

<b>ADMINISTRATIVE DIVISION</b> FINA Administration and Finance	<b>POLICY NUMBER</b> FINA 2.14
<b>POLICY TITLE</b> Acquisition and Payment of Goods and Services	
<b>SCOPE OF POLICY</b> USC System	<b>DATE OF REVISION</b> April 14, 2025
<b>RESPONSIBLE OFFICER</b> Executive Vice President for Administration and Chief Financial Officer	<b>ADMINISTRATIVE OFFICE</b> University Finance - Controller's Office

## PURPOSE

The policy ensures adherence with the South Carolina Consolidated Procurement Code by outlining the requirements for the procurement and payment of goods and services on behalf of the University as well as other related compliance matters.

## DEFINITIONS AND ACRONYMS

**Conflict of Interest:** Occurs when an employee, officer, or agent of the University has actual or perceived personal interests (e.g., family/friendships, financial or social factors) that could comprise his or her judgment, decisions, or actions in the workplace.

**Matching:** An automated process that verifies the details on a (1) purchase order, (2) invoice, and (3) goods receipt match before a payment is made, also known as a three-way match.

**Receipting:** A confirmation of having received the goods specified on an invoice and Purchase Order (e.g., quantity, price).

## POLICY STATEMENT

The University is required to comply with the requirements of the South Carolina Consolidated Procurement Code (SC Code of Laws Title 11, Charter 35) and other state and federal laws, as applicable. Any changes to state or federal law will supersede this policy if the law is more restrictive than this policy allows.

### A. Responsibilities

All parties involved in procurement activities must conduct the affairs of the University in accordance with the highest ethical, legal, moral, and fiscally responsible standards. While not an exhaustive list, general acquisition and payment responsibilities include:

1. Purchasing Department – Facilitates the procurement of all needed goods and services within the University by maximizing the purchase power through strategic sourcing, handling contract negotiations, ensuring compliance with statutory requirements, and minimizing risk exposure while maintaining flexibility in procurement activity.
2. Controller's Office – Manages all general accounting functions, including facilitating payments to external suppliers and non-payroll payments to faculty, staff, and students

through its Accounts Payable (AP) function and overseeing of the supplier management function.

3. Departments – Identifies departmental needs for goods and services, follows the proper procurement process and payment methods, completes goods receiving (when applicable), maintains required supporting records for payment.

## B. Code of Conduct

1. Conflict of Interest – No employee, officer, or agent of the University will participate in procurement activities (e.g., selection, award, and administration of a contract) if a real or apparent conflict of interest is involved. Any conflict of interest must be appropriately disclosed to and monitored by the University. A conflict arises when the employee, any member of their immediate family, their partner, or an organization that employs or is about to employ any of these parties has a financial or other interest in a vendor. Any other relationship with a vendor that gives rise to questions concerning the employee's ability to be fair and impartial in their decisions would also constitute a conflict of interest.
2. Gifts – No employee, officer, or agent of the University is authorized to solicit or accept gratuities, favors, or anything of monetary value from vendors, including contractors and parties of subrecipient agreements.
3. Unauthorized Procurements – Committing the University to an obligation by ordering or receiving goods or services without complying with University and statutory requirements and/or without the proper authority and required approvals is strictly prohibited and could result in disciplinary action. Payment for unauthorized purchases may become the responsibility of the individual making the transaction.
4. Transaction Splitting – Breaking up high-dollar purchases into smaller transactions to circumvent required procurement and competitive solicitation processes is strictly prohibited. Such practices may be unauthorized procurements.
5. Personal Economic Interest – No employee, officer, or agent of the University is authorized to use their official office or employment to obtain an economic interest for themselves, a member of their immediate family, or an individual or business with which they are associated. This extends to the personal use of reward points, which is prohibited.
6. Confidentiality – University employees must handle confidential and proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations. University employees may not disclose to outside parties the prices, terms, or conditions quoted by other suppliers. If a procurement-related Freedom of Information Act (FOIA) request is received, the employee should notify the Purchasing Department of the request.

## C. Procurement Methods and Processes

Purchases associated with items on State of South Carolina term contracts require mandatory usage by the University in accordance with the South Carolina Consolidated Procurement Code.

Departments should anticipate their needs far enough in advance to allow the Purchasing Department time to process applicable requests in compliance with the South Carolina Consolidated Procurement Code and the Controller's Office time to process payments. See policy FINA 2.12 Accounts Payable for additional detail regarding payment types (e.g., Payment Requests, Purchase Orders, Reimbursements) and policy BUSA 7.00 Purchasing for additional detail regarding procurement methods.

