OFFICE OF THE CONTROLLER

Policy and Procedure Updates

Treasury Management

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.

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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.

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Compliance Policies and Procedures

Policy	Procedure
FINA 2.70 – Card Programs	Card Programs
FINA 5.10 – Cash Management	Cash Management Contracts in Foreign Currency
FINA 5.20 – Banking	Revolving Bank Accounts
FINA 5.30 – Endowment Management	N/A

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FINA 2.70 – Card Programs

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FINA 2.70 – Card Programs

- This policy **<u>does not</u>** encompass the Purchasing Card.
- It relates to the Controller's Office card programs, which includes the Program Expense Card, Travel Card, and Team Card.
- These card programs exist to:

Provide convenience to purchasers.

Accommodate the use of vendors that require a credit card for payment.

Reduce the occurrence of high-risk transactions such as cash advances and reimbursements.

<u>NEW</u> policy

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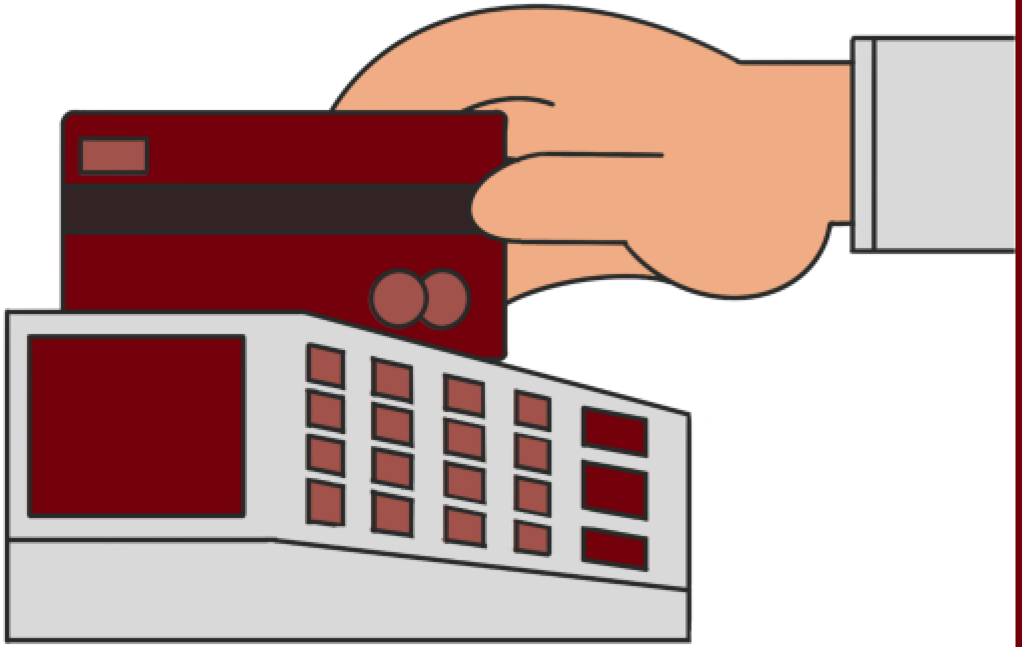
FINA 2.70 – Card Programs

- Credit cards issued through the card programs are for full-time employees only and must be treated with the same care as cash or personal credit cards.
- The card programs **cannot** be used to circumvent existing procurement processes and requirements (e.g., Purchasing Card, competitive solicitation requirements).
- Reimbursement to employees for purchases made with personal credit cards should be minimal and only when existing card programs are not a viable option.



