SUMMARY:

The University pays all its legally incurred obligations for materials and services (other than payrolls or special personal payments) through the Accounts Payable Office.

POLICY:

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 Office. The University complies with Section 17 of Act 148 of the State Law which requires that all undisputed invoices be paid within 30 workdays of receipt of goods or invoice (whichever is later). Failure to do so results in a mandatory late payment penalty not to exceed 6.25% per annum. The penalty is added to the invoice and remitted to the vendor.

Additionally, Title 29 of the South Carolina Code of Laws ensures that timely payments are made to contractors, subcontractor 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 (1) percent per month or a pro rata fraction thereof on the unpaid balance.

The State of South Carolina requires that a Use Tax of 8% of each payment to a nonresident vendor be paid to the S.C. Department of Revenue. A separate voucher is generated when the Use Tax is due to the State of South Carolina. This tax is remitted by the University on a monthly basis. If the vendor registers with the S. C. Department of Revenue, the Use Tax is no longer applicable and the 8% Sales Tax is paid to the Vendor at the time of sale.

A. Accounts Payable – Check Writing Schedule

The Accounts Payable Office is responsible for establishing a Check Writing Schedule that will meet the objectives and responsibilities referenced in sections above.
Departments should submit vouchers and expect checks according to the following schedule for Travel Reimbursements, Personal Reimbursements, Refunds, Direct Expenditure Vouchers and Purchase Order Payable Vouchers:

1. Accounts Payable disbursement checks are processed twice weekly, on Tuesday and Thursday.

2. Vouchers received by the Accounts Payable Office will be processed as soon as possible. On that date, payment will be mailed to the payee; however, if direct deposit has been set up with Accounts Payable, a notification email will be sent to the payee.

3. Holidays, technical difficulties or incorrect paperwork which must be returned to the department may alter this schedule.

B. Accounts Payable–Petty Cash

The University provides petty cash funds to certain offices to cover large numbers of nominal reimbursements when a Direct Expenditure Voucher or Purchase Order is impractical.

1. Establishment:
   a. A supervisory official of a department of the University makes a request to the University Controller's Office which justifies the need for the fund.
   b. When the request is approved by the Controller, the Petty Cash fund is recorded on the University’s General Ledger, a Custodian is selected and the Custodian's name is recorded in the Controller's Office.
   c. The amount of the fund is limited to the cash requirements of a short period of time.
   d. If the need for the fund ceases to exist or if the fund is handled improperly or not in accordance with the written policies and procedures, it will be removed.

2. Custodian
   a. The Controller will ensure that the Custodian understands the written procedures for processing petty cash transactions and fully understands that he or she is responsible for the amount of the Petty Cash fund.
   b. The Custodian's regular duties may not include the receipt or disbursement of cash nor the recording of charges or credits to customer's or vendor's accounts.
c. The Custodian must keep the fund secured under lock and key at all times, with the key in his or her possession.

d. The fund may never be divided between two or more people without written authorization of the Controller.
   
i. In cases where authorization has been given to divide a Petty Cash fund, each person will sign a receipt for his or her portion of the fund and the Controller's Office will keep these receipts.
   
ii. The Custodian will still be solely responsible for the full amount of the fund.

3. Operation
   
a. At all times, cash on hand plus paid receipts must equal the original amount of the fund.
   
b. The fund is subject to surprise audits at all times by either a representative of the University Controller’s Office, the Internal Auditor, the auditor of the State of South Carolina or an independent auditor.
   
c. No expenditures for the following items will be reimbursed from a Petty Cash fund:
      
i. Wages
   ii. Cash Advances (except to CCU students)
   iii. Loans
   iv. Travel Expenses
   v. Expenses not in compliance with University expenditure policies
   vi. Out-of-state meal
   vii. Employee awards
   viii. Holiday decorations
   ix. Stolen personal items
   x. Local mileage

4. Disbursements
   
a. The individual must complete an “Authorization for Petty Cash Expenses Less than $30” form and submit it to the Accounts Payable Office. Original receipts must be attached to the form.
   
b. For the Student Activity Petty Cash Fund only: If cash is requested prior to making a purchase, receipts in the amount of the cash received must be attached or in cases when the actual expense was less than the cash received,
receipts and leftover cash must be attached and the cash returned must be noted on the voucher.

c. The Budget Officer for the account to be charged must approve the Authorization.

5. Reimbursements

   a. The fund Custodian or Accounts Payable personnel will prepare a Miscellaneous Accounts Payable Voucher accompanied by the Authorization for Petty Cash Less Than $30 form, paid invoices and a Petty Cash Summary Sheet.

   b. The Summary Sheet includes a list of individuals who have received reimbursements, the amount each received and each account charged.

   c. The fund will be replenished as needed and reconciled at least quarterly.

6. Lost or Stolen Funds- If any funds are stolen, notify the University Public Safety Department immediately.

C. Filing of Invoices

   Paid vouchers are returned to the Accounts Payable Office and filed, including all documentation and correspondence related to processing the voucher.

D. Intra Institutional Transfers

   Written authorization is needed to charge a user department. Upon approval, the appropriate accounts will be charged and credited. If sales tax is due to the State of South Carolina, a separate voucher to record the sales tax payable will be generated. Therefore, two vouchers must be created. Responsibility for using vouchers for interdepartmental transfers has been given to departments that process large volumes of charge-backs.

