5. RELATED POLICIES AND DOCUMENTATIONS

Policy on Accepted Invoices

Policy on Purchases

6. REGULATORY FRAMEWORK

GAAP

King III report on Corporate Governance

Higher Education Act (Act 107 of 1997)

7. REVIEW DATE

This policy will be reviewed after three years or as and when the need arises.

8. RECORD OF CHANGES

REVISION	DATE	AUTHOR(S)	DESCRIPTION

9. APPROVAL

Registrar (Secretary of Council)