

OFFICE OF THE CONTROLLER

Policy and Procedure Updates

Accounts Payable

August 2025



UNIVERSITY OF
South Carolina



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Policy and Procedure Purpose



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Purpose

Last fiscal year, the Controller's Office undertook a comprehensive policy and procedure update project.

This webinar series will provide a high-level overview of Controller's Office policies and procedures, including updates.



University Policies and Procedures

The [University-Wide Policies and Procedures Manual](#) is maintained by the Office of the Provost.

Controller's Office policies are captured in the Administrative and Finance section (FINA) and are also included in our [Resources and Training Toolbox](#) (Policies & Procedures section) along with accompanying procedures and appendices.



Policy and Procedure Basics



Policy

Details what is required by federal, state, local, and/or University requirements and best practices



Procedure

Accompanies policies and details how compliance with those requirements is achieved

Additional supplemental policies and procedures can be developed internally at the unit or departmental level, but they cannot contradict the overarching policies and procedures of the University.



Policies and Procedures

Policy	Procedure
<u>FINA 2.06 – Internal Charges</u>	N/A
<u>FINA 2.12 – Accounts Payable</u>	<ul style="list-style-type: none"> • <u>Accounts Payable</u> • <u>Interdepartmental Transfers</u>
<u>FINA 2.13 – Honorariums and Royalties</u>	N/A
<u>FINA 2.14 – Acquisition and Payment of Goods and Services</u>	<ul style="list-style-type: none"> • <u>Acquisition and Payment of Goods and Services</u> <ul style="list-style-type: none"> • <u>Appendix: Procure-to-Pay Business Cycle Flowchart</u> • <u>Food Purchases with Sponsored Awards</u>
<u>FINA 2.15 – Accounts Payable Payment Schedule</u>	N/A
<u>FINA 2.20 – Membership Dues</u>	N/A
<u>FINA 2.30 – Wireless Communications Stipends</u>	<u>Wireless Communications Stipends</u>
<u>FINA 2.60 – Miscellaneous Accounts Receivable</u>	<u>Miscellaneous Accounts Receivable</u>

FINA 2.06 – Internal Charges



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FINA 2.06 – Internal Charges

- Occur when one University department provides goods or services to another University department.
- All rates must be requested through the University’s standard user fee solicitation process and approved by the Board of Trustees.
- Internal charges **should not** be used to transfer funds or correct errors.
- The department **providing** the goods or services is responsible for initiating the internal charge.

Formerly titled “Intra-Institutional Transfers (within USC)”



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FINA 2.06 – Internal Charges

- Internal charges are processed as regular online journal entries (JEs) using the following offsetting account codes:



5XXXX Expense
Account:

Used for the department
receiving the goods or
services



6XXXX Contra
Expense Account:

Used for the department
providing the goods or
services

- Adequate documentation and invoices must be maintained and attached to support the JE.
- Entering “Internal Charge” in the JE description will speed up the approval and posting process.



FINA 2.12 – Accounts Payable



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FINA 2.12 – Accounts Payable

- The University pays all obligations for goods and services, other than payroll, through Accounts Payable.



- Invoices must be paid within 30 days of receipt of the goods and services and proper invoice.

Payment Methods

- Payments are issued through check, ACH, or wire payment based on the information reflected in the specific supplier profile.
- ACH is the preferred payment method.

FINA 2.12 – Accounts Payable

Payment Types

- Payments are primarily processed using Payment Request, Purchase Orders, or reimbursement.

Payment Request	Purchase Orders	Reimbursements
Invoices < \$10,000	Invoices > \$10,000 requiring a requisition and compliance with competitive solicitation processes	<u>Only</u> when there is no other viable payment available

- Each method requires an original invoice and appropriate approvals before payment can occur.



FINA 2.12 Procedure – Accounts Payable

Payment Request

- The [Payment Request Matrix](#) governs the types of payments allowable under this payment type.
 - For greater efficiency, AP Upload may be used when ten or more payments exist in certain categories. Refer to procedure for detail.

Purchase Orders

- See University Policy [BUSA 7.00](#) for additional guidance on POs.
- Accounts Payable runs an automated matching process every evening – a three-way match between PO, invoice, and goods receipt. Any exceptions are flagged and require resolution before payment occurs. Refer to procedure for exceptions.

