



# **Lower Kenilworth Improvement District**

Bounded by the Railway line, Kenilworth Rd,  
Rosmead Ave and Wetton Rd

## **POLICIES & PROCEDURES**

**LKID 102**

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### **TITLE**

## **Approval and Payment of Invoices**

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### **PURPOSE**

The approval and payment procedure for goods and services received is necessary for the efficient operation of the LKID NPC. The aim of this policy is to define good governance in the approval and payment of all goods and services, whilst not being unnecessarily onerous and thereby constraining the operational effectiveness of the volunteer-based organization. All approvals and payments are bound by this policy.

### **POLICY STATEMENT**

The purchase value will determine the extent of the process to be followed. All purchases will be in line with the budget and business plan or Board resolution that changes the budget. The Board of Directors will take appropriate action against any corrupt or unethical activities in the payment of goods and services. The respective portfolio head is responsible for payments against their budget.

### **PROCEDURE**

The approval and payment of all products and services will follow the required procedure based on the value of the purchase amount. In line with the LKID Procurement Policy, the LKID Approval and Payments Procedure document details the process by which invoices are managed with vendors and payments are made from the LKID bank account.

Service providers to the LKID NPC will forward their invoices by email to the registered email address of the NPC (accounts@lkid.co.za) which will be received by the Financial Director.

The Financial Director will copy these to the Bookkeeper.

The approval and payment process is determined by the three expense categories :

1. Amounts up to R5000

Financial Director checks with the relevant portfolio head that the invoice is consistent with their budget and that the good and services have been received in good order and then arranges payment.

2. Amounts between R5001 and R20 000

Financial Director confirms with the portfolio head that the goods and services have been delivered and are consistent with the RFQ issued. That the invoice is consistent with the budget and the agreement reached with the vendor. Then arranges payment according to the terms negotiated with the supplier.

3. Amounts over R20 000

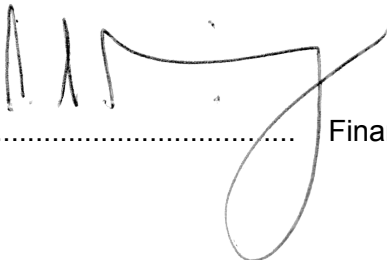
Financial Director confirms with the portfolio head that the invoice is consistent with the contract negotiated, and if positive proceeds to make payment. Should there be a discrepancy then the portfolio head contacts the vendor to resolve the difference and then advises the FD to make payment in accordance with the terms negotiated with the supplier.

The FD will arrange payment of the invoices and advise the Bookkeeper accordingly. The Bookkeeper will file both an e-copy and a hard copy of the invoice to be available for the annual audit each year.


Any unbudgeted expenditure to be ratified at a meeting of the LKID Directors.

SIGNED :

Chairman



Financial Director



DATE : 28 April 2022