



OFFICIAL PROCEDURE

**Reasons for Return of/Delayed Processing of Invoices
and Other Requests for Payment Procedure**

7/22/16

Procedure Statement

The Accounts Payable (A/P) area of the Controller's Office of the College of Charleston will process all payments for the College's legally incurred, non-payroll obligations of goods and services, in accordance with State and Federal laws and regulations, as well as other policies and procedures of the College.

Procedure Manager and Responsible Department or Office

A. Controller's Office

The Controller's Office staff has the responsibility for ensuring that all payments for goods and services of a non-payroll nature comply with State and Federal laws and regulations, as well as College policies and procedures.

B. Faculty and Staff

College of Charleston faculty and staff have the responsibility for ensuring that they follow procurement guidelines when requesting goods and services. Faculty and Staff must provide the Controller's Office with accurate and complete documentation, such as completed forms, justifications or explanations needed for making payments, etc. In addition, the faculty and staff must ensure that goods and services are satisfactorily received and that they demonstrate a documented benefit to the College.

C. Vendors and Payees

College of Charleston vendors and payees must provide the Controller's Office with valid invoices that adequately describe the vendors' names, addresses, itemized descriptions of goods and services, terms for payment, etc. as well as properly completed Internal Revenue Service Forms W-9 or W-8 evidencing their business type (corporation, sole-proprietorship, partnership, etc.), domestic or foreign status, and tax identification numbers.

Departments/Offices Affected by the Procedure

This procedure affects all of the departments and offices of the College of Charleston.

Procedures Related to the Procedure

Reasons for Return of/Delayed Processing of Invoices

- A.** Payment by the College must be supported by a source document which in most cases is an independent invoice. The requirement of an invoice represents confirmation from a third party that a product or service was provided to the College as well as supports the objectivity principle of accounting. An invoice must meet the State' and College's criteria for authentication.
- B.** Invoices can be rejected manually for missing purchase orders, unauthorized purchases, insufficient funds on a purchase order, incorrect vendor addresses, missing departmental index numbers, inadequate description of goods/services, or no tax identification numbers (Form W-9, W-8, etc.). The automated accounting system rejects occur for discrepancies of quantity, unit price or extended price.
 - 1. The reason for the return of the document will be indicated on the rejection form.
 - 2. The rejection form should remain with the corrected document so that the corrected packet will receive priority when returned for processing.
 - 3. If the amount on an invoice is inaccurate, the Controller's Office will require the vendor/payee to furnish a revised document.
 - 4. The Controller's Office staff has the final decision for the account code classification of expenditures.
 - 5. If there are any discrepancies between the attached documentation and the charges shown on the invoice, said discrepancies will need to be reconciled prior to paying the vendor invoice. Travel and subsistence expenditures should have receipts attached to substantiate reimbursement requests. Meals and taxi fares are excluded from this requirement. Receipts for lodging and parking must be attached to the reimbursement request.
 - 6. The payee shown on the face of the invoice will be compared with the payee shown on the supporting documentation. If the payees are different, the discrepancy will need to be reconciled prior to paying the vendor invoice.

7. The vendor/payee number and name indicated on the invoice/travel packet will be verified against the Controller and Procurement Offices' vendor file for accuracy. A W-9 or W-8 form for the vendor must be on file identifying the business name, SSN/TIN, type of ownership, and permanent residence. If any of these elements are missing or incorrect, the discrepancies will need to be reconciled prior to paying the vendor invoice, or until a W-9 or W-8 is on file. If the IRS has notified us that the vendor information does not match its file, a payment cannot be processed until further clarification by the vendor, IRS, or Social Security Administration.

C. Partial or Short Payments

1. Partial payments can be made at the discretion of the A/P Supervisor based on factors such as the receipt of fractional shipments or percentage of completion. If a vendor overcharges the College, the Accounts Payable staff coordinates with Procurement on the necessary deduction and notates the adjustment on the vendor record.

D. Credit Memos

1. If the College has overpaid an invoice, or if the merchandise has been returned, the accounts payable unit requests and applies the credit memo to the vendor account/invoice. If the account/invoice has a balance due after the credit memo is applied, an adjusted payment will be authorized. If the account has a credit balance and there is no immediate payment expected to be made to the vendor, the accounts payable staff will request a refund check from the vendor.
2. Within **5 to 7 business days**, the Accounts Payable unit will notify the department or vendor contact that the invoice was rejected. Department staff and vendors will be asked to resolve issues by submitting the required paperwork so that processing can be completed.

Related Policies, Documents, or Forms

None noted

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