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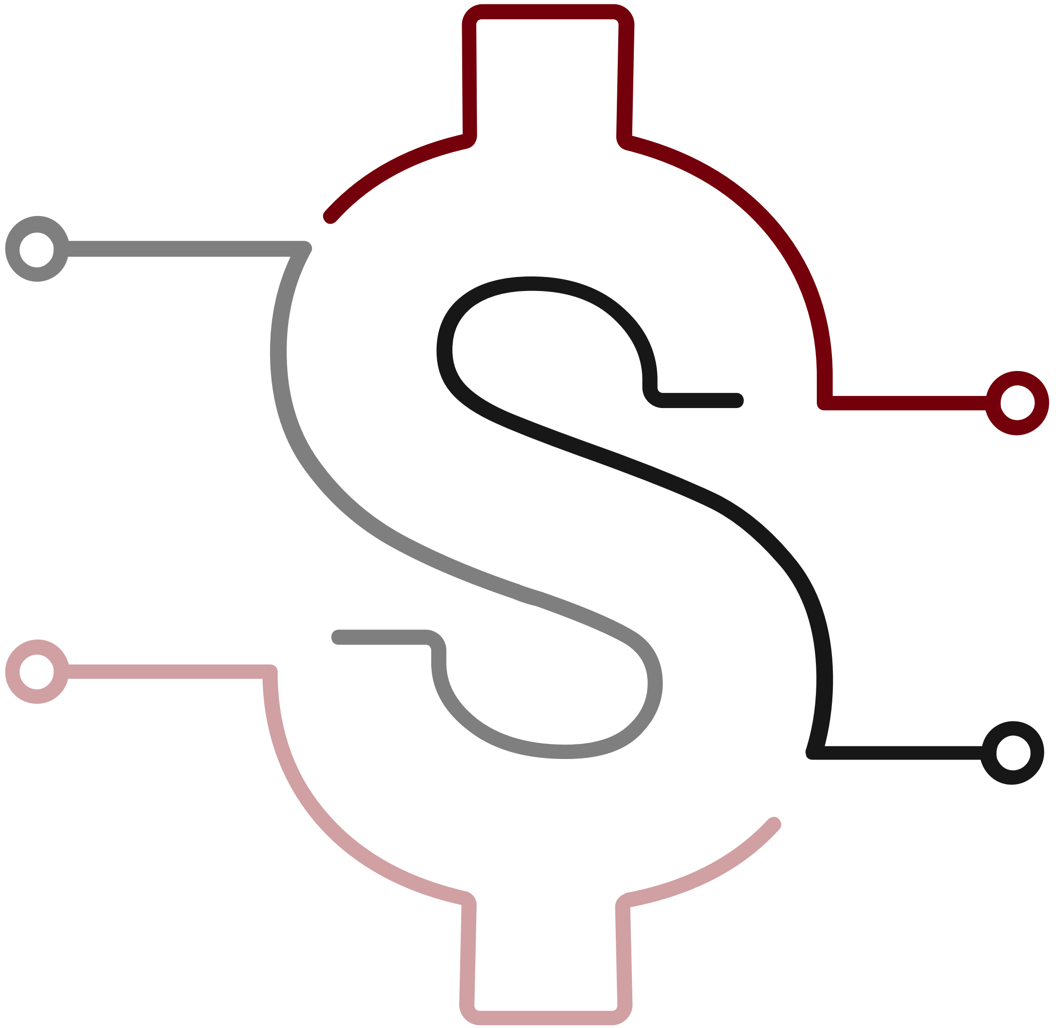
FINA 2.70 – Card Programs
Limits and Fees

Single transaction and monthly spending limits are determined based on the individual spend profile for each cardholder, which considers departmental need and job duties.

No fees are charged to the University or respective departments to request or obtain a card through the card programs.



If needed limits exceed established thresholds, appropriate justification from the department **<u>and</u>** approval from the Controller’s Office is required.

Standard fees apply as imposed by Bank of America apply to card use (e.g., 3% fee for international charges).

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FINA 2.70 – Card Programs Violations

- Misuse may result in loss of use privileges and/or disciplinary action (see University Policy HR 1.39).
- Violations include, but are not limited to:

Allowing another person to use the card.

Making personal or unauthorized purchases on the card.

Failing to provide complete receipts and documentation in a timely manner.

- Inappropriate use will require reimbursement to the University for all associated costs. The Payroll Department may deduct the outstanding balance from future payroll check(s).

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FINA 2.70 Procedure – Card Programs

Refer to the procedure for cardholder responsibilities and links to forms and resources.

Card Request and Issuance

- A request form must be completed and submitted to the Controller's Office at the appropriate mailbox.

Card	Email
Program Expense Cards	cards@mailbox.sc.edu
Team Cards	teamcard@mailbox.sc.edu
Travel Cards	travelcard@sc.edu

- If a change is needed after card issuance, an update form must be completed and submitted to the Controller's Office.

NEW procedure

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FINA 2.70 Procedure – Card Programs

Refer to the Card Program Matrix for approved uses

Card Use

- All card expenses must have a legitimate benefit for the University and adhere to the restricted uses of each specific card.
- Itemized receipts are **required** for all card transactions.
- If a receipt is missing, the cardholder is responsible for contacting the respective vendor and requesting a duplicate receipt.
- If attempts are unsuccessful, a Missing Receipt Affidavit must be completed and attached to the expense report.
- Repetitive use of this method may signal improper stewardship of the card, which may result in loss of card privileges.

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FINA 2.70 Procedure – Program Expense Card Programs

Used for educational programs (e.g., Study Abroad, summer programs, student/campus life) and participant incentive payments (e.g., research incentives).

- Offers flexibility for research participant payments through gift card purchases and payments through applications like Venmo.
  - The Tremendous platform is another option for flexible participant payments. The Controller’s Office maintains a central Tremendous account and will grant access to funds for incentive payments through an electronic Tremendous Request Form.
- **All** cardholders are required to complete the Program Expense Card Training.

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FINA 2.70 Procedure – Program Expense Card Programs

- When annual payments to non-University parties (e.g., program participants) exceed $600 in given calendar year, those individuals/entities must receive a Form 1099 for tax reporting purposes.
    - Departments are responsible for obtaining Form W-9s from those participants and submitting that information to the Controller's Office Tax Team **no later than January 15th of the following calendar year**.
- Providing gift cards to University employees is highly discouraged. These payments are considered taxable income and must be included in the employee's Form W-2.
    - Departments are responsible for submitting these payments, along with corresponding USC IDs, to the Controller's Office Payroll Team **by December 10th of the calendar year of payment**.

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FINA 2.70 Procedure – Travel Card Programs

Primary intent is to reduce the monetary burden of the traveler.

Individual Card

Authorized for airfare, hotel, and registration expenses attributed to the individual traveler.

Department Card

Authorized for airfare and registration expenses for employees, students, and non-employees.

Hotel expenses are not authorized for Department Travel Cards.

Travel Card purchases are restricted through Merchant Category Codes (MCC), which block unallowable purchases.

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FINA 2.70 Procedure – Team Card Programs

Used for expenses related to athletic team travel that incorporates the entire team/group (e.g., hotel, transportation, meals, gas, unforeseen incidentals).

- Disallowed expenses include meal per diem, vehicle repair, medical expenses, recruiting expenses, non-team travel expenses, alcohol, tobacco, casinos, and other non-travel expenses.
- Expenses are subject to monthly review by the Controller’s Office Treasury Management Team and **must comply with applicable National Collegiate Athletic Association (NCAA) requirements**.

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FINA 5.10 – Cash Management

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FINA 5.10 – Cash Management

The purpose of this policy is to standardize cash management across the University, ensuring appropriate internal controls and accepted best practices are instituted.

Investments

The State Treasurer's Office invests funds for the University and serves as an agent of the Board of Trustees.

Returns are allocated to the University on a monthly basis based on the market rate.

Incorporates topics previously covered in **former** policies FINA 2.18 (Petty Cash) and FINA 2.19 (Cash Advance)

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FINA 5.10 – Cash Management

Reserves

- Funds set aside at the University level to protect against periodic disruptions and facilitate financial stability and sound fiscal management (e.g., Strategic Reserves, Capital Reserves).
- Analyses are performed by the University Controller on an annual basis to determine the appropriate level of reserves to maintain.

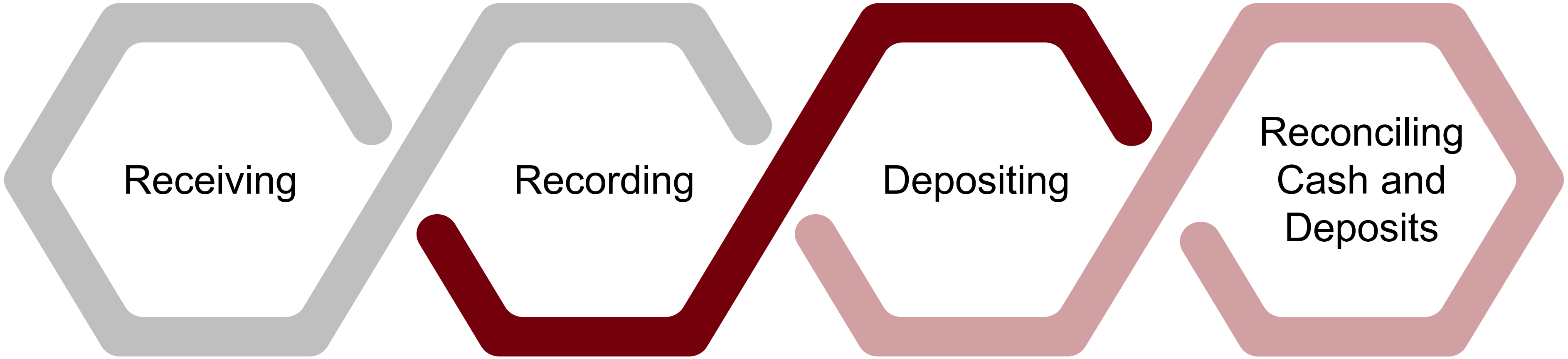
Cash Flow Analysis

- The analysis and use of cash flow patterns aids in decision making and ensuring operational and liquidity needs are met.
- The University Controller is responsible for the analysis and projection of cash flows.

FINA 5.10 – Cash Management

Segregation of Duties

- The below responsibilities of the below must be separated and performed by different individuals to safeguard the University's assets.



- Responsibilities must be clearly delineated and assigned to ensure accountability.
- If departmental size limits the ability to appropriately segregate duties, guidance must be sought from the Controller's Office to mitigate the associated risk.

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FINA 5.10 – Cash Management

Cash Handling

- Complete documentation, cashier training, sequential receipting, daily balancing, and timely and accurate reporting must occur to safeguard and accurately account for all funds.
- Only individuals with proper cash receipting and depositing authority are permitted to handle cash. The required Cash Receipting and Depositor trainings must be completed to become authorized.

Foreign Currency

- The University is a U.S. dollar-based institution. As such, the University only accepts and invoices funds in U.S. dollars.

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FINA 5.10 – Cash Management

Cash Collections

- All payments due to the University must be collected and deposited in a timely manner.
- Collections must be deposited by the next business day, unless under $50, which must be deposited within a week of receipt.
- Each deposit must be supported by complete supporting documentation and entered into the financial system in a prompt manner.

Cash Disbursements

- All payments due from the University must occur within 30 workdays from acceptance of the goods or services and proper invoice.
- Wherever possible, electronic payment methods will be used to increase efficiency and security. ACH is the preferred method of payment.
- All checks issued will have a voiding date of 180 days.

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FINA 5.10 – Cash Management

Cash Transport

- All cash must be transported from the point of collection to deposit in a timely, efficient, cost-effective, and safe manner.
- All transfers must be accompanied by deposit slips, including the amount and location of collection for tracking purposes.

Theft or Loss

- Possible fraud, theft, or breach of fiduciary responsibility involving cash management and handling must be reported on the date of occurrence (see University Policy BTRU 1.20). The University Controller must be notified of all instances of theft, loss, or misuse.

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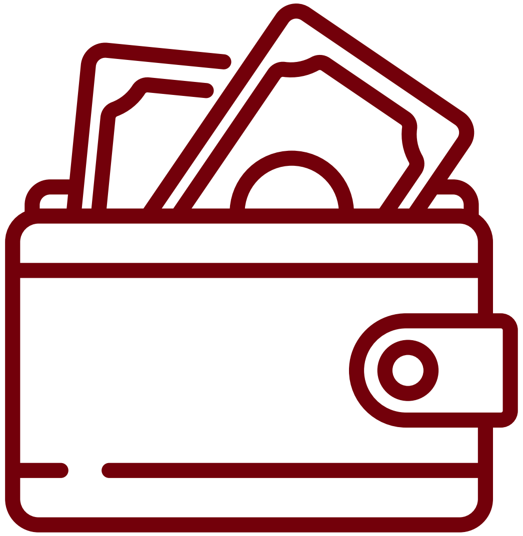
FINA 5.10 – Cash Management



Petty Cash

- When necessary, a small amount of cash may be issued and held by departments to cover payments of small, nonroutine, incidental expenses not processed through Payment Request.
- Petty cash funds require appropriate request, justification, and approval before they can be established or increased.
- Adequate internal control must be exercised, including designating a responsible custodian, ensuring regular reconciliation and replenishment, and promptly communicating any changes.
- These funds **<u>cannot</u>** be used to circumvent existing procurement and purchasing regulations, policies, and procedures.
- Petty cash funds are subject to random audit.