FINA 2.12 Procedure – Accounts Payable

Reimbursements

- The [Employee Reimbursement \(Non-Travel\) Matrix](#) governs the types of reimbursements allowable for employees (including students).
- The [Student \(Non-Employee\) Reimbursement Matrix](#) governs the types of student reimbursements allowable for student non-employees.

Payments to Foreign Nationals

- Foreign nationals are strictly limited in what sources of income they are authorized to accept and have specific documentation requirements. Refer to the [Payments to Foreign Nationals Matrix](#) or coordinate with [International Student and Scholar Support](#) for additional guidance.



FINA 2.12 Procedure – Accounts Payable

Payments to Students

- Refer to the [Student Payment Method Decision Tree](#) for guidance on accurately classifying and processing student payments.

Supplier Self-Service Portal

- All suppliers doing business with the University, including both domestic and international suppliers, **are required** to register in the Supplier Self-Service Portal before payment occurs.
- Appropriate documentation must be submitted during the registration process.

Financial Sanctions

- The University does not do business with any entity that is sanctioned, suspended, or debarred. Routine monitoring occurs within the Controller's Office.



FINA 2.12 Procedure – Interdepartmental Transfers

- Represents the transfer of funds between state agencies to facilitate payment for provided goods or services.

Funds Received by the University

- If paying via wire transfer, the external state agency may use SCEIS to initiate payment.
- If not paying via wire transfer, the external state agency must remit payment by issuing a check or ACH.

Funds Paid by the University

- Payments will be issued to state agencies following the University's standard payment and supplier processes.
- Payments cannot be made through SCEIS.



FINA 2.13 – Honorariums and Royalties



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FINA 2.13 – Honorariums and Royalties

Honorariums

- A one-time, nominal payment made directly to an individual with a scholarly or professional standing to show good will and appreciation for voluntary service to the University.
- For non-recurring activities such as a guest lecture, panel discussion participation, or similar voluntary activity.
- Not appropriate when the amount or timing is negotiated and agreed-upon or associated with a charged fee, invoice, or contract.
- Cannot be made to University employees.

Royalties

- Payments made for the right of use protected work such as copyrighted or patented intellectual property or physical assets (e.g., literary works, musical works, inventions, etc.).



FINA 2.13 – Honorariums and Royalties



Both payment types are exempt from tax withholding but must be reported by the individual as taxable income for federal and state purposes.

Payment

- All honorariums and royalties **must** be paid using Payment Request. Refer to the [Payment Request Matrix](#) for requirements.
- External individuals and entities must register in the University's Supplier Self-Service Portal to receive payment.



**FINA 2.14 –
Acquisition and
Payment of Goods
and Services**



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FINA 2.14 – Acquisition and Payment of Goods and Services

General acquisition and payment responsibilities include:

Purchasing Department

Facilitates the procurement of all needed goods and services, including contract negotiations.

Controller's Office

Manages all general accounting and supplier management functions.

Departments

Identifies departmental needs for goods and services, follows proper procurement and payment processes, and maintains supporting records.



FINA 2.14 – Acquisition and Payment of Goods and Services

Conflict of Interest

- No University party is authorized to participate in procurement activities if a real or apparent conflict of interest is involved.
- Any conflict of interest must be appropriately disclosed to and monitored by the University.

Gifts

- No University party is authorized to solicit or accept anything of monetary value from vendors.

Unauthorized Procurements

- Ordering or receiving goods or services without complying with University and statutory requirements and/or without receiving the proper approvals is strictly prohibited.



FINA 2.14 – Acquisition and Payment of Goods and Services

Transaction Splitting

- Breaking up high-dollar purchases into smaller transactions to circumvent required procurement processes is strictly prohibited.

Personal Economic Interest

- No University party is authorized to use their official office or employment to obtain an economic interest for themselves, a member of their immediate family, or an associated individual or business.

Confidentiality

- University employees must handle confidential and proprietary information with due care (e.g., quoted prices, terms, conditions).



FINA 2.14 – Acquisition and Payment of Goods and Services

Procurement Methods and Payments

Purchases Under \$5,000

The Purchasing Card should be used when possible and authorized.

- The P-Card **cannot** be used for purchases of food and capital assets.
- If a supplier does not accept the P-Card, Payment Request must be used.