#### 1. Purchases Under \$5,000

When possible and authorized, the Purchasing Card (P-Card) should be used for purchases less than \$5,000 (inclusive of taxes, freight, and other miscellaneous charges). The P-Card enables departments to be more self-sufficient and achieve greater purchasing efficiency and eliminates redundant and/or no value-added processes. See BUSA 7.00 (Purchasing) for additional detail regarding P-Card processes and requirements.

Restrictions – Any purchases of **food**, regardless of the amount, or **capital assets cannot** be made using the P-Card. In addition, if a supplier does not accept the P-Card for a departmentally approved request, the Payment Request process, as outlined in FINA 2.12 (Accounts Payable), must be used to pay the supplier.

#### 2. Purchases from \$5,000 to \$10,000

Payment Request is a method designed for processing payments less than \$10,000 that would be impractical to pay through a Purchase Order (PO) or unallowable to pay with the P-Card. The Controller's Office Payment Matrix provides applicable guidance. This is inclusive of purchases related to sponsored awards, except those made to subrecipients.

Collectibles – Purchases of collectibles (e.g., artwork, rare books, manuscripts, etc.) with a value exceeding \$5,000 must have an appraisal performed by a knowledgeable appraiser for the purpose of determining a reasonable purchase price. The appraisal is required as supporting documentation for the purchase. In cases where a purchase at auction is planned, a knowledgeable appraiser will be consulted in advance to determine a reasonable price range for bidding on the specific object. In cases where an artist is commissioned and sufficient comparables are unavailable (e.g., non-commercial, folk, or traditional artist), the opinions of professional art and/or cultural historians with applicable expertise must be considered prior to purchase and included as part of the supporting documentation for the proposed commission.

#### 3. Purchases Exceeding \$10,000

All purchases exceeding \$10,000 must be procured by PO through the Purchasing Department. Depending on the nature of the purchase, a Blanket PO may be appropriate. These purchases may require a competitive solicitation process, in accordance with the South Carolina Consolidated Procurement Code and administered by the Purchasing Department. The following process must be followed for these purchases:

- a. Requisition – Goods and services procured through the Purchasing Department must use a purchase requisition. When a need is identified, a purchase requisition must be initiated by an appropriate departmental individual in the financial system, which will flow through an electronic workflow approval process.
- b. Procurement – Prior to approving and dispatching the PO, the Purchasing Department will determine the required procurement method and procure the goods or services accordingly. See BUSA 7.00 (Purchasing) for additional detail regarding procurement methods, including competitive solicitation requirements, sole source procurements, and emergency procurements.
- c. Receiving – If a PO requires receiving, it is the responsibility of the department to acknowledge receipt in the financial system upon acceptance of the goods/services.
- d. Invoicing/Payment – PO invoices should be forwarded to Accounts Payable immediately to avoid delays in processing. These invoices must contain a valid PO number and invoice number to be processed, otherwise it will be returned to the sender for correction. Upon entry of the invoice into the financial system by Accounts Payable and successful matching, the payment is processed.

## **PROCEDURES**

The procedure and appendices for this policy provide additional details and can be found here: [https://sc.edu/about/offices\\_and\\_divisions/controller/toolbox/policies\\_and\\_procedures/index.php](https://sc.edu/about/offices_and_divisions/controller/toolbox/policies_and_procedures/index.php)

## **RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES**

[SC Code of Law Section 8-13-700](#)

[SC Consolidated Procurement Code](#)

[State of South Carolina Statewide Disbursement Regulations](#)

[BTRU 1.04 Authority to Sign Contracts](#)

[BTRU 1.18 Conflict of Interest and Commitment](#)

[BUSA 7.00 Purchasing](#)

[BUSA 7.05 Payment/Reimbursement for Personal Consumable Items at Employee's Official Headquarters](#)

[FINA 1.00 Chart of Accounts](#)

[FINA 2.12 Accounts Payable](#)

[FINA 2.15 Accounts Payable Payment Schedule](#)

[FINA 2.82 Asset Management](#)

[FINA 3.00 Sponsored Awards](#)

**HISTORY OF REVISIONS**

<b>DATE OF REVISION</b>	<b>REASON FOR REVISION</b>
10/10/2016	New Policy Approval
June 14, 2017	Update policy for purchase of collectibles.
February 22, 2021	Update for law and regulation changes to Consolidate Procurement Code and aligning with current processes.
April 14, 2025	Language, content, and formatting updates