

NT PHN Payment Terms and Conditions

This document outlines NT PHN's Standard Payment Terms and Conditions for contracted Services or Activities which are to be paid on a schedule basis as indicated in your Agreement.

Key Terms

For the purposes of this Schedule the following definitions apply:

Term	Definition
Agreement	The negotiated legally binding documentation between the provider and NT PHN.
Funds	The monies paid by NT PHN to the Provider for the provision of services under a contract. Also known as Fees.
Provider	The organisation contracted by NT PHN to deliver services. Also known as Contractor.
Recipient	Northern Territory PHN (NT PHN). Also known as the Principal.
Recipient-Created Tax Invoice (RCTI)	A tax invoice issued by the Recipient for Services for payment of contracted services.
Services	The taxable supply of services or activities which NT PHN contracts the Provider to deliver.

Personnel Costs

Includes all costs associated with employment or contractors of personnel directly involved in delivering the program or activities including wages and on-costs, recruitment, travel and accommodation, professional development, and professional registration fees.

Program Delivery Costs

Costs directly related to implementing the program or activity including postage, supplies, program / activity specific resources or materials, consumables, equipment, publicity or promotion.

Administration Costs

Administration costs are indirect costs not directly related to delivery of the program but necessary to the operation of the organisation. Items considered within the scope of the administration fees are: rent, insurance, legal fees, financial management, general fundraising expenses, management cost and IT.

The allowable percentage for administration costs will be stated in the Program Agreement and is generally up to 20% of the combined Personnel and Program Delivery Costs unless stated otherwise. Administration costs for Outreach Health Services Program Agreements must not exceed 15% of total funding.

Any queries about the funding allocation including the administration allowance should be discussed with the NT PHN Program or Contract Lead.

NT PHN uses a variety of payment options described below, your payment type will be outlined in the Program or Contractor Agreement:

Payment Options	Description	Payment Method	Payment Terms
Fee for Service	Payment for completed service delivery including direct client consults	On receipt of a correctly rendered tax invoice	<p>The Program Agreement should specify the following information:</p> <ul style="list-style-type: none"> • Fee terms (hourly, sessional or group). • Total amount payable per annum or contract term • Can be claimed monthly or quarterly. • Maximum number of sessions claimable.
Fixed Payments	Fixed annual amount. Can be paid as a fixed recurring (quarterly) payment or on a reimbursement basis.	<p>1. Fixed: Paid quarterly or biannually in the first month of the quarter (July, October, January, or March) for services delivered in the quarter.</p>	<ul style="list-style-type: none"> • As per payment schedule in contract document • Paid on RCTI or on receipt of a correctly rendered tax invoice • Total amount payable for each financial year is stated in the contract.
		<p>2. Reimbursement: Paid for actual costs incurred in delivering the services in the claim period.</p>	<ul style="list-style-type: none"> • Paid on receipt of a correctly rendered tax invoice. • Can be claimed monthly or quarterly. • Total amount payable for each financial year is stated in the contract.
Establishment Payment	One-off payment to meet costs of establishing a new program or activity	This payment can be made RCTI or on receipt of a correctly rendered tax invoice.	<ul style="list-style-type: none"> • Details set out in the contract schedule – usually paid on contract execution • Paid on RCTI or on receipt of a correctly rendered tax invoice
Milestone payments for max annual amount	Payment to a provider upon completion of service deliverable or other agreed milestones	This payment can be made RCTI or on receipt of a correctly rendered tax invoice on completion of milestone	<ul style="list-style-type: none"> • Commonly used for projects • Terms & Conditions negotiated with provider.

Providers can choose to be paid on either an RCTI or claim arrangement as follows:

Recipient-Created Tax Invoice (RCTI) Arrangement	Invoice Agreement
<p>Where the Provider has formally consented to enter into an RCTI Arrangement with NT PHN the following conditions apply:</p> <ul style="list-style-type: none">• NT PHN will issue tax invoices in respect of the Services or activities.• The Provider will not issue tax invoices in respect of these Services.• The Provider is registered for GST.• The Provider will notify NT PHN if it ceases to be registered for GST.• NT PHN will issue the original or a copy of the RCTI to the Provider within 28 days of making. <p><u>NB to be eligible for RCTI payments the Provider must be GST registered.</u></p>	<p>Where NT PHN has not entered into an RCTI Arrangement with the Provider for the contracted activity the following conditions apply:</p> <p>The Provider will issue a correctly rendered tax invoice as per the requirements of the Australian Taxation Office and in accordance with details outlined in Agreement.</p> <p>The invoice must clearly state the service delivery period the claim relates to.</p>

End of Year Underspends

NT PHN may recover the amount of Unspent and Uncommitted Funds identified through the Provider's financial reporting. NT PHN may issue a tax invoice at the end of each financial reporting period to recover Unspent and Uncommitted Funds.