

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 2.12 (Formerly BUSF 2.12)	
POLICY TITLE Accounts Payable			
SCOPE OF POLICY USC System		DATE OF REVISION 4/1/2024	
RESPONSIBLE OFFICER Executive Vice President for Administration and Finance and Chief Financial Officer		ADMINISTRATIVE OFFICE University Finance – Controller’s Office	

PURPOSE

The Accounts Payable Office facilitates the disbursement of funds to external suppliers (e.g., Payment Requests, Purchase Order (PO) invoices) and non-payroll payments to faculty, staff, and students (e.g., reimbursements). This policy outlines the methods used to process and remit these payments in an efficient, accurate, and timely manner.

DEFINITIONS AND ACRONYMS

Matching – An automated process that verifies the details on a (1) purchase order, (2) invoice, and (3) goods receipt match before a payment is made, also known as a three-way match.

Receipting – A confirmation of having received the goods specified on an invoice and Purchase Order (e.g., quantity, price).

POLICY STATEMENT

The University pays all legally incurred obligations for goods and services, other than payroll, through Accounts Payable, under the Controller’s Office. State law requires all invoices to be paid within thirty business days of the acceptance of the goods and services and proper invoice. In addition, payments to contractors and subcontractors must be paid within twenty-one days of rendered services and the receipt of an undisputed pay request. Failure to comply with these timeliness requirements could result in a late penalty assessed by the State or vendor. While rare, any late penalties will be added to the invoice and remitted to the vendor accordingly.

Accounts Payable coordinates with departments, the Purchasing Department, and vendors to resolve issues and answer inquiries. All invoices will be promptly forwarded to Accounts Payable by departments to avoid payment delays. Accounts Payable will only pay current charges reflected on an invoice; any prior period balances will require a separate invoice to be paid.

Payment Types

Payments are primarily processed by Accounts Payable using Payment Request, Purchase Orders (PO), or reimbursement. In addition to other specific documentation requirements, each method requires an original invoice and appropriate approval(s) before payment can occur. All supporting documentation is attached to the voucher in the PeopleSoft Finance system (the system).

A. Payment Request

Payment Request represents an online payment method used by departments for paying invoices under \$10,000 in the system. Strict guidelines govern the types of payments allowable under this method in the Payment Request Matrix by the Controller's Office ([see procedures link below](#)). Specific account codes and supporting documentation are required based on the expense. Any expense that fails to adhere to the matrix must flow through the Purchasing Department's PO process. A streamlined payment method, known as AP Uploads, is available when there are ten or more payments needed for specific categories.

B. Purchase Orders

Invoices exceeding \$10,000 must flow through the Purchasing Department's PO process. To initiate a PO, the department must complete a requisition in the system, which will flow through an electronic workflow approval before the PO is dispatched. Using the requisition ensures that all appropriate authorizations are obtained, and sufficient funding exists for the purchase. In addition, these goods and services must be procured in accordance with statutory competitive solicitation processes, which are also facilitated by the Purchasing Department.

If repetitive small orders are made from the same vendor over a given period of time, it may be appropriate to establish a Blanket PO to eliminate the need to issue individual Payment Requests or POs. Coordination will occur with the Purchasing Department to establish a Blanket PO.

In addition to an original invoice, dispatched POs require receipting, if applicable, and matching in the system before payment occurs. Receipting will be completed immediately upon the receipt of goods and/or to avoid payment delays.

C. Reimbursements

Employee reimbursements will only be used if there is no other viable payment available. Reimbursements represent the exception, and not the norm. Non-travel employee reimbursements are processed through the expense module, which is an online payment tool that allows employees, or a proxy, to create an expense transaction. Strict guidelines govern the types of reimbursements allowable under this method, which are established by the Controller's Office. Specific account codes and supporting documentation are required based on the expense.

Certain non-travel student reimbursements are also allowable for non-employees, the guidelines, and restrictions for which are also established by the Controller's Office.

See FINA 1.00 for information on Travel reimbursements.

Payment Methods

All payments will be issued through check, Automated Clearing House (ACH) or wire payment based on the information reflected in the specific supplier profile. ACH is the preferred payment method.

