

COLLEGE of CHARLESTON

OFFICIAL PROCEDURE

Reasons for Return of/Delayed Processing of Invoices 3/23/18 and Other Requests for Payment Procedure

Procedure Statement

The College of Charleston (“the College”) will process all payments for the College’s legally incurred, non-payroll obligations of goods and services, in accordance with State and Federal laws and regulations, as well as other policies and procedures of the College. The College will adopt and incorporate sound financial practices related to the payment of expenditures for all departments and offices of the College of Charleston.

Procedure Manager and Responsible Department or Office

A. Controller’s Office

The Controller’s Office staff has the responsibility for ensuring that all payments for goods and services of a non-payroll nature comply with State and Federal laws and regulations, as well as College policies and procedures.

B. Faculty and Staff

College of Charleston faculty and staff have the responsibility for ensuring that they follow procurement guidelines when requesting goods and services. Faculty and Staff must provide the Controller’s Office with accurate and complete documentation, such as completed forms, justifications or explanations needed for making payments, etc. In addition, the faculty and staff must ensure that goods and services are satisfactorily received and that they demonstrate a documented benefit to the College.

C. Vendors and Payees

College of Charleston vendors and payees must provide the Controller's Office with valid invoices that adequately describe the vendors or payees names, addresses, itemized descriptions of goods and services, terms for payment, etc., as well as properly completed Internal Revenue Service Forms W-9 or W-8BEN evidencing their business type (corporation, sole-proprietorship, partnership, etc.), domestic or foreign status, and tax identification numbers.

Departments/Offices Affected by the Procedure

This procedure affects all members (Faculty, Staff, and Students) of the College of Charleston.

Procedures

Reasons for Return of/Delayed Processing of Invoices

- A.** Payment by the College must be supported by a source document, which in most cases is an independent invoice. The requirement of an invoice represents confirmation from a third party that a product or service was provided to the College as well as supports the objectivity principle of accounting. An invoice must meet South Carolina and College criteria for authentication (official invoice, company, letterhead, is legible, etc.).
- B.** Invoices can be rejected manually for missing purchase orders, unauthorized purchases, insufficient funds on a purchase order, incorrect vendor or payee addresses, missing departmental index numbers, inadequate description of goods or services, or no or incorrect tax identification numbers (Form W-9, W-8BEN, etc.). The automated accounting system rejects items for discrepancies of quantity, unit price or extended price, etc.
1. The reason for the return of the document will be indicated on the **Controller's Office Return Slip** provided by Accounts Payable.
 2. The Controller's Office Return Slip should remain with the corrected document so that the corrected packet will receive priority when returned to Accounts Payable for processing.
 3. If the amount on an invoice is inaccurate, the Controller's Office will require the vendor or payee to furnish a revised document.
 4. The Controller's Office staff has the final decision for the account code classification of expenditures.
 5. If there are any discrepancies between the attached documentation and the charges shown on the invoice, EA, or travel reimbursement, said discrepancies will need to be reconciled prior to paying the vendor or payee invoice. Travel and subsistence expenditures should have itemized receipts attached to substantiate reimbursement requests. Meals and taxi fares are excluded from this requirement. Itemized receipts for lodging and parking must be attached to the reimbursement request in order to be processed by Accounts Payable. Refer to the **Travel Policy** on the Controller's Office website for additional information.
 6. The vendor or payee shown on the face of the invoice will be compared with the vendor or payee shown on the supporting documentation. If the vendor or payees do not match, the discrepancy will need to be reconciled prior to paying the vendor or payee invoice.

7. The vendor or payee number and name indicated on the invoice, EA, or travel packet will be verified against the Controller and Procurement Offices' vendor file for accuracy. A W-9 or W-8BEN form for the vendor or payee must be on file identifying the business name, SSN/TIN, type of ownership, and permanent residence. If any of these elements are missing or incorrect, the discrepancies will need to be reconciled prior to paying the vendor or payee invoice, or until a properly completed, and valid, W-9 or W-8BEN is on file. If the IRS notifies the College that the vendor or payee information does not match the IRS' file, a payment cannot be processed until further clarification by the vendor, payee, IRS, or Social Security Administration has been received.

Failure to comply with furnishing properly completed, and valid, W9 or W-8BEN forms may result in backup withholding, and termination of business with the vendor or payee.

C. Partial or Short Payments

Partial payments can be made at the discretion of the A/P Supervisor, based on factors such as, the receipt of fractional shipments or percentage of completion. If a vendor or payee overcharges the College, Accounts Payable will coordinate with Procurement on the necessary deduction, and notate the adjustment on the vendor record.

D. Credit Memos

1. If the College has overpaid an invoice, or if the merchandise has been returned, Accounts Payable requests, and applies, the credit memo to the vendor or payee account/invoice. If the account/invoice has a balance due after the credit memo is applied, an adjusted payment will be authorized. If the account has a credit balance and there is no immediate payment expected to be made to the vendor, Accounts Payable will request a refund check from the vendor or payee.
2. Within **5 to 7 business days**, Accounts Payable will notify the department, vendor, or payee contact that the invoice was rejected. Department staff, vendors, and payees will be asked to resolve all issues by submitting the required paperwork so that processing can be completed.

E. Change in Bank Accounts

All requests to change a vendor bank account for ACH and wire payments will be independently verified. This is necessary to protect the College from fraud, and for insurance purposes.

Related Policies, Documents, or Forms

College of Charleston Regular Disbursements Policy

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Date of Procedure Revision: 3/23/2018

Date of Last Revision: 7/22/2016

Next Review Date: 3/15/2021