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

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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.

II.     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.