Purchases from \$5,000 to \$10,000

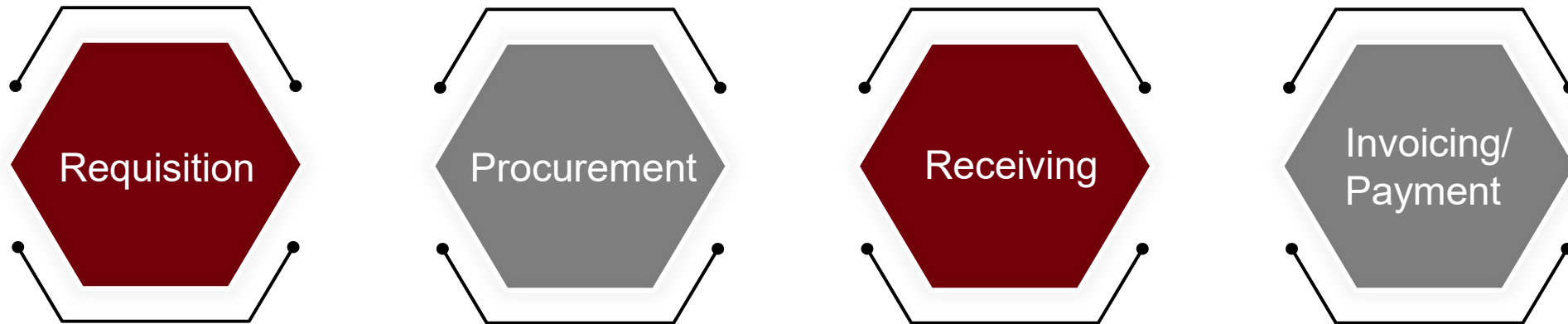
Payment Request should be used. Refer to the [Payment Request Matrix](#) for guidance.



FINA 2.14 – Acquisition and Payment of Goods and Services

Procurement Methods and Payments

- Purchases Exceeding \$10,000: Must be procured through the Purchasing Department using a Purchase Order and the competitive solicitation process (see University Policy [BUSA 7.00](#)).
- The process requires:



FINA 2.14 Procedure – Acquisition and Payment of Goods and Services

Supplier Conflict of Interest

- When making purchases, departments should avoid doing business with suppliers if there is an actual or perceived conflict of interest.
- The Supplier Team checks for conflicts of interest when supplier registrations are received.
- Employees are responsible for disclosing any conflicts of interest. See University Policy [BTRU 1.18](#) and [RSCH 1.06](#).

Unauthorized Procurements

- Any unauthorized procurement must be ratified by the Department Head before payment can occur. A written request detailing the facts and circumstances and correction action must be submitted to the Director of Purchasing for review and approval.



FINA 2.14 Procedure – Acquisition and Payment of Goods and Services

Blanket Purchase Orders

- Depending on the nature of the purchase, a Blanket PO may be appropriate. Refer to the procedure for detail and guidance.

Invoicing

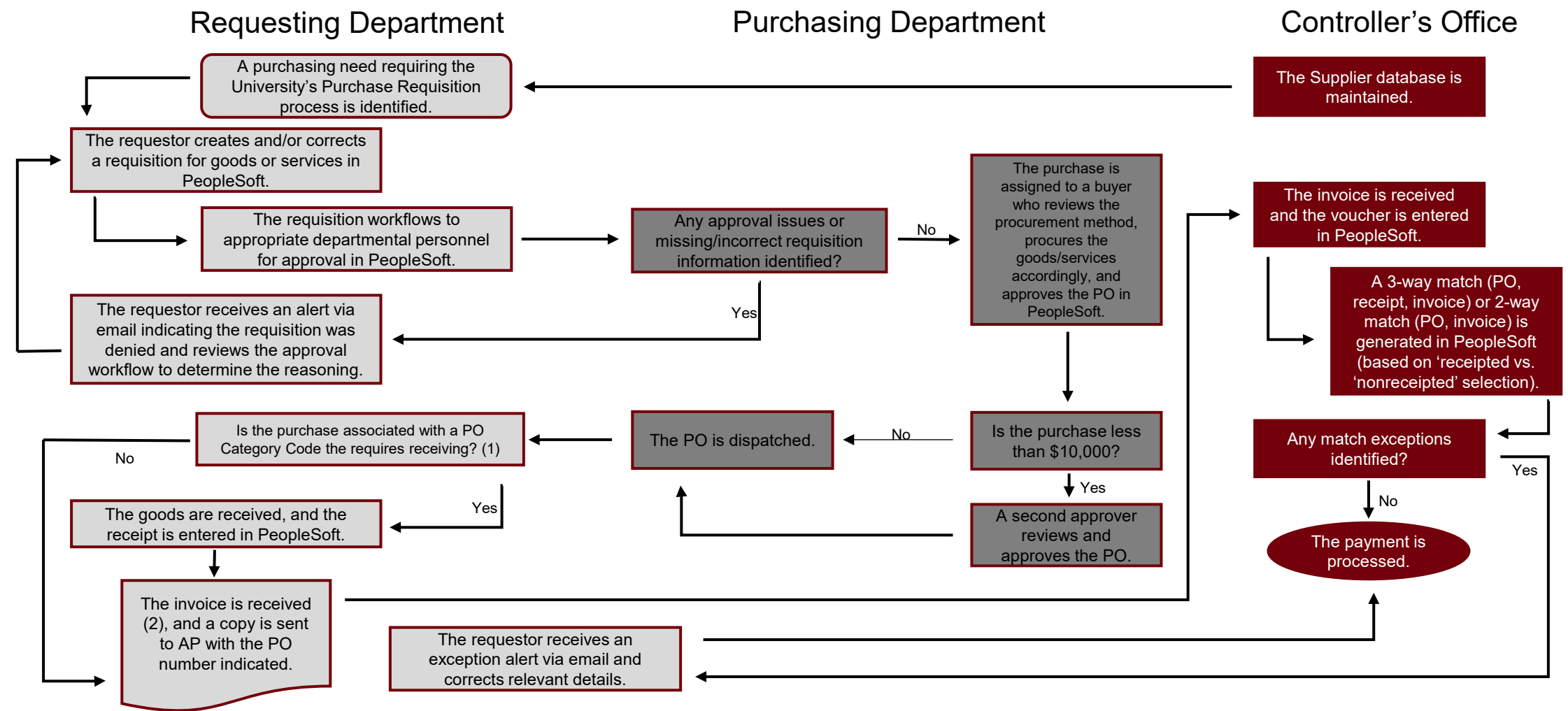
- Invoices may be submitted to Accounts Payable directly from the supplier or the associated department.

Receiving

- A PO's receiving requirement is based on the assigned Category Code, which is based on the nature of the PO.
- If the PO is quantity-based, the appropriate quantity should be entered as Receipt Quantity. If the PO is amount-based, the appropriate dollar amount should be entered as Receipt Amount.



FINA 2.14 Appendix – Procure-to-Pay Business Cycle Flowchart



FINA 2.14 Procedure – Food Purchases with Sponsored Awards

Allowability

- Meals or food may be charged to a sponsored award only where **all** the following criteria are met:
 - The expense is allowable under Uniform Guidance, sponsor policy, the terms and conditions of the award, and University policy and procedure.
 - The meeting includes external participants.
 - The expense is supported by appropriate documentation.
 - The food/meal is part of a formal business meeting and integral to the goals and objectives of the project.
- Refer to the procedure for examples of potential allowable and unallowable food costs.

FINA 2.14 Procedure – Food Purchases with Sponsored Awards

The following must be considered for the direct expense categories used when proposing and charging allowable food and meal expenses:

Direct Expense Category	Reference/Comment
Participant Support	See FINA 3.00 Procedure – Participant Support Costs
Travel	See FINA 2.50 – Travel and FINA 2.50 Procedure – Travel
Entertainment	Always unallowable – See 2 CFR 200.432
Lobbying	Always unallowable – See 2 CFR 200.450
Conference	May be allowable – See 2 CFR 200.432



FINA 2.14 Procedure – Food Purchases with Sponsored Awards

Documentation Requirements

Budgeting food costs in a sponsored award does not guarantee sponsor approval. There is a very high burden of proof to show that paying for food with sponsored funds is necessary to the project.

Full documentation must be maintained, which includes:

1. Justification for the food/meal purchase, including how it was necessary to achieve the objectives of the award,
2. Original, itemized receipts, including a list of participants and agenda,
3. Copy of the sponsor's approval,
4. The cost per person, and
5. Conference registration information showing meals were not also provided by the conference.



**FINA 2.15 –
Accounts Payable
Payment Schedule**



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FINA 2.15 – Accounts Payable Payment Schedule



AP processes payments a minimum of twice a week.



