

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 2.14 (formerly BUSF 7.01)
POLICY TITLE Acquisition and Payment of Goods and Services		
SCOPE OF POLICY USC System	DATE OF REVISION 09/01/2024	
RESPONSIBLE OFFICER Vice President for Finance and Chief Financial Officer	ADMINISTRATIVE OFFICE University Finance - Controller's Office	

PURPOSE

The policy ensures adherence with the South Carolina Consolidated Procurement Code by outlining the requirements for the procurement and payment of goods and services on behalf of the University as well as other related compliance matters.

DEFINITIONS AND ACRONYMS

Conflict of Interest – Occurs when an employee, officer, or agent of the University has actual or perceived personal interests (e.g., family/friendships, financial or social factors) that could comprise his or her judgment, decisions, or actions in the workplace.

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 is required to comply with the requirements of the South Carolina Consolidated Procurement Code (SC Code of Laws Title 11, Charter 35) and other state and federal laws, as applicable. Any changes to state or federal law will supersede this policy if the law is more restrictive than this policy allows.

A. Responsibilities

All parties involved in procurement activities must conduct the affairs of the University in accordance with the highest ethical, legal, moral, and fiscally responsible standards. While not an exhaustive list, general acquisition and payment responsibilities include:

Purchasing Department – Facilitates the procurement of all needed goods and services within the University by maximizing the purchase power through strategic sourcing, handling contract negotiations, ensuring compliance with statutory requirements, and minimizing risk exposure while maintaining flexibility in procurement activity.

Controller's Office – Manages all general accounting functions, including facilitating payments to external suppliers and non-payroll payments to faculty, staff, and students through its Accounts Payable (AP) function and overseeing of the supplier management function.

Departments – Identifies departmental needs for goods and services, follows the proper procurement process and payment methods, completes goods receipting (when applicable), maintains required supporting records for payment.

B. Code of Conduct

1. Conflict of Interest – No employee, officer, or agent of the University will participate in procurement activities (e.g., selection, award, and administration of a contract) if a real or apparent conflict of interest is involved. Any conflict of interest must be appropriately disclosed to and monitored by the University. A conflict would arise when the employee, any member of their immediate family, their partner, or an organization that employees or is about to employ any of these parties has a financial or other interest in a vendor. Any other relationship with a vendor that gives rise to questions concerning the employee's ability to be fair and impartial in their decisions would also constitute a conflict of interest.
2. Gifts – No employee, officer, or agent of the University is authorized to solicit or accept gratuities, favors, or anything of monetary value from vendors, including contractors and parties of subrecipient agreements.
3. Unauthorized Procurements – Committing the University to an obligation by ordering or receiving goods or services without complying with University and statutory requirements and/or without the proper authority and required approvals is strictly prohibited and could result in disciplinary action. Payment for unauthorized purchases may become the responsibility of the individual making the transaction.
4. Transaction Splitting – Breaking up high-dollar purchases into smaller transactions to circumvent required procurement and competitive solicitation processes is strictly prohibited. Such practices may be unauthorized procurements.
5. Personal Economic Interest – No employee, officer, or agent of the University is authorized to use their official office or employment to obtain an economic interest for themselves, a member of their immediate family, or an individual or business with which they are associated. This extends to the personal use of reward points, which is prohibited.
6. Confidentiality – University employees must handle confidential and proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations. University employees may not disclose to outside parties the prices, terms, or conditions quoted by other suppliers. If a procurement-related Freedom of Information Act (FOIA) request is received, the employee should

notify the Purchasing Department of the request.

C. Procurement Methods and Processes

Purchases associated with items on State of South Carolina term contracts require mandatory usage by the University in accordance with the South Carolina Consolidated Procurement Code.

Departments should anticipate their needs far enough in advance to allow the Purchasing Department time to process applicable requests in compliance with the South Carolina Consolidated Procurement Code and the Controller's Office time to process payments. See FINA 2.12 (Accounts Payable) for additional detail regarding payment types (e.g., Payment Requests, Purchase Orders, Reimbursements) and BUSA 7.00 (Purchasing) for additional detail regarding procurement methods.

Purchases Under \$5,000

When possible and authorized, the Purchasing Card (P-Card) should be used for purchases less than \$5,000 (inclusive of taxes, freight, and other miscellaneous charges). The P-Card enables departments to be more self-sufficient and achieve greater purchasing efficiency and eliminates redundant and/or no value-added processes. See BUSA 7.00 (Purchasing) for additional detail regarding P-Card processes and requirements.