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FINA 5.10 – Cash Management

Change Funds

- When necessary, a small amount of cash may be issued and held by authorized cash handling departments (e.g., cashier operations) for the purpose of making change related to cash sales and/or services.
- The same internal control and processes required for Petty Cash Funds also apply to Change Funds.

Cash Advances

- Issued to advance funds to students, faculty, or staff for authorized expenses.
- Cash advances will be kept to a minimum and only requested when other methods for obtaining goods and services have been exhausted.
- All advances require appropriate request and approval and must be settled within 30 days of the ending period of the advance.

FINA 5.10 Procedure – Cash Management

Refer to the procedure for:

- Required best practices and internal controls for cash collections and handling.
- Processes and requirements for the establishment, custody, operation, replenishment, closure, and settlement of petty cash funds, change funds, and cash advances, as applicable, including links to resources and forms.

NEW procedure

FINA 5.10 Procedure – Contracts in Foreign Currency

- Since the University is a U.S. dollar-based institution and only accepts and invoices funds in U.S. dollars, contracts denominated in foreign currency **should not** be entered into or signed, including sponsored awards.
- This is vital to manage the University's risk exposure and ensure proper financial management.
- If a contractor or sponsor will not agree to a contract denominated in U.S. dollars, the details of the agreement must be promptly sent to the University Controller prior to signing to facilitate additional assessment and next steps.

NEW procedure

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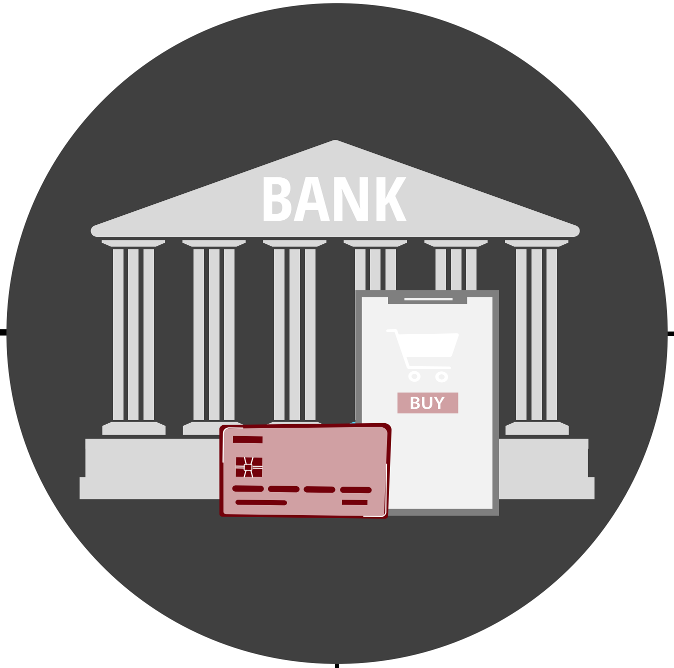
FINA 5.20 – Banking

FINA 5.20 – Banking

Mitigating procedures, including positive pay and ACH fraud filters, are used to combat fraud.

Segregated duties and secondary authentication serve as essential internal controls to increase security and reduce the risks associated with payment releases (e.g., ACH files, wire transfers, checks).



Funds cannot be pulled from the University's bank account except by authorized entities such as the IRS. Instead, funds are pushed to others.

All new bank accounts must be approved by the State Treasurer's Office.

Any change made to supplier ACH banking information is independently verified by the Controller's Office Supplier and Treasury Teams through manual cold calls, automated account validation, and/or individual payment review.