E. Blanket Purchase Orders

   Some Vendors to which a Blanket Purchase Order has been issued will send monthly statements which need to be reconciled to the corresponding invoices.

   If there is a discount on the invoice, the discount should be calculated manually and the net amount entered into the computer system.
F. Refunds (Other Than Tuition Refunds)

Refunds will be processed upon receipt of a completed Refund Request Form and appropriate documentation attached. The account to which the deposit was originally made will be reduced by the amount of the refund.

G. Returned Merchandise

When items are received and later returned, Accounts Payable staff will attach the credit memo to the original invoice and enter the credit as a separate line item.

H. Reimbursement for Travel

The Travel Authorization will be entered (encumbered) in order for Accounts Payable to pay the expenses of the traveler when a Travel Reimbursement Voucher is submitted. The Travel Authorization number will be used for the invoice number except for vendor invoices that have an invoice number. This number will be used to pay all individual travel expenses of all payees included in this Travel Authorization, such as hotel bills, registration fees, meals and mileage of the individual(s) traveling.

If the expenses exceed the amount approved on the Travel Authorization by more than ten percent (10%), the employee’s Budget Officer must approve the increase to the Travel Authorization to cover actual expenses incurred on the trip. Accounts Payable staff will accept e-mail approvals from the Budget Officer (or his designee, as long as the Budget Officer is copied on the e-mail message).

Travel Authorization forms will be filed in the A/P Department.

I. Miscellaneous Accounts Payable Vouchers

Miscellaneous small payments such as memorials for deceased individuals, flowers for funeral services, and various atypical requests will be paid through the Voucher system. Appropriate approvals must be obtained and original invoices/receipts or other official documentation must be attached to the request. Other payments not subject to University procurement policies and procedures less than $2,500 may be made on Miscellaneous Accounts Payable (AP) Vouchers.

J. Office Supply Orders

When ordering merchandise from Staples, a Procurement Card must be used and a departmental employee is required to sign for the order. The Packing Slip/Invoice will be kept on file in the ordering department. [They should not be forwarded to Accounts Payable.] It is the responsibility of the ordering department to verify that all items have been received, that the items are in good condition (not damaged, etc.), that the correct account is charged, and that the total amount charged is correct. If charges
or items are incorrect or otherwise unacceptable, the ordering department must contact Staples directly to resolve the problem.

K. Miscellaneous Reimbursements

1. Reimbursement for less than thirty dollars ($30) will come from the Petty Cash Fund in the Accounts Payable Office, or (only if necessary) be processed with the voucher system so that a check or direct deposit will be processed.

2. Reimbursement for more than thirty dollars ($30) will be processed with the voucher system so that a check or direct deposit will be processed.

3. Reimbursements for meals attended by University employees only or University employees and spouses must be pre-approved by the next level Supervisor (Administrator). An explanation of the benefit to the University and why the meeting had to be held outside of normal working hours and/or locations (and why spouses were advantageous) must accompany the request for pre-approval.

L. Receipts for Internet Purchases

Reimbursement for purchases made via the Internet will not be processed without proper documentation of payment. A printout of the Confirmation of Payment must accompany the reimbursement request.

II. HONORARIA PAYMENT TO INDIVIDUALS ON THE DIRECT PAYMENT FORM

This section sets forth the Coastal Carolina University Policy for honoraria payment to individuals on the Direct Payment (DP) form.

A. Types of activities for which an honorarium payment is appropriate on a Direct Payment (DP) form.

Honoraria are payments granted in recognition of a special service or distinguished achievement for which custom or propriety forbids any fixed business price to be set. They are generally payments made as "tokens of appreciation" to professional persons for services for which fees are not legally or traditionally required. These include voluntary services or those for which no fees are negotiated and no employer-employee relationship exists. The initiating department must sign certification to this effect or the form will not be processed.

Types of activities that may be paid as honoraria on the Direct Payment form include the following:

1. A special lecture, a short series of lectures, a concert performance or other creative activity.
2. Participation in a seminar or workshop as a guest speaker or panelist, provided such services are furnished on a short-term basis.

3. A speaking engagement.

4. A musical performance at a University-sponsored function.

B. Types of Activities that are not appropriate for Honoraria Payment on the Direct Payment (DP) Form

1. Consultant fees. (Submit on Purchase Requisition according to Purchasing Office procedures.)

2. Payments to independent contractors. (Submit on Purchase Requisition according to Purchasing Office procedures.)

3. Payments to individuals already employed in any capacity by the University. (Submit on Personnel Action Form (PAF) according to Human Resources Office procedures.)

4. Payments to vendors. (Submit on Purchase Requisition or Direct Expenditure Voucher according to Purchasing Office procedures.)

5. Payments to individuals hired as temporary faculty. (Submit on Personnel Action Form according to Human Resources Office procedures.)

6. Payments to employees of other State Agencies. (Submit Dual Employment forms in accordance with Human Resource Office procedures.)

C. Procedures

1. Direct Payment (DP) forms must be completed accurately and have the appropriate signatures.

2. DP forms for Honoraria payments must be submitted to the Accounts Payable Office and accompanied by a W-9 form.