Restrictions – Any purchases of **food**, regardless of the amount, or **capital assets cannot** be made using the P-Card. In addition, if a supplier does not accept the P-Card for a departmentally approved request, the Payment Request process, as outlined in FINA 2.12 (Accounts Payable), must be used to pay the supplier.

Purchases from \$5,000 to \$10,000

Payment Request is a method designed for processing payments less than \$10,000 that would be impractical to pay through a Purchase Order (PO) or unallowable to pay with the P-Card. The Controller's Office Payment Matrix provides applicable guidance. This is inclusive of purchases related to sponsored awards, except those made to subrecipients.

Collectibles – Purchases of collectibles (e.g., artwork, rare books, manuscripts, etc.) with a value exceeding \$5,000 must have an appraisal performed by a knowledgeable appraiser for the purpose of determining a reasonable purchase price. The appraisal is required as supporting documentation for the purchase. In cases where a purchase at auction is planned, a knowledgeable appraiser will be consulted in advance to determine a reasonable price range for bidding on the specific object. In cases where an artist is commissioned and sufficient comparables are unavailable (e.g., non-commercial, folk, or traditional artist), the opinions of professional art and/or cultural historians with applicable expertise must be considered prior to purchase and included as part of the supporting documentation for the proposed commission.

Purchases Exceeding \$10,000

All purchases exceeding \$10,000 must be procured by PO through the Purchasing Department. Depending on the nature of the purchase, a Blanket PO may be appropriate. These purchases may require a competitive solicitation process, in accordance with the South Carolina Consolidated Procurement Code and administered by the Purchasing Department. The following process must be followed for these purchases:

1. Requisition – Goods and services procured through the Purchasing Department must use a purchase requisition. When a need is identified, a purchase requisition must be initiated by an appropriate departmental individual in the financial system, which will flow through an electronic workflow approval process.
2. Procurement – Prior to approving and dispatching the PO, the Purchasing Department will determine the required procurement method and procure the goods or services accordingly. See BUSA 7.00 (Purchasing) for additional detail regarding procurement methods, including competitive solicitation requirements, sole source procurements, and emergency procurements.
3. Receiving – If a PO requires receiving, it is the responsibility of the department to acknowledge receipt in the financial system upon acceptance of the goods/services.
4. Invoicing/Payment – PO invoices should be forwarded to Accounts Payable immediately to avoid delays in processing. These invoices must contain a valid PO number and invoice number to be processed, otherwise it will be returned to the sender for correction. Upon entry of the invoice into the financial system by Accounts Payable and successful matching, the payment is processed.

PROCEDURES

The procedure and appendices for this policy provide additional details and 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 Code of Law Section 8-13-700

SC Consolidated Procurement Code

State of South Carolina Statewide Disbursement Regulations

BTRU 1.04 – Authority to Sign Contracts

BTRU 1.18 – Conflict of Interest and Commitment

BUSA 7.00 – Purchasing

BUSA 7.05 – Payment/Reimbursement for Personal Consumable Items at Employee's Official Headquarters

FINA 1.00 – Chart of Accounts

FINA 2.12 – Accounts Payable

FINA 2.15 – Accounts Payable Payment Schedule
 FINA 2.82 – Asset Management
 FINA 3.00 – Sponsored Awards

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
09/01/2024	Language, content, and formatting updates
02/22/2021	Update for law and regulation changes to Consolidate Procurement Code and aligning with current processes.
06/14/2017	Update policy for purchase of collectibles.
10/10/2016	Policy creation.

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 2.14 (formerly BUSF 7.01)	
POLICY TITLE Acquisition and Payment of Goods and Services			
SCOPE OF POLICY USC System		DATE OF REVISION February 22, 2021	
RESPONSIBLE OFFICER Vice President for Finance and Chief Financial Officer		ADMINISTRATIVE OFFICE University Finance—Controller’s Office	

PURPOSE

The University is required to follow procedures consistent with the requirements of the South Carolina Administration Department’s Consolidated Procurement Code Title II Chapter 35, 11-35, SC Code of Laws, and Federal Laws (as applicable). The purpose of this policy is to establish the policy for procurement and payment for goods and services on behalf of the University.

DEFINITIONS AND ACRONYMS

~~Blanket Purchase Order~~— is a Purchase Order from which goods and services may be purchased over a given period of time rather than in a single transaction. Blanket Purchase Orders are a simplified method of filling repetitive needs for small quantities of miscellaneous supplies, services or information technology and are designed to reduce administrative costs associated with small purchases by eliminating the need for issuing individual payment requests or purchase orders.