Normal processing time is 7 to 10 business days.



Check printing and mailing are outsourced to a third party.

Formerly titled “Check Writing Schedule”



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FINA 2.20 – Membership Dues Payment



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FINA 2.20 – Membership Dues Payment



If dues fall below the threshold, the Purchasing Card must be used if accepted by the vendor.

Otherwise, Payment Request will be used to make payment directly to an organization.

Reimbursement should only be used when no other viable payment option is available.

Formerly FINA 7.07 (Club Membership Dues)



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FINA 2.20 – Membership Dues Restrictions

- Per State law, state funds are prohibited from being used to pay establishments practicing discrimination.
- Institutions are prohibited from paying professional dues payments for individuals to state regulatory agencies, including the American Bar Association.
- Any membership dues paid with sponsored award funding must comply with 2 CFR 200.454 and any sponsor requirements and restrictions.
- Memberships must be the following to benefit the University.

Reasonable

Justifiable

Necessary



**FINA 2.30 –
Wireless
Communication
Stipends**



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FINA 2.30 – Wireless Communications Stipends

A stipend may be provided to an employee who has an official business need for a wireless communication device and receives appropriate approval.

Eligibility

Examples of a qualifying business need may include:

- ✓ Must be accessible outside of normal business hours.
- ✓ Works regularly in the field and must be immediately accessible.
- ✓ Responsible for critical infrastructure and needs to be accessible.
- ✓ Regularly travels and needs access to IT systems while traveling.
- ✓ Access to a device renders the employee more productive or effective.



FINA 2.30 – Wireless Communications Stipends

Requirements and Restrictions

- Stipends are funded by the unit/department.
- The stipend is intended to reimburse for the business use of the device, not to fund the cost in its entirety.
- An employee ceases to be eligible for the stipend when their job duties change and no longer support a business need.
- Misuse or fraudulent receipt of a wireless communication stipend may result in administrative and/or disciplinary action.

Employee Responsibilities

- Refer to the procedure for employee responsibilities.



FINA 2.30 – Wireless Communications Stipends

Security

- The University reserves the right to require any mobile device accessing the University's infrastructure to be subject to the University's data and security requirements, standards, and guidelines.

University-Issued Wireless Communication Device

- An employee may be issued a wireless communication device by the University in **rare** instances, upon appropriate justification and approval.
- Personal use of University-issued devices is strongly discouraged. Department Head's must monitor usage to prevent abuse.

Freedom of Information Act

- Personal devices are subject to disclosure if such devices are used for business purposes (e.g., sending and receiving messages involving University business).



FINA 2.30 Procedure – Wireless Communications Stipends

Required Approval

- Departments must obtain approval from the University Controller, through a written request, prior to providing an employee with a wireless communication stipend.
- Issuances of University cell phones, **which should occur in rare instances only**, also require this approval and written request.

Payment

- Once approved, wireless communication stipends must be paid through the single payment AP Upload process. Refer to the procedure for documentation requirements.



**FINA 2.60 –
Miscellaneous
Accounts
Receivable**



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FINA 2.60 – Miscellaneous Accounts Receivable (MAR)

This policy applies to **non-student** and **non-grant** billings and collections for goods and services provided by the University to individuals and organizations.

Departments extending credit or generating accounts receivable must ensure that such transactions are necessary, reasonable, and directly related to the goals and mission of the University.

NEW policy

Guidelines

- Ensure all sources of revenue are recorded and collected timely.
- Provide consistent and equitable treatment to debtors and regular communication of amounts owed.
- Ensure effective internal controls are in place.
- Minimize uncollectible receivables by ensuring write-offs occur under the proper authority and only after all reasonable and appropriate collection action has been taken.

FINA 2.60 – Miscellaneous Accounts Receivable (MAR)

Regulations

- The Federal Fair Debt Collection Practice Act (FDCPA) requires fair treatment of debtors.
- Generally Accepted Accounting Principles require the University to make every effort to collect outstanding balances and estimate and record uncollectible receivable amounts.
- State law requires all state agencies to report its outstanding debts on an annual basis.

Safeguarding Personal Information

- Entities that collect, share, and keep personal information must maintain reasonable safeguards to ensure the security, confidentiality, and integrity of personal information.



FINA 2.60 – Miscellaneous Accounts Receivable (MAR)

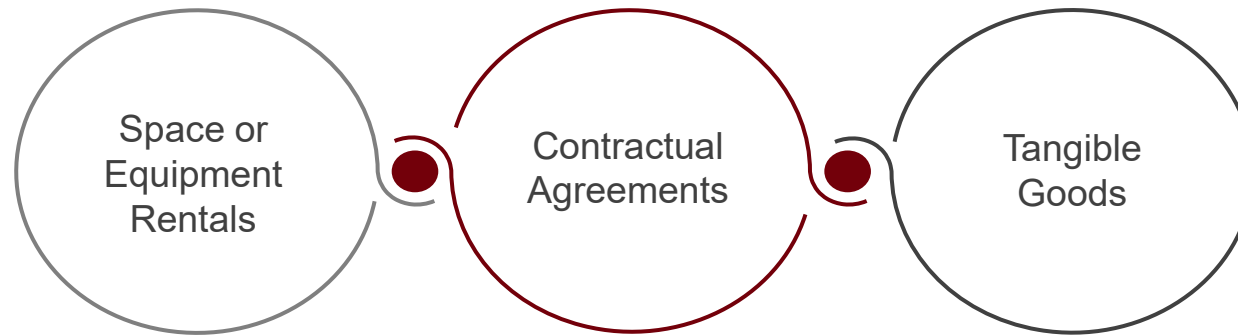
Department Responsibilities and Restrictions

- Whenever possible, departments should require payment at or before the time goods and services are provided to the customer.
- Where this is not possible, credit may be extended to such customer who provide sufficient information to enable the establishment of an accounts receivable.
- Departments assume the risk that their customers may not pay and are responsible.
- Departments are responsible for monitoring, processing, and recording the collection of all payments due and establishing internal controls.
- Internal charges and interdepartmental transfers should not be processed through MAR. See [FINA 2.06](#) and [FINA 2.12](#).
- No invoices for nominal amounts (< \$10) should be issued.



FINA 2.60 Procedure – Miscellaneous Accounts Receivable (MAR)

Examples of MAR billings include:



Department users must complete the required training with the Controller's Office before billing customers for sales of goods and services.

Customer Creation

- Before extending credit, departments should obtain minimum customer information to aid with the billing process. Refer to the procedure and the [MAR Job Aid](#) for instructions.

FINA 2.60 Procedure – Miscellaneous Accounts Receivable (MAR)

Invoicing/Billing

- Accurate and timely invoices must be produced and provided for all customers.
- Invoices must be generated using the PeopleSoft Finance Misc AR Module, generating a standardized invoice.
- Once finalized, invoices are either emailed automatically by PeopleSoft Finance or manually emailed by the department to the customer.
- If providing taxable goods and services, the appropriate tax must be added to the invoice – see the [MAR Job Aid](#) and [Use Tax Matrix](#).



FINA 2.60 Procedure – Miscellaneous Accounts Receivable (MAR)

Payment and Deposit

Payments made by cash or check should be deposited by the department using their assigned clearing accounts.

When deposits are created in PeopleSoft Finance, attachments are required.

Customers also have the option to pay via ACH using the MAR banking information provided at the bottom of the invoice.



See the [MAR Job Aid](#) and University Policy [FINA 4.10](#) for more information on payments.



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FINA 2.60 Procedure – Miscellaneous Accounts Receivable (MAR)

Collections and Due Diligence

- Departments are responsible for taking all appropriate and cost-effective actions to collect accounts receivable.
- The Controller's Office provides MAR aging reports to departments and requires responses regarding overdue invoices.
- Refer to the procedure for suggested communication methods for contacting customers.

Write-Offs

- Invoices 180+ days past due will be formally written off to ensure the University's financial records accurately reflect the true value of its receivables.
- After a write-off occurs, departments are strongly encouraged to continue their collection efforts.



Training and Communication



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Office of the Controller

Office of the Controller

General Accounting

Grants and Funds Management

Compliance and Tax Management

Payroll Department

Operational Management and Reporting

External Financial Reporting and Transparency

Resource and Training Toolbox

Business Manager

Grant Administration

Principal Investigator

➤ Policies & Procedures

Tax Cuts and Jobs Act 2017

Forms

Newsletters

PeopleSoft Finance Training Schedule

Policies and Procedures

The University-wide [Policies and Procedures Manual](#) is maintained by the Office of the Provost. The Controller's Office is the owner and designated administrative office for many of those policies, which are detailed below along with any accompanying procedures.

