



Issue Date: <b>May 2008</b>	Effective Date: <b>April 25, 2008</b>	Responsible Agency: <b>Office of Comptroller General</b>	Directive No: <b>803-3</b>
Chapter: <b>Control of Expenditures</b>			
Directive Title: <b>ACCOUNT VERIFICATION-TIMING OF PAYMENTS</b>			

## 1. POLICY

The standard payment term for suppliers listed on the Inuit Firms Registry or the Nunavut Business Registry is 20 calendar days, whereas, it is 30 calendar days for other suppliers. This is calculated from the later of the date of service rendered or receipt of goods or, the date of receipt of invoice and sufficient appropriate supporting documents, except as permitted in the following provisions or specified in pre-agreed payment terms and conditions.

## 2. DIRECTIVE

All timing of payments made by departments under the authority of the *Financial Administration Act* must be made in accordance with this policy.

## 3. PROVISIONS

### 3.1 Payment due dates

Except as permitted or stipulated elsewhere in this directive,

- 3.1.1 Payments to suppliers listed on the Inuit Firms Registry or the Nunavut Business Registry will be prepared within 20 calendar days from the later of the date of service rendered or receipt of goods or, the date of receipt of invoice and sufficient appropriate supporting documents.
- 3.1.2 Payments to all other suppliers will be prepared within 30 calendar days from the later of the date of service rendered or receipt of goods or, the date of receipt of invoice and sufficient appropriate supporting documents.

- 3.1.3 For further clarity, the 20 and 30 day payment terms represent the date by which the cheque or direct deposit are to be processed for payment by the Government's financial information system. Actual date for receipt of payment is subject to the delivery or transmission period for the mail or electronic banking services used.
- 3.1.4 Goods delivered under Free on Board (F.O.B.) terms are deemed to have been received when they are received in good order and accepted by the shipping company or delivery agency at the established F.O.B. point.

## 3.2 Exceptions

- 3.2.1 No payment shall be made before the due date as stipulated in 3.1 unless:
- a) this directive stipulates or permits otherwise;
  - b) an early payment discount is deducted from the payment and is deemed worthwhile considering all the circumstances; or,
  - c) written approval has been received from the Comptroller General or delegate.
- 3.2.2 All contractual arrangements entered into by the Government will comply with the policy statement. Any payment terms other than 20 and 30 days by contractual agreements including, but not limited to, building and equipment leases, grant and contribution agreements, professional services and loans, are to be approved by the Deputy Head.
- 3.2.3 Payments which by their nature are reimbursements to individuals and/or businesses, are due on the next cheque cycle date after approval of invoice.
- 3.2.4 The timing of payments for investments will be governed by contractual arrangements between the Government and its agents.
- 3.2.5 Salaries and wages of employees and members of the Legislative Assembly of Nunavut must be paid in accordance with applicable contractual or Collective Agreement terms.
- 3.2.6 Notwithstanding subsections 3.1.1 and 3.1.2 above, the following payments are excluded from the standard 20 and 30 day due dates and shall be made in accordance with the terms of the contract or as soon as practical from the latter of the date of service rendered or receipt of goods or, the date of receipt of invoice.

- a) Language translators/interpreters, Justices of the Peace, Jurors, Court Monitors, Elders in court sessions, Coroners, Commissioner fees or Sheriffs' Bailiffs services;
- b) Grant and contribution agreements
- c) Cash advances and reimbursements for duty travel and medical travel expenses;
- d) Customs brokers services;
- e) Social Program Payments;
- f) Fees for licenses, permits, etc.;
- g) Fur auction payments;
- h) Telephone, photocopy, printer, fax and communication services or leases;
- i) Group homes and foster care;
- j) Loan agreements;
- k) Canada Post payments and postage meters;
- l) Conference fees, course registrations, tuitions and professional fees/dues.
- m) Elders providing ceremonial or culture expertise in such areas as courtroom monitor, storyteller, drum dancer, throat singer, qulliq lighter and classroom demonstrator, etc.

3.2.7 Travel and Corporate Purchase Credit Card purchases are to be paid to the credit card provider on or before the statement due date to avoid interest payments.

3.2.8 Notwithstanding subsections 3.1.1 and 3.1.2 above, under unusual circumstances a partial payment in the form of a temporary advance in accordance with FAM Directive 817-3, Accountable Advances – Temporary Travel Advances, may be made by the Comptroller General before contracted goods or services are received in full.

3.2.9 The standard payment policy for goods or services that have already been received and invoiced may be bypassed for emergencies or other one-time reasons deemed appropriate by the responsible Minister or Deputy Head by making a written request to the Comptroller General and upon receiving written approval from the Comptroller General.

### 3.3 Recovery of Overpayments

Overpayments of vendor invoices must be recovered immediately by way of deduction from subsequent payments and comply with collection procedures.



**3.4 Responsibility for timing of payments and related notices**

- 3.4.1 When an individual terminates employment with the Government, the former employee's payment timing must be reset to the standard payment terms.
- 3.4.2 Every public officer who initiates a payment is responsible to ensure, before initiating payment, that payment will be timed in accordance with this directive.