POLICY STATEMENT

~~The University of South Carolina will follow procedures consistent with the requirements of the South Carolina Administration Department's Consolidated Procurement Code Title II Chapter 35, 11-35, SC Code of Laws, Federal laws (as applicable) and university policy for procurement and payment for goods and services. This policy addresses the responsible parties for the procurement of goods and services, the receiving and payment for such goods and services. Any changes to state or federal law will supersede this policy if the law is more restrictive than this policy allows.~~

- ~~A. Purchasing activities are conducted by the Purchasing Department as well as by academic and administrative departmental employees. Purchasing activities include obligations for proper transaction documentation, fiscal responsibility, ethical behavior, adherence to federal and state government regulations, and compliance with university by laws and policies.~~
- ~~B. All commitments for goods and services other than those outlined below must have the prior approval of the Purchasing Department. Purchases not processed through the Purchasing Department, not otherwise outlined below, may be considered an unauthorized purchase.~~
- ~~C. Goods and services procured through the University of South Carolina's Purchasing Department must use a purchase requisition. The requisition is initiated by the appropriate individuals within a department and is routed through the required internal approvals as established in PeopleSoft. Using the requisition ensures that all appropriate authorizations are obtained and that there is sufficient funding for the purchase prior to initiating any procurement actions. Goods and services payments, as outlined below, will utilize PeopleSoft Payment Request and are routed through the required internal approvals as established in PeopleSoft.~~
- ~~D. Items on State of South Carolina term contracts require mandatory usage by State agencies in accordance with the South Carolina Consolidated Procurement Code.~~
- ~~E. Purchases of collectibles such as artwork, rare books, manuscripts, etc. that have a total value more than \$5,000 (i.e. total value refers to the transaction amount or the contract amount, if either are over \$5,000) shall have an appraisal performed by a knowledgeable and expert appraiser for the purpose of determining a reasonable purchase price. The appraisal shall be provided as supporting documentation for the purchase. In cases where the purchase of a collectible at auction is planned and the purchase price could exceed \$5000, a knowledgeable appraiser will be consulted in advance of the auction to determine a reasonable price range for bidding on the specific object. In cases where an artist—particularly a non-commercial, folk or traditional artist who does not regularly sell their work (making sufficient comparables unavailable to an appraiser)—is commissioned to create an object to be purchased, the opinions of professional art and/or cultural historians with expertise in the expressive form in question will be considered prior to the commission and shall be part of the supporting documentation for the proposed commission.~~

F. ~~Code of Conduct:~~

- ~~1. Real or Apparent Conflict of Interest—No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award; or the employee has any other relationship with the firm or members of the firm involved in the procurement process which may give rise to questions concerning the employee's ability to be fair and impartial in his/her decisions.~~
- ~~2. Gifts—The officers, employees and agents of the university shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-agreements.~~
- ~~3. Unauthorized Procurements—An unauthorized procurement is the purchase of goods or services that are not made in accordance with this policy. Corrective action for ratifying an unauthorized procurement is to request in writing through the Director of Purchasing and from the Associate Vice President and Chief Procurement Officer to approve the unauthorized transaction based on the documentation provided. Payment for unauthorized purchases may become the responsibility of the individual making the transaction and could result in disciplinary action.~~
- ~~4. Splitting Orders—Splitting of orders to avoid competitive methodologies is NOT permissible and may be an unauthorized procurement.~~

~~Responsibilities~~

~~Purchasing Department provides support to the university community in the selection, acquisition, use of goods and services by:~~

- ~~• Maximizing the university's purchasing power by focusing on strategic sourcing and obtaining the best value.~~
- ~~• Leveraging its expertise in contract negotiations and supplier management to advantage the university.~~
- ~~• Ensuring that purchases are made in accordance with all applicable university by-laws, state laws, regulations, codes, and ordinances.~~
- ~~• Minimizing risk exposure while maintaining flexibility in procurement activity.~~

~~B. General Accounting Department is responsible for all general accounting functions and services including cash management, accounts payable, travel, plant funds, endowments, journal entries, team travel, international suppliers and sales and use tax returns.~~

~~C. 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.~~

~~Processing Time Allowances:~~

~~A. Departments should anticipate their needs far enough in advance to allow Purchasing time to process requests in compliance with the South Carolina Procurement Code. The following are minimum time allowances:~~

- ~~● Purchase Orders from \$5,000 to \$10,000 with a Supplier can take 1—3 days to process.~~
- ~~● Purchase Orders from \$5,000 to \$10,000 without a Supplier can take 3—5 days to process.~~
- ~~● Purchases up to \$100,000 may require a minimum of 10 to 21 days processing time. The Purchasing Department may prepare a formal written solicitation as well as advertise the requirements in the South Carolina Business Opportunities publication. Some exceptions for purchases not exceeding \$25,000.00 may apply.~~
- ~~● Purchases exceeding \$100,000 will require a minimum of 21 to 90 days. The Purchasing Department will prepare a formal sealed solicitation for issuance.~~
- ~~● In accordance with state procurement law, contract awards in excess of \$100,000 require an additional ten (10) days after the award is made before a purchase order can be issued.~~

~~Purchasing and Payment Methods (Reference BUSA 7.00 Procedures Section D1)~~

~~A. Purchasing under \$5,000 (except for food).~~

~~When possible all goods and services (including small utilities like DirecTV and Verizon) under \$5,000 inclusive of taxes, freight and miscellaneous charges must be purchased utilizing the Purchasing Card (P-Card). The P-Card is a Visa credit card issued by a financial institution selected by the State Procurement Office through a competitive process. Several major features of the program are that it enables departments to be self-sufficient, eliminates redundant and/or no value added processes and provides a simple online means to allocate or distribute charges.~~

- ~~● Each card has a single transaction purchase of under \$5,000, with a monthly credit availability of \$10,000. On an exception basis and with justification provided to the Purchasing department, the monthly spend limit can be increased. All documentation of purchases (sales slips, receipts, packing lists, etc.) and monthly statements must be reconciled and maintained for the internal and external audit per the university's record retention policy.~~
- ~~● Purchasing cards are issued to university employees with the approval of the department head. There is a department liaison assigned to each credit card with authority to change the account charged if necessary. The liaison processes the charges as well as monitors the expenditures for compliance with the university~~

policies and procedures. Training is required for both the cardholder and departmental liaison prior to the cardholder receiving a purchasing card.

- ~~Any food, regardless of the cost, or capital asset (assets > \$5,000) cannot be purchased utilizing the P-Card.
For the purchase of foods see: <http://www.sc.edu/policies/ppm/busf705.pdf>. The policy outlines the procedure of purchasing food.
For capital assets policy (Property Accountability policy) see: <http://www.sc.edu/policies/ppm/busf500.pdf>. This policy provides the USC definition of an asset and how it is to be purchased.~~
- ~~If the supplier does not accept the P-Card and the purchase is a departmental approved request, the Payment Request process must be used to pay the supplier through the Payment Request online tool. Accounts Payable will review and approve the invoice and required documentation for subsequent payment to the supplier. See the [Accounts Payable Payment Request](#) procedures for detail instructions.~~

~~**Note:** Employee reimbursements should only be used if there is no other viable payment method available, this is the exception and not the norm.~~

~~Other tools available for purchasing and payments are Accounts Payable Payment Request, purchase order or blanket purchase order (see blanket purchase order section below).~~

~~B. Purchases from \$5,000 and not exceeding \$10,000~~

~~Accounts Payable will process invoices for payment for purchases made directly by a department (Non-Purchase Order) or using a Purchase Order.~~

- ~~Non-Purchase Order (Non-PO) Invoice—Supplier was determined by the department. The invoice is not associated with a Purchase Order issued by the university Purchasing Department. Non-PO supplier invoices for goods and services from \$5,000 and not exceeding \$10,000 that are not capital assets can be paid utilizing the Payment Request process. This is inclusive of Grant funds but not sub-recipients. Any purchase exceeding \$10,000 or that is not otherwise noted as approved on the Payment Request Matrix, will not be allowed to be processed via Payment Request. Purchases of this amount are required to be processed through the Purchasing Department with no exceptions allowed.~~
- ~~The [Payment Request Matrix](#) provides documentation requirements for specific Payment Request types. For a quick reference on how to enter a payment request, [click here](#).~~
- ~~Purchase Order Invoice—Supplier was determined by the university's Purchasing Department and the purchase was made with a Purchase Order issued by the university's Purchasing Department. The Supplier invoice is associated with a Purchase Order issued by the university's Purchasing Department.~~

~~B. Purchases Exceeding \$10,000 (Reference BUSA 7.00 Section B. Type of Procurement #2 Sole Source)~~

