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.
C. Vendors

The vendors 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 ensure that all payments processed by the Accounts Payable staff are thoroughly verified for compliance with rules and conformity with accounting standards as well as processed timely.

Departments/Offices Affected by the Policy

This policy directs the purchases and payments of expenditures for all departments and offices of the College of Charleston.

Procedures Related to the Policy

Invoice Processing Schedule, Inquiries, Check Writes/Distribution

1. Processing
   a. Invoices including travel reimbursements/advances received by the Accounts Payable Unit which are correct and complete will be processed within five (5) to seven (7) full working days after receipt.
   b. When all items invoiced are received and verified to the accounts payable file copy of the purchase order, an account payable voucher is processed for a check to be cut.
c. Under normal circumstances, the department/vendor will receive a check within the next two check-write cycles (see below) following the processing of the invoice by the Accounts Payable Office.

d. During certain times of the year (e.g. usually fiscal year-end), due to an exceptionally large number of vouchers being submitted by all departments or other extenuating circumstances, this schedule may not be achieved. Vouchers will be processed as expeditiously as possible upon receipt by the Controller’s Office. The Controller’s Office will notify the campus community when it must invoke slower processing schedules.

2. **Prepaid Items**

a. In general, the State Comptroller General requires that goods or services must be paid from the fiscal year’s funds for which they were received. However, when there are instances where goods or services -- normally items such as rent, insurance and subscriptions -- are not fully consumed within the fiscal year from which they were paid, generally accepted accounting principles require recording any unused portion remaining at year end as an asset, namely prepaid expenses. Such amounts are not reflected in the department’s expenses for the current year but are reported as assets in the College’s financial records. On July 1, a reversing journal entry will be made to charge the expenses to the new fiscal year. (Please refer to the policy and procedures on Prepaid Expenses located on the Controller’s Office website at [http://controller.cofc.edu/pv_obj_cache/pv_obj_id_0A63FBEFECB10F986CEDE908E071F9FC160100/filename/Prepaid%20Expenses.pdf](http://controller.cofc.edu/pv_obj_cache/pv_obj_id_0A63FBEFECB10F986CEDE908E071F9FC160100/filename/Prepaid%20Expenses.pdf).)

b. A payment for goods or services where the benefits cross fiscal years will be allocated between (among) the fiscal years based on the unused portion of the payment at year-end closing. The unused portion at the end of the first fiscal year is an asset of the College to be expensed in subsequent periods as benefits are derived.

c. The Controller’s Office will review and reconcile all prepaid expense accounts on a monthly basis.

3. **Check Writes/Distribution, Rush (Manual) Checks, Holds for Pick-up, Checks with Order**

a. Checks and electronic payments are generated automatically from the approved accounts payable feed. Check write days generally are Mondays, Wednesdays, and Fridays.

1) The Controller’s Office strongly encourages using electronic fund transfer when possible.

2) It is generally the policy of the College for the Accounts Payable
Office to mail checks directly to vendors and staff. This practice establishes control over checks and limits the additional time necessary for special handling.

3) It must be clearly noted on the invoice when sent to A/P if a circumstance exists where the check should not be directly mailed from the Controller’s Office. Any check held for pick-up is not available until after 12:00 p.m. each day. If the check is not picked-up by the agreed upon date, it will be sent through the appropriate mail system.

4) All other checks will be mailed through the U. S Postal Service or inter-campus mail service.

b. Immediate Check Requests – A request for a rush or manual check should be made only in extreme emergencies.

1) Any such request requires the approval of the respective department head.

2) This special check process requires coordination between the Controller’s Office and the Operations Unit of the Information Technology Office and often the Procurement Office.

3) To request a rush check, you must contact the Accounts Payable Supervisor or a designee of that office.

c. Checks with Order and/or Held for Pick-up – These checks usually are produced as a result of a vendor requiring prepayment prior to the shipment or receipt of the goods/services; formal presentation to a performer/award recipient for a campus-event; or travel cash advance.

1) A “check with order” that is not required for presentation to a recipient will be mailed as normal through the U. S. mail service.

2) Checks held for pick-up including those for travel cash advances and presentations to individuals will be mailed through inter-campus mail to the requestors if not picked-up by the agreed upon date.

3) When a requestor who is not the payee of the check takes possession of such check(s), the requestor must accept responsibility for the check(s) through completion of the Check Custodian form. If the check is for a formal presentation to a performer/award recipient, the custodian must obtain each payee’s signature on the form and return a copy of the signed form to the Accounts Payable Unit.

d. No promise of a check to any vendor or person will be honored by the Controller’s Office without first seeking prior approval of the Associate
Controller of Payment Services.

4. Inquiries

a. The Accounts Payable staff determines whether documentation justifies the payment of an invoice. Direct to the Accounts Payable Unit inquiries concerning whether or not documentation/certification requirements are adequate.

b. The Accounts Payable Unit answers all inquiries from vendors regarding the status of unpaid purchase orders/invoices and reconciles monthly account statements from vendors.

c. Vendors are notified that all invoices and statements must be sent directly to the Accounts Payable Unit of the Controller’s Office. Invoices and statements received by departmental staff external to the Controller’s Office should be forwarded promptly to the Accounts Payable Unit (AccountsPayable@cofc.edu).

Related Policies, Documents or Forms

S. C. Comptroller General’s Disbursement Regulations

S. C. State Procurement Code


S. C. General Appropriations Act

Review Schedule

<table>
<thead>
<tr>
<th>Issue Date: April 8, 2010</th>
<th>Next Review: May 18, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author: Ruby G. Flateau, Controller</td>
<td></td>
</tr>
</tbody>
</table>