PROCEDURES

The procedure providing additional detail for this policy can be found here:

https://sc.edu/about/offices_and_divisions/controller/toolbox/policies_and_procedures/index.php

RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES

SC Consolidated Procurement Code

SC Code of Laws Section 29-6-30

State of South Carolina Statewide Disbursement Regulations

BUSA 7.00 – Purchasing

FINA 1.00 - Chart of Accounts

FINA 2.14 – Acquisition and Payment of Goods and Services

FINA 2.15 – Accounts Payable Payment Schedule

FINA 2.50 – Travel

FINA 5.20 – Banking

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
04/01/2024	Language, content, and formatting updates
02/17/2015	Policy revisions due to departmental reorganization and name changes and to comply with state approval procedures
10/18/2006	Policy creation

~~NUMBER: FINA 2.12 (formerly BUSF 2.02)~~

~~SECTION: Administration and Finance~~

~~SUBJECT: Accounts Payable~~

~~DATE: October 18, 2006~~

~~REVISED: February 17, 2015~~

~~Policy for: All Campuses~~

~~Procedure for: All Campuses~~

~~Authorized by: Leslie Brunelli~~

~~Issued by: University Finance – Controller's Office~~

~~I. Policy~~

~~The University pays all its legally incurred obligations for materials and services other than~~

~~payrolls or special personal payments through the Accounts Payable Section of the Controller's Office. The University operates under Section 17 of Act 148 of the State Law that requires all invoices be paid within thirty (30) business days of receipt of the goods or services (whichever is received later). Failure to do so could result in a late payment penalty (computed at an annualized rate of 6.25% effective March 28, 1994) on any unpaid balance which exceeds the thirty (30) business days period if the vendor specifies on the statement or the invoice submitted that a late penalty is applicable. The penalty is added to the invoice (and charged to the University expenditure object code 54999—interest expense) and remitted to the vendor. State law also mandates that the agency does not pay late penalties less than \$5.00.~~

~~Additionally, effective July 1, 1990, the General Assembly of South Carolina Code of Laws, amended Title 29, to ensure timely payments to contractors, sub-contractors and suppliers. The law requires the owner to pay the contractor within twenty one (21) days upon receipt of any undisputed pay request. Failure to pay within a timely manner results in a penalty of one per cent a month or a pro rata fraction thereof on the unpaid balance.~~

~~H. Procedures~~

~~A. Accounts Payable primarily processes two types of orders for payment—Regular Purchase Order(s) and Blanket Purchase Order(s). To process a voucher for payment, the following data is required:~~

- ~~1. An approved Purchase Order (see University Policy BUSF 7.00 Purchasing)~~
- ~~2. An original invoice~~
- ~~3. A signed receiving report (or authorized signature on blanket purchase order)~~
- ~~4. Vendor's Federal Identification Number (or social security number for an individual)~~

~~B. All items on the invoice are verified for validity to the purchase order. If differences exist that exceed the allowable limits, a buyer approval form is sent to the Purchasing Officer.~~

~~C. Goods and Services Shipped Directly to Departments~~

- ~~1. For Purchase Orders in excess of \$1,500 that stipulate goods or services be shipped directly to the department, the receiving copy of the purchase order must be signed, dated, and forwarded to Accounts Payable upon verification of goods and services by the department.~~
- ~~2. Purchase orders costing \$1,500 or less, that stipulate goods or services be shipped directly to the department, are paid based on vendor invoice, and receiving reports are not required to be forwarded to Accounts Payable. Any discrepancies on such invoices should be brought to the attention of Accounts Payable.~~

~~D. When all items invoiced are received and verified to the Accounts Payable file copy of the Purchase Order, an Accounts Payable voucher is processed for a check to be issued.~~

~~E. — Miscellaneous~~

- ~~1. — Accounts Payable answers inquiries all from vendors regarding the status of unpaid purchase orders and reconciles monthly account statements from vendors.
 - ~~a. — Departments should promptly forward to Accounts Payable all vendor statements and invoices that relates to purchase orders.~~~~
- ~~2. — Vouchers processed by Accounts Payable with all the necessary backup are archived and filed in numerical order in the Controller's Office.~~

~~III. — Related~~

~~Policies See also:~~

~~University Policy BUSF 7.00 Purchasing~~

~~IV. — Reason for Revision~~

~~Policy revised due to departmental reorganization, departmental name changes, and to comply with changes on state approval procedures.~~