NEW policy

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FINA 5.20 Procedure – Revolving Bank Accounts

- The Controller's Office maintains a primary Vendor Bank Account that is used to pay all University expenses.
- In certain **limited** instances, a unit/department may have a need for their own bank account when critical transactions must be paid outside the normal Accounts Payable processes. Any requests must be submitted to the University Controller in writing.
- Revolving bank accounts only allow expenses at the unit/department level. When spending occurs, units/departments are responsible for requesting reimbursement from the Controller's Office (through the Vendor Bank Account) to replenish the revolving bank account.
- Departments are responsible for requesting regular and prompt reimbursements (at least monthly) and ensuring all revolving bank account maintain a positive balance.

NEW procedure

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FINA 5.30 – Endowment Management

FINA 5.30 – Endowment Management

An endowment is a permanent fund established with donor gifts.

Investments and Earnings

- Endowment funds are managed to provide a permanent income source to support the University's educational mission.
- Endowments are invested by the State Treasurer’s Office to:
  - Generate income that honors the intended purpose of the gift,
  - Support the operating budget of the institution, and
  - Protect the value of the endowment against inflation.
- Interest earned on the endowment is allocated monthly based on the market rate.

FINA 5.30 – Endowment Management Spending

Decisions to spend or accumulate endowment funds must be made responsibly and consider the following factors:

- The duration and preservation of the endowment fund
- The purposes of the University and the endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policy of the University

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FINA 5.30 – Endowment Management Spending

- Once an endowment is fully funded and invested for at least one year, expenditure of the spendable portion may begin.
- Departments are responsible for determining how best to manage each endowment's spendable portion based on the donor purpose.
- All University endowments must always maintain a positive spendable balance, which is subject to review by the Controller's Office.
- Unless otherwise specified in the endowment agreement, recommended practice is to consistently maintain a spendable balance of at least 4.25 percent of the principal balance.

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FINA 5.30 – Endowment Management Reporting

- Endowment reports provide timely and transparent information about the fiscal status of each fund.
- The Controller’s Office provides reports to donors or donor representatives (periodically or upon request).
- Reports provide a financial summary of each fund’s balance, disbursements, and growth for a given fiscal year.

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Training and Communication

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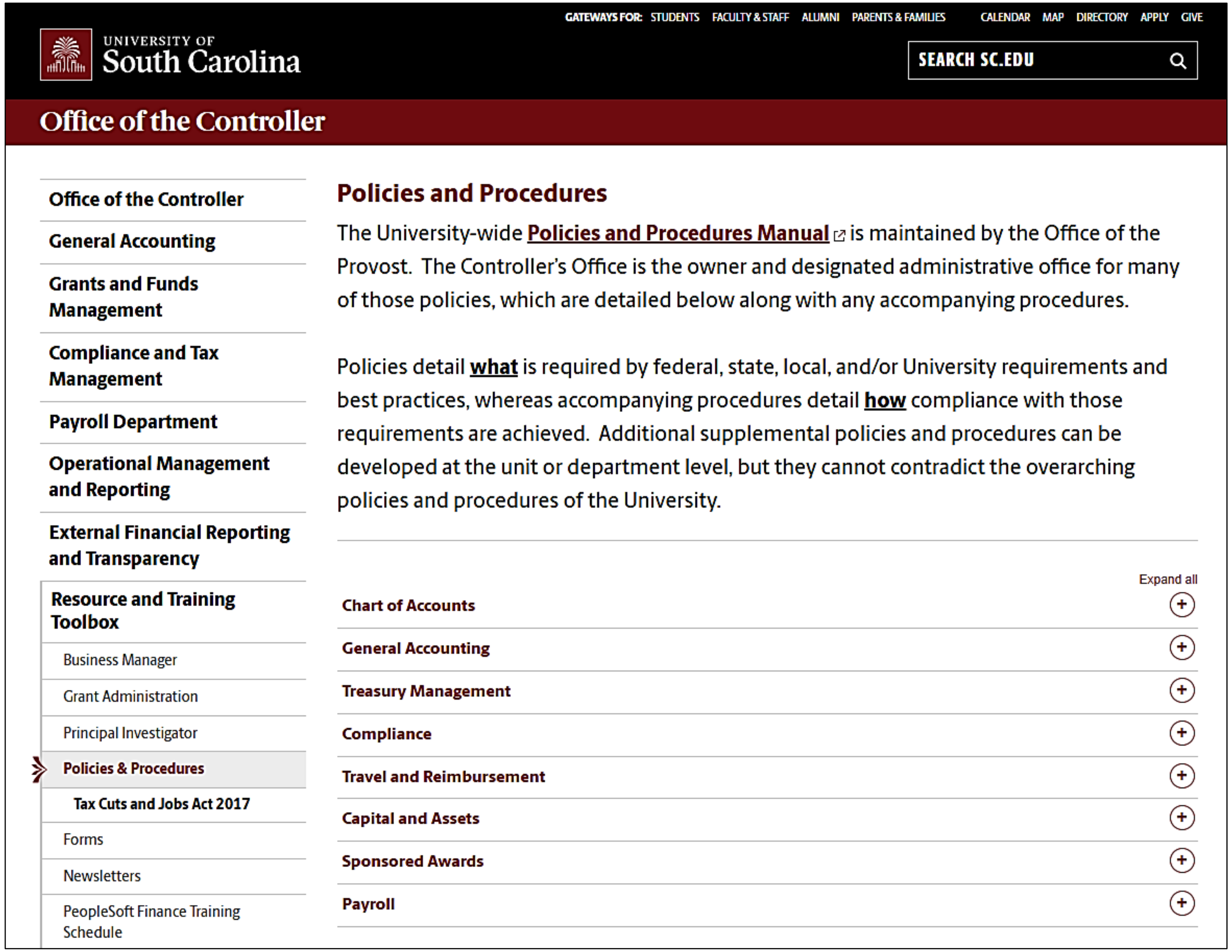

GATEWAYS FOR: STUDENTS FACULTY & STAFF ALUMNI PARENTS & FAMILIES CALENDAR MAP DIRECTORY APPLY GIVE

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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.

Expand all

- Chart of Accounts
- General Accounting
- Treasury Management
- Compliance
- Travel and Reimbursement
- Capital and Assets
- Sponsored Awards
- Payroll

Where to Find the Resources

For Policy and Procedure resources, visit the Policies and Procedures page found in the Resource and Training Toolbox section.

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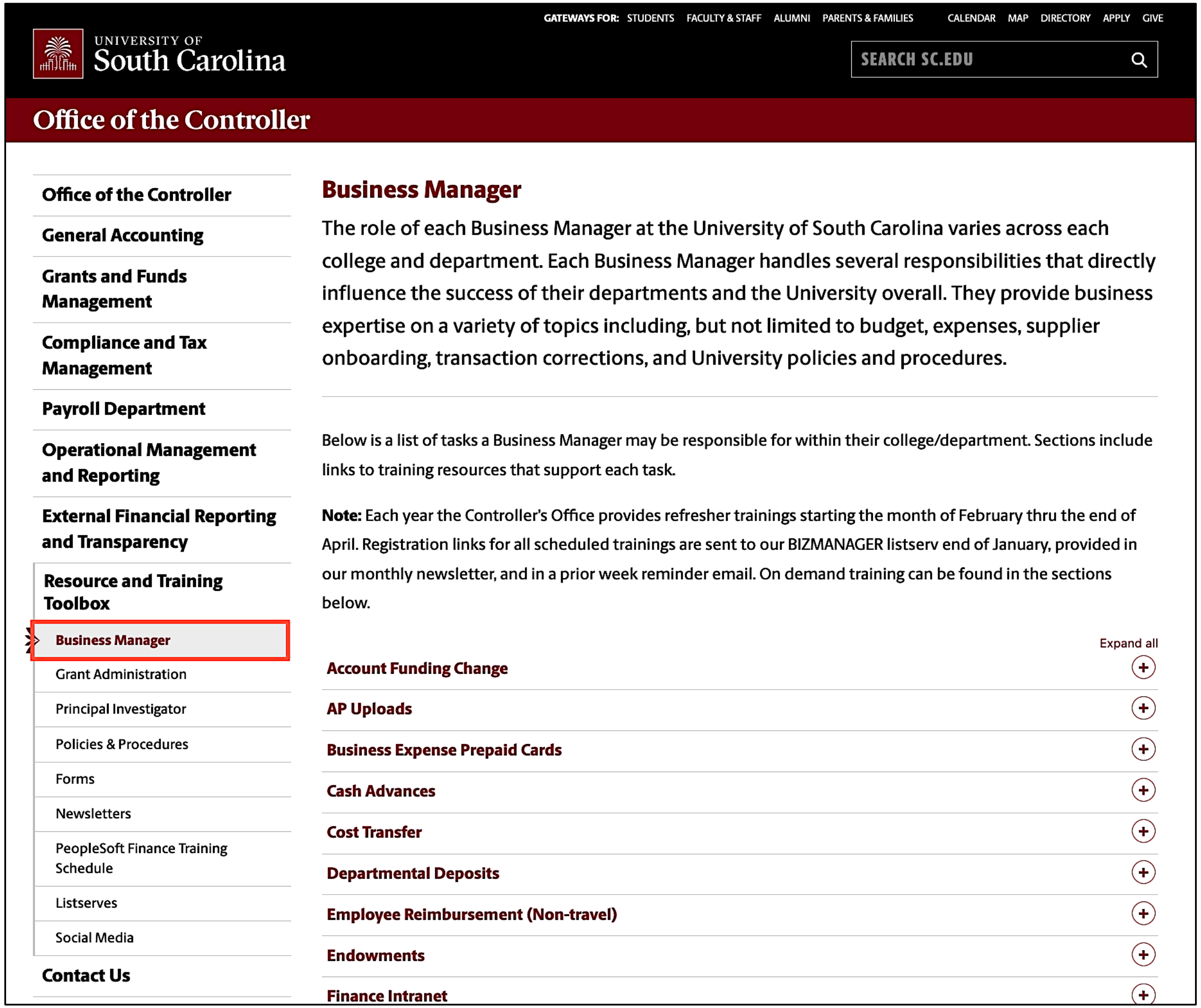