Policies detail **what** is required by federal, state, local, and/or University requirements and best practices, whereas accompanying procedures detail **how** compliance with those requirements are achieved. Additional supplemental policies and procedures can be developed at the unit or department level, but they cannot contradict the overarching policies and procedures of the University.

Chart of Accounts

General Accounting

Treasury Management

Compliance

Travel and Reimbursement

Capital and Assets

Sponsored Awards

Payroll

Expand all



Where to Find the Resources

For Policy and Procedure resources, visit the [Policies and Procedures](#) page found in the Resource and Training Toolbox section.





Office of the Controller

Office of the Controller

General Accounting

Grants and Funds
ManagementCompliance and Tax
Management

Payroll Department

Operational Management
and ReportingExternal Financial Reporting
and TransparencyResource and Training
Toolbox

Business Manager

Grant Administration

Principal Investigator

Policies & Procedures

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PeopleSoft Finance Training
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Business Manager

The role of each Business Manager at the University of South Carolina varies across each college and department. Each Business Manager handles several responsibilities that directly influence the success of their departments and the University overall. They provide business expertise on a variety of topics including, but not limited to budget, expenses, supplier onboarding, transaction corrections, and University policies and procedures.

Below is a list of tasks a Business Manager may be responsible for within their college/department. Sections include links to training resources that support each task.

Note: Each year the Controller's Office provides refresher trainings starting the month of February thru the end of April. Registration links for all scheduled trainings are sent to our BIZMANAGER listserv end of January, provided in our monthly newsletter, and in a prior week reminder email. On demand training can be found in the sections below.

Account Funding Change

Expand all



AP Uploads



Business Expense Prepaid Cards



Cash Advances



Cost Transfer



Departmental Deposits



Employee Reimbursement (Non-travel)



Endowments



Finance Intranet

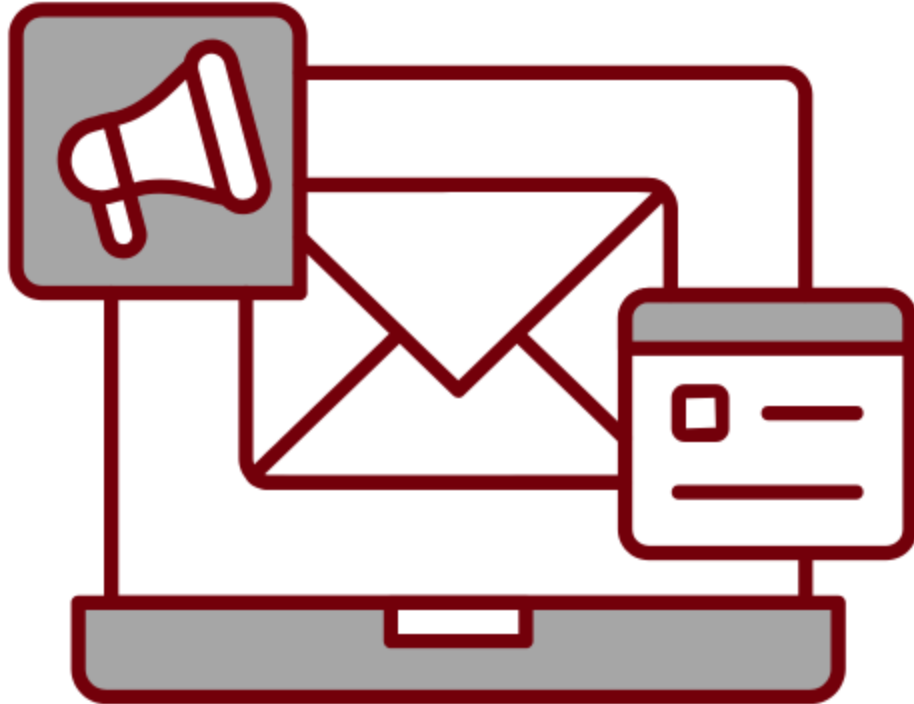


Where to Find the Resources

For training resources,
visit our Business
Manager page in the
Resource and Training
Toolbox section.



Contact Us



For specific questions, please visit our [website](#) to find the appropriate contact.



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Questions



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THANK YOU!

Office of the Controller



Alone, we can do so little; together,
we can do so much.



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