

**Subject: Payment for Goods and Services**

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**1. Purpose**

This policy provides guidelines and procedures for processing vendor invoices for payment in accordance with the established principles and guidance set forth by the *Code of Virginia*, §§ 2.2-4347 through 2.2-4356 and § 2.2-5004. These statutes promote sound cash management and successful vendor relationships and are further supported by the Commonwealth of Virginia’s Accounting Policy and Procedures Manual (CAPP) Sections 20300 - Cash Disbursements Accounting, and 20315 – Prompt Payment.

## **2. Policy**

Tidewater Community College shall accurately disburse payments for goods and services by the required payment due date. This includes payments for materials, supplies, equipment, and services purchased from vendors or individuals that have been properly procured in accordance with the Virginia Public Procurement Act (VPPA) and TCC Policy No. 4301, Public Procurement.

This policy does not apply to disbursements for Payroll, Travel, and Moving and Relocation expenditures.

### **2.1. General Guidelines**

Payments shall not be made until the following are in place:

- A current IRS W-9 form for each respective vendor;
- An approved purchase order;
- Receipt of a valid invoice in the college's Office of Fiscal Services; and
- Confirmation of receipt of the good or service except as noted in Section 2.3.1 Advance Payments.

All signature authorities shall ensure the validity of college disbursements and compliance with applicable policies and procedures.

### **2.2. Source of Funding**

The Commonwealth's guidelines and limitations shall apply to all expenditure transactions regardless of the source of funds unless otherwise documented. There are three main funding sources:

- State funds – General and Non-General funds subject to limitations of state guidelines and regulations.
- Local funds – Funds approved by the Local College Board. State limitations and guidelines generally apply.
- Sponsored Programs - Funds derived from grants and contracts. State guidelines and regulations shall apply unless specifically excluded by the grant or contract.

The Director of Fiscal Services has responsibility for expenditure transaction processing and may seek additional approval of the Vice President for Finance for exceptions when circumstances warrant.

### **2.3. Payment Due Dates**

Payment due dates shall be established in accordance with CAPP Section 20315, Prompt Payment, which requires that due dates be established by the terms and conditions of a contractual agreement. Generally, due dates are thirty calendar days after the receipt of a proper invoice in the Office of Fiscal Services, or thirty days after the receipt of goods or services, whichever is later. Exceptions to these general guidelines may include the establishment of due

dates for utility payments in following standard industry practices, expenditures that may be made in advance of receipt of goods and services as approved by the Director of Fiscal Services, or certain contractual agreements' terms and conditions as approved by the Director of Fiscal Services.

### **2.3.1. Advance Payments**

Advance payments shall only be allowed for expenditures normally prepaid as a standard industry practice or where such prepayments are considered cost beneficial.

#### **2.3.1.1 Non-contractual**

Expenditures that may be considered for advance payment are: organizational memberships, subscriptions, convention and educational services, certain mail order purchases, film acquisitions or rentals, human subject payments, postal service purchases, and advertising expenses. Allowable advance payments are subject to a maximum prepayment period of 90 days.

#### **2.3.1.2 Contractual**

Contractual advance payments are subject to a maximum prepayment period of one year, where delivery, performance, or refund is assured based on written obligations. Vendors should be encouraged to invoice the agency on a monthly or quarterly basis in the absence of a sufficiently reduced annual pricing arrangement.

Contractual advance payments may include the following types of contracts, leases, or agreements: radio and television advertising, certain specialized pharmaceutical supplies and rare medical drugs, mechanical, electrical and equipment repair and maintenance contracts, computer hardware and software maintenance contracts, licensing agreements, specialized custom manufactured equipment, real property, equipment rentals, insurance premiums, and legal services. The college shall have written approval from the Office of the Attorney General before obtaining any specialized legal services.

## **3. Responsibilities**

The Vice President for Finance shall be responsible for developing and maintaining procedures that are consistent with this policy and that comply with applicable policies and procedures of the Virginia Community College System and the Commonwealth of Virginia.

## 4. Procedures

The college must have a current IRS W-9 form on file for each respective vendor prior to processing payment. The college may then process payment with receipt of a valid invoice, approved purchase order, and confirmation of receipt of the good or service. Advance payments also require an order form, registration form, or other documentation of the goods and/or services being procured.

