NOTICE OF PROPOSED REGULATION DEVELOPMENT
New College of Florida Board of Trustees

REGULATION CHAPTER NUMBER:
Chapter 3, Administration Affairs

REGULATION NUMBERS AND TITLES:
3-1015 Prompt Payment and Payment Scheduling

SUMMARY OF PROPOSED REGULATION:
Proposed Regulation 3-1015 ensures all payments processed by the College through its accounts payable operation are made in a timely manner. The proposed regulation establishes criteria for what is required to process an invoice, what constitutes late payment of an invoice, if any, due a vendor as a result of late payment, prompt payment exceptions, and provides a process for a dispute resolution.

The regulation is based on NCF Policy 2-010, the current standing guideline on the matters of prompt payment and payment scheduling. This is an attempt to bring the Regulations Manual into compliance with daily practice. The proposed text is submitted with the endorsement of the College's Controller and VP of Finance & Administration.

TEXT OF PROPOSED REGULATION:
The full text of the proposed regulation is set out following this notice.

NEW COLLEGE OFFICIAL INITIATING THE REGULATION:
Courtney Hughes, Coordinator of Special Projects, President's Office

PROCEDURE FOR COMMENTING ON PROPOSED REGULATION:
Comments may be submitted as follows:

1. Any person may submit comments concerning the proposed regulation to the Ms. Hughes any time up to 14 days prior to the November 17, 2012 meeting of the New College of Florida Board of Trustees, or by Saturday, November 3, 2012. Comments can be provided to Ms. Hughes by mail, fax, email or telephone, as follows:

   Courtney Hughes
   New College of Florida
   5800 Bay Shore Road
   Sarasota, FL 34243-2109

   Telephone: 941-487-4112
   Fax: 941-487-4101
   Email: chughes@ncf.edu

   Comments provided to Ms. Hughes will be presented to the Board of Trustees for consideration.

2. Comments may be directed in person to the Board of Trustees at its meeting scheduled for Saturday, November 17, 2012. The meeting will commence at 10:00 AM at the Harry Sudakoff Conference Center.

ACTION BY NEW COLLEGE BOARD OF TRUSTEES:

The New College Board of Trustees will consider the proposed regulation for adoption at its regular meeting as follows:

DATE:	Saturday, November 17, 2012
TIME:	10:00 AM
LOCATION:	Harry Sudakoff Conference Center New College of Florida, East Campus General Spaatz Blvd. to General Dougher Place

NEW COