



**DENMARK**  
TECHNICAL COLLEGE

ADMINISTRATIVE POLICY #03.20.03.04 (2020) ACCOUNTS PAYABLE  
POLICIES & PROCEDURES

**Policy Title:** Accounts Payable Policies & Procedures

**Policy Type:** Administrative

**Policy Number:** ADM Policy #03.20.03.04 (2020)

**Legal Authority:**

**State Board Policy:**

**Approval Date:** May 18, 2020

**Responsible Office:** Office of Fiscal Affairs

**Responsible Executive:** Vice President of Fiscal Affairs

**Applies to:** College Community

**Policy Statement**

Denmark Technical College Accounts Payable is responsible for processing all payments for goods and services received by the college after determining that proper disbursement procedures have been met. The goal of Accounts Payable is to consistently and accurately process fully supported and documented payments in a timely manner so that vendor terms are honored, and the college may take advantage of discounts. Accounts Payable is committed to providing high- quality service to departments and vendors and prompt responses to requests for information. Denmark Technical College uses the Accounts Payable component of the Ellucian Colleague, a financial system designed for higher-education institutions.

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**DEFINITIONS**

**The following procedures are outlined to ensure accurate and timely payment of invoices ensuring that the content of each request for payment is supported with approved documentation:**

The Accounts Payable component matches the purchase order, receiving information, and the invoice for payment. The Accounts Payable system also prevents the entering of duplicate invoice numbers, reducing the chance of paying an invoice twice, and provides a 1099 income tax reporting feature for processing the Form 1099-MISC

Denmark Technical College disbursements for the payment of goods and services (except payroll) are prepared normally within seven (7) working days after receipt of the required documentation in the Business Office and, for purchase order payments, are dependent on purchase order, receiving, and invoice match.

Budget must be available before requisitions, purchase orders, P-Card purchases, or Direct Pay requests are processed.

Failure to submit the proper documentation delays the disbursement process, which adversely affects budgets and vendor/campus business relations. To minimize disbursement delays, all vendors should be instructed to send invoices directly to:

Denmark Technical College  
 ATTN: Accounts Payable  
 P.O. Box 327  
 Denmark, South Carolina 29042  
 Email: [holmanj@denmarktech.edu](mailto:holmanj@denmarktech.edu)  
 Fax: 803-793-5184

Failure to comply with the following disbursement procedures could result in audit exceptions, improper payments, and/or delayed payments.

- **Adequate Documentation:**

- Disbursements must be from source documentation, such as invoices, agreements, contracts, and requests, which sufficiently describes the purpose of the disbursement.
- The procurement office does vendor verification and maintenance.
- Documentation must identify the payee name, address, and purchase order number (if applicable).
- Documentation must be centrally received in Accounts Payable.
- Under special circumstances when the original invoice is not sent directly to AP by the vendor, the campus department in receipt of the invoice must forward the invoice to AP in a timely manner and before the due date.
- Documentation for disbursements must be retained in accordance with State and federal retention policies.

- **Approval for Payment:**

- Disbursements must be approved by the person or persons authorized by the college to make such approvals (President, Chief Financial Officer, Vice President(s), and Deans).
- Adequate budget must be available.
- All invoices are reviewed for completeness of supporting documents and required clerical checking by AP before approval and processing.
- In limited cases, items may be purchased by personal funds (i.e. credit card or cash). However, this must be preapproved by the Chief Financial Officer or designee. Failure to have these purchases preapproved will result in denial of reimbursement.
- Capital Improvement fund payments must be approved by the Chief Financial Officer.

- **Receipt of Goods and Services:**

- Each department is responsible for declaring receipt of goods or services to demonstrate that the goods or services were recorded and counted. Each department is responsible for receipting of goods by signing the invoice or the Accounts Payable/Inventory purchase order copy.
- AP processing will be done electronically through the Colleague AP System, which matches purchase order, receiving document, and invoice.

- **Account Classification:**

- The disbursement must be accurately classified to the proper fund distribution and agree with established fund/department/object code classifications.
- Payments should be coded to the actual expenditure account number.

- Accounts Payable must review the propriety of the fund/account classifications.
- **Allowable and Eligible:** The disbursement must be for an allowable activity per state regulations.
- **Purchase and Contract Regulations:** The disbursement must comply with State purchase and contract rules and regulations as listed in the Procurement manual.
- **Separation of Duties:** The following duties are generally performed by different staff:
  - Receiving and invoice processing.
  - Invoice processing and making general ledger entries (except for corrections).
  - Invoice processing and check signing.
  - Check approval and any of the aforementioned duties
- **Invoice Processing:**
  - A job is run in Colleague to match purchase order, receiving and the invoice together including the following tasks:
    - Comparing invoice quantities, prices, and terms with those indicated on the purchase order.
    - Comparing invoice quantities with those indicated on the receiving report
    - Checking accuracy of calculations.
  - Accounts Payable will:
    - Destroy extra copies of invoice to prevent duplicate payments.
    - Record voucher number on paper copy of the invoice to prevent duplicate payments.
- **Check Writing Schedule:**
  - Wednesday:
    - Checks are printed in AP by 2:00 p.m. (Check write days may change due to special circumstances such as month-end close, holidays, etc.)
  - Thursdays:
    - AP releases checks to vendors or employees by 10:00 a.m.
    - Checks to be picked up will be held for five (5) business days. Checks not picked-up within five business days will be mailed.
- **Check Processing:**
  - DTC uses Ellucian check processing system to produce checks.
  - The checks are controlled and secured within the Business Office vault.
  - Making checks out to “Cash” is prohibited.

- **Voided Checks** are properly accounted for and effectively cancelled by stamping void on checks, voiding checks in the Colleague AP System, and stopping and/or deleting the check on the positive pay system through Wells Fargo.
- **Disbursement Types:**
  - **Invoice with Purchase Order** represents the majority of payments for goods and services processed by AP. All purchases for goods and services are to be initiated with a purchase requisition except for travel and utility payments.
  - **Travel** includes travel advances, travel prepayments (registration/conference fees and airline tickets), and travel reimbursements.
  - **Utility** includes services for electricity, natural gas, water/sewer, fuel oil, telephone, cell phone, & cable TV.
  - **P-Card** transactions include small purchases not requiring a purchase order paid by a procurement card.

For the above disbursement types, the following items are important for prompt processing and payment:

- Invoices must be sent directly to AP.
- Invoices sent to campus departments must be forwarded to AP on a timely basis and before the due date.
- For items picked up by campus departments, the invoice must be forwarded to AP on a timely basis and before the due date.

- **1099 Miscellaneous Tax**

Denmark Technical College is accountable to the Internal Revenue Service and the South Carolina Department of Revenue for payments made for services rendered by non-personnel. The college is required to file a 1099-MISC form with the IRS and SC Department of Revenue for each vendor (payee) paid the following amounts:

- Other income of \$600.00 or more
- Non-employee compensation of \$600.00 or more

In order for the college to comply with this obligation, disbursements charged against certain expenditure object codes are reviewed to determine if all vendors are included in the 1099 reporting from the system:

- **Sales Tax**

Denmark Technical College is exempt from sales tax on books for resale purchases. Contact the Accounts Payable or Procurement for the sales tax exemption number.

**CONTACT(S)**

The Vice President of Fiscal Affairs officially interprets this policy. Additionally, the Vice President of Fiscal Affairs is responsible for obtaining approval for any revisions as

required through the appropriate governance structures. Questions regarding this policy should be directed to the Office of Fiscal Affairs.

## **STAKEHOLDER(S)**

College community

## **TITLE: POLICY CONTENTS PUBLICATION**

The policy will be widely distributed to the College community. To ensure timely publication and distribution thereof, the Vice President of Academic Affairs will make every effort to:

- Communicate the policy in writing, electronically, or otherwise to the College community, including current and prospective students within fourteen (14) days of approval;
- Submit this policy for inclusion in the Policy Library within fourteen (14) days of approval;
- Post the policy on the College's webpage and all other related webpages, in the student handbook, and the College catalog; and
- Educate and train all stakeholders and appropriate audiences on the policy's content as necessary.

## **REVIEW SCHEDULE**

- Next Scheduled Review: May 18, 2022
- Approval by, date: Area Commissioners: N/A
- Revision History: None
- Supersedes: N/A

## **RELATED DOCUMENTS**

*There are no related documents associated with this policy.*

## **FORMS**

*There are no forms associated with this policy.*