All documentation must be directed to and received by Accounts Payable in the Office of Fiscal Services at the following address in order to be processed: Tidewater Community College, Accounts Payable, Green District Administration Building, Suite 510, 121 College Place, Norfolk, VA 23510

### 4.1. Confirmation of Receipt

Individuals receiving goods and/or services must provide documentation to Accounts Payable confirming the receipt. Items received at the college warehouse will be confirmed and documented by warehouse staff. Items not received at the warehouse must be documented via the [Departmental Receiving Report](#) (Appendix A). For continuous services provided to the college where an open purchase order exists (e.g., security, landscaping, armored car service) or where a purchase order is not required (e.g., utility payments), Accounts Payable staff must obtain payment approval from the responsible contract manager or responsible department manager.

### 4.2. Invoices

Vendors must provide a valid invoice for the goods and/or services provided to the college. The term "invoice" refers to the original vendor prepared document containing (at a minimum) the following information:

- Vendor name and address
- Vendor contact name and phone number
- Vendor invoice number
- Vendor invoice date
- College Purchase Order Number
- College Contact
- Description of the goods or services provided
- Dollar amount due to the vendor

All invoices must be addressed to Accounts Payable at the following address: Tidewater Community College, Accounts Payable, Green District Administration Building, Suite 510, 121 College Place, Norfolk, VA 23510. All invoices received by departments must be immediately forwarded to Accounts Payable for processing or scanned and emailed to [Accounts-Payable@tcc.edu](mailto:Accounts-Payable@tcc.edu).

### 4.3. Processing of Payments

Accounts Payable staff must date stamp and log all invoices on the date of receipt, and must audit invoices and supporting documentation for accuracy, sufficiency, and compliance with applicable policies and procedures before processing payment. Staff must document any and all missing and/or unsubstantiated documentation and contact the vendor and/or the ordering department/individual in order to resolve missing or erroneous documentation. Vendors must be contacted within 15 working days of receipt of invoice to resolve incorrect or missing information, including a valid W-9 form.

Invoices will be placed in dispute if sufficient information cannot be obtained from the vendor for payment. All documentation pertaining to the dispute must be retained with the payment batch for audit purposes.

Once all required documentation is received and validated, payment must be certified in accordance with the terms of the applicable contract or scheduled for payment in accordance with this policy and CAPP Manual Section 20315, Prompt Payment.

## 5. Definitions

**Advance Payments** – Payments that are made before the receipt of goods or services.

**VPPA** – *Virginia Public Procurement Act* states the public policies pertaining to governmental procurement from nongovernmental sources.

## 6. References

[TCC Policy 4301 – Public Procurement](#)

[TCC Policy 4305 – Travel](#)

[CAPP Manual, Section 20300 Cash Disbursements Accounting](#)

[CAPP Manual, Section 20315 Prompt Payment](#)

[Virginia Public Procurement Act](#)

## 7. Review Periodicity and Responsibility

The Vice President for Finance shall review this policy annually on the anniversary of its approval and, if necessary, recommend revisions. The policy shall also be reviewed when changes to the relevant policies and procedures are made.

## **8. Effective Date and Approval**

This policy is effective upon its approval by the College President on June 28, 2012.

Policy Approved:

Procedure Developed:

Peter A. Spina  
Interim President

Phyllis F. Milloy  
Vice President for Finance

## **9. Review and Revision History**

This is the first version of this policy.

APPENDIX A  
TIDEWATER COMMUNITY COLLEGE  
DEPARTMENTAL RECEIVING REPORT

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## DEPARTMENTAL RECEIVING REPORT

This form is required to document the receipt of goods and services that were not received at the Warehouse. Please complete all sections of this form and submit via email as indicated below:

- eVA Orders: [warehouse@tcc.edu](mailto:warehouse@tcc.edu)
- Non-eVA Orders: [accounts-payable@tcc.edu](mailto:accounts-payable@tcc.edu)

All original packing lists are to be submitted via inter-campus mail to the Warehouse.

PURCHASE ORDER NO:	DATE ORDERED:
VENDOR:	RECEIVED BY:
DEPARTMENT:	CAMPUS:
DATE RECEIVED:	ORDER STATUS: COMPLETE                  PARTIAL
<b>DAMAGES / SHORTAGES:</b> Report all damages (including damage to cardboard boxes and crates) and / or shortages on all copies of the packing list or freight bill and if possible, have the delivery driver sign and date all documents. Send original packing slip to the Warehouse. Use the space below to describe damages and/or shortages and any actions taken.	
Print Name:	Date: