Policy Statement

The Accounts Payable Unit of the Controller’s Office will process all payments for the College’s legally incurred, non-payroll obligations of goods and services in accordance with State/Federal laws and regulations as well as other policies and procedures of this institution.

Policy Manager and Responsible Department or Office

A. Controller’s Office

The Controller’s Office staff has the responsibility for making sure that all payments for goods/services of a non-payroll nature comply with State and Federal laws and regulations as well as College policies and procedures. This Office ensures those expenditures are tracked and properly accounted for and that the College maintains a favorable credit rating through the timely payment of invoices.

B. Departmental Staff

The departmental staff has the responsibility for ensuring that they follow the procurement guidelines when requesting goods and services. They must provide the Controller’s Office with accurate and complete documentation such as receiving reports (by way of the Central Receiving Office), completed forms, justifications/explanations needed for making payments. In addition, they must make sure that goods and services are satisfactorily received as well as demonstrate a documented benefit to the College.

B. Vendors/Payees

The vendors/payees must provide the Controller’s Office with valid invoices that adequately describe the vendors’ names, addresses, itemized descriptions of
goods/services, terms, etc. as well as Internal Revenue Service Forms W-9 evidencing their business type (corporation, sole-proprietorship, partnership, etc.) and tax identification numbers.

---

**Purpose/Reason for the Policy**

The purpose of this policy is to consolidate State guidelines with reference to the approval and regulation of the expenditure of funds for capital improvement projects, the application and certificate for payment of construction contractors as required by the State Engineer’s Manual, and the disbursement rules of the Comptroller General’s Office.

---

**Departments/Offices Affected by the Policy**

This policy primarily affects the Physical Plant, Procurement Office, Controller’s Office, and Executive Office of Business Affairs.

---

**Procedures Related to the Policy**

**Capital Improvement Projects**

The expenditure of funds for capital improvement projects is subject to approval and regulation of the State Budget and Control Board. The approval of the Budget and Control Board is not required for minor construction projects, including renovations and alterations, where the cost does not exceed an amount determined by the Joint Bond Review Committee and the Budget and Control Board. **Payments of invoices for capital projects require an authorized College of Charleston Purchase Order.**

1. **Definition of Permanent Improvement** - A permanent improvement project with regard to all institutions of higher learning is defined (S. C. Code Section 2-47-50) as:

   a. The acquisition of land and buildings (as opposed to construction) and other structures regardless of cost.

   b. The construction of additional facilities and work on existing facilities for any
given project including their renovation, repair, maintenance, alteration, or demolition in those instances in which the total cost of all work involved is $500,000 or more.

c. Architectural and engineering and other types of planning and design, regardless of cost, which is intended to result in a permanent project.

d. Capital lease purchase of a facility acquisition or construction.

e. Equipment that either becomes a permanent fixture or a facility or does not become permanent but is included in the construction contract must be included as part of a project.

2. Application and Certificate for Payment (These rules are excerpted from the State Engineer's Manual, Sections 7.21 and 7.22.)

f. The contractor must submit applications for payment to the architect/engineer (A/E). If no A/E or other outside consultant is used, the contractor must submit its payment application directly to the College. The A/E is required to send a copy of the application for payment to the Controller’s Office immediately upon receipt of the paperwork from the contractor.

g. The A/E must review the contractor’s application for payment and accompanying progress schedules and other back-up information.

h. Based on the A/E on-site observations, the A/E must determine the amounts due the contractor and submit recommendations for payment in writing to the College.

i. After review and certification of the amounts due the contractor, the A/E must send the application for payment to the College.

3. Progress Payments to Contractors

a. When a contractor has performed in accordance with the provisions of its contract, the College will pay the contractor the undisputed amount of any pay request within 21 days of receipt of that payment request by the College. (In reference to this requirement of the law, the A/E is considered to be the College, as the A/E is acting as the College’s representative.)

b. The contractor shall make payment to its subcontractor(s) and each subcontractor will make payments to its subcontractor(s) on undisputed amounts within seven days of receipt by the contractor or subcontractor of each periodic or final payment for that contractor’s (or subcontractor’s) completed work.

c. If a payment to a contractor is delayed by more than 21 days, or if a payment to a subcontractor is delayed by more than seven days after receipt of the
payment, the College, contractor or subcontractor must pay its contractor or subcontractor interest beginning on the due date at the rate of one percent per month or pro rata fraction thereof on the unpaid balance as may be due. However, no interest is due unless the person being charged interest was notified at the time the request for payments was made that such interest may be due.

Related Policies, Documents or Forms

S. C. Comptroller General’s Disbursement Regulations

S. C. State Procurement Code


S. C. General Appropriations Act

Review Schedule

Issue Date: April 8, 2008
Author: Ruby G. Flateau, Controller

Next Review: May 18, 2012