Where to Find the Resources

For training resources, visit our [Business Manager](#) page in the Resource and Training Toolbox section.

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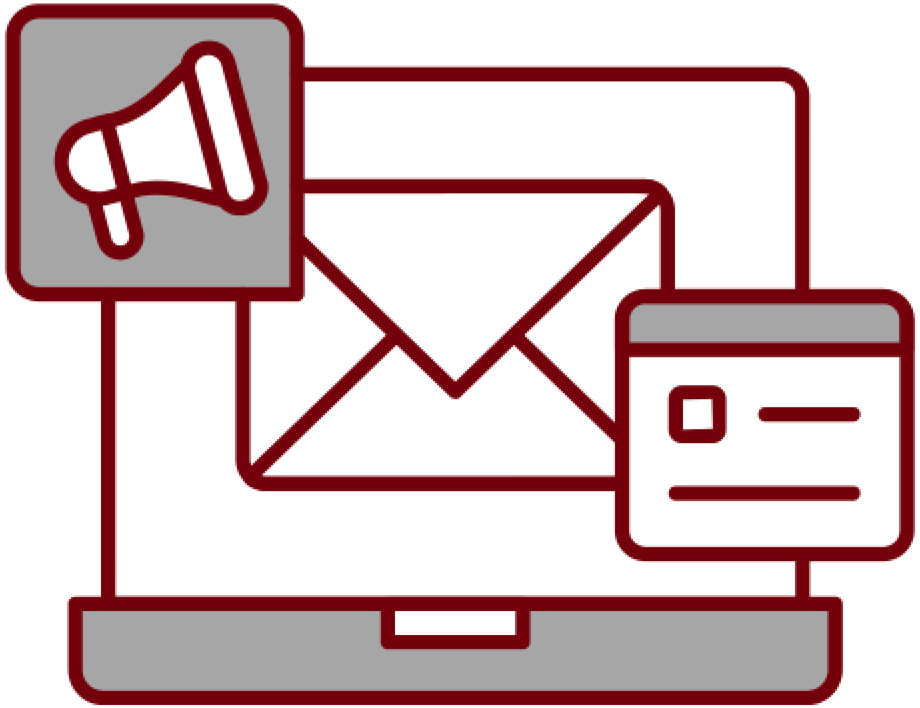
Contact Us



For specific questions, please visit our website to find the appropriate contact.

Questions

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THANK YOU!

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

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