



Policy Title:	Accounts Payable
Policy Number:	FAST-202
Revision Date:	October 2022
Policies Superseded:	604; FINA-104
Policy Management Area(s):	Finance and Administration

SUMMARY:

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

POLICY:

I. POLICY

The University pays all its legally incurred obligations for materials and services (other than payrolls or special personal payments) through the Office of Accounts Payable (AP). The University complies with Section 11-35-45 of the South Carolina Code of Laws, which requires that all undisputed invoices be paid within 30 work days after acceptance of goods or services and proper invoice (whichever is later). Should payment not be paid within the specified 30 work days, the University may be required to pay a late penalty not to exceed 15% per annum on any unpaid invoice balance which exceeds the 30 work day period. Additionally, Section 29-6-30 of the South Carolina Code of Laws requires the University to pay contractors, who provide real property improvement or construction services, within 21 days upon receipt of any undisputed pay request.

The State of South Carolina requires that a use tax of each payment to a nonresident vendor be paid to the S.C. Department of Revenue. A separate entry 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 If the vendor registers with the S.C. Department of Revenue, the use tax is no longer applicable, and the sales tax is paid to the vendor at the time of sale.

A. Departmental Responsibilities

Generally, there is at least one person, known as the budget officer, responsible for a departmental account. Those individuals may develop additional internal procedures to manage purchasing of goods or services within their account, so long as they comply with existing South Carolina and University policies:

1. Confirming that goods and services were received and met desired specifications.
2. Documenting the business purpose for the purchase.
3. Notifying the Office of Accounts Payable of any returned items.
4. Prioritizing departmental needs.
5. Monitoring that sufficient funds exist to cover purchases.
6. Forwarding vendor statements to the Office of Accounts Payable.

B. The Office of Accounts Payable Responsibilities

1. Confirming purchases comply with South Carolina and University policies.
2. Verifying proper documentation exists.
3. Recording invoices to the proper general ledger accounts.
4. Archiving all documentation and correspondence related to the processing of the voucher.

C. Vendor and Payee Responsibilities

University vendors and payees must provide the Office of Financial Services with a properly completed vendor application, as well as valid invoices that adequately describe the vendors' names, addresses, itemized descriptions of goods and services, terms for payment, etc.

D. Check Writing Schedule

The controller is responsible for establishing a check writing schedule that will meet the objectives and responsibilities referenced in sections above.