- ~~All purchases exceeding \$10,000 must be purchased by Purchase Order and through the university's Purchasing Department. These purchases may require a competitive solicitation process that will be administered by the university's Purchasing Department.~~
- ~~Sole Source procurements are permissible only when there is a single supplier that meets the requirement(s) of the procurement. Requests for sole source procurements must document the justification and approval by the Director of Purchasing and the Director of Business Affairs prior to any commitment being made.~~

~~Purchase Order invoices received by Accounts Payable must contain a valid PO number and invoice number for processing. Invoices received by the departments should be forwarded immediately to Accounts Payable to avoid delays in processing. If an invoice is received without a valid PO number and valid invoice number, it will be returned to sender for correction before being processed for payment. Suppliers who continue to submit invoices without valid purchase order numbers or invoice numbers will be reported to the Purchasing Department for further action. Actions could potentially involve suspension or termination of relationship with the supplier.~~

~~**Note:** Supplier invoices associated with a purchase order for the procurement of an asset will be accepted by Accounts Payable and processed against the terms, conditions and wording of the university Purchase Order. If the invoice cannot be successfully associated to a purchase order, a copy of the invoice will be returned to sender for correction requesting the PO number in order for the payment to be processed.~~

~~C. Blanket Purchase Orders~~

~~A Blanket Purchase Order is a Purchase Order from which goods and services may be purchased over a given period of time rather than in a single transaction. Contact your Purchasing Department for more information about Blanket Orders. Blanket Orders differ from standard Purchase Orders as follows:~~

~~Blanket Purchase Orders:~~

- ~~Minimum twelve vouchers/invoices per budget period/fiscal year. The fiscal year for the university is July 1 through June 30.~~
- ~~Item description should begin with "Blanket Order" then a general description of the goods being purchased with the purchase order. Example—If the supplier is a hardware store and pliers and screw drivers are being purchased, then the description would be "Blanket Order for Tools".~~
- ~~Purchase Order is to be charged to one Account or one Accounting Distribution line per line item. If the transaction is more than one line item, each line item has to be for a different item or service.~~
- ~~Blanket Purchase Orders are only valid for one year and will be closed each fiscal year with remaining amounts, if applicable, released from encumbrance. If a new~~

~~Blanket Purchase Order is required for the new fiscal year, the department will need to create a new requisition.~~

- ~~● Purchase Requisition must include Authorized User(s) to place order or pick up order.~~

~~Purchasing will review activity to ensure the purchase order is being used and if no activity, Purchasing Buyer will close the PO and inform the department of the closure.~~

~~D. Receiving~~

- ~~● Receiving is the responsibility of the USC departments.~~
- ~~● If the PO is identified as "Receiving Required," it is the responsibility of the department to receive upon acceptance of the goods or services.~~
- ~~● Receiving requirement is based on Category Codes. For a list of category codes, please contact purchasing. If the PO is Quantity based, the appropriate quantity should be entered as the Receipt Quantity.~~
- ~~● If the PO is Amount based, the appropriate dollar amount should be entered as the Receipt Amount.~~
- ~~● Receiving of the invoice is not required to enter the receipt. The receipt can be entered before the invoice arrives if the goods or services have been obtained.~~
- ~~● If supplier invoice is received and item or service not received, an email message will be forwarded to requestor indicating receiving required. Message will be sent until the receipt of goods or service occurs to allow payment to supplier.~~

~~RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES~~

~~[BTRU 1.04 Authority to Sign Contracts](#)~~

~~[FINA 1.00 — Travel](#)~~

~~[FINA 1.08 — Relocation Expenses](#)~~

~~[FINA 2.00 — Object of Expenditure Classification Codes](#)~~

~~[FINA 2.09 — Inter-Departmental Transfers \(between state agencies\)](#)~~

~~[FINA 2.13 — Honorariums](#)~~

~~[FINA 5.00 — Property Accountability](#)~~

~~[FINA 7.07 — Club Membership and Dues](#)~~

~~[FINA 7.05 — Reimbursement for Personal Consumption Items at Employee's Official Headquarters](#)~~

~~[FINA 7.06 — Employee Association/Professional Dues- Employee Personal Certifications- Employee License Fees](#)~~

~~HISTORY OF REVISIONS~~

DATE OF REVISION	REASON FOR REVISION
02/22/2021	Update for law and regulation changes to Consolidate Procurement Code and aligning with current processes.
06/14/2017	Update policy for purchase of collectibles.

10/10/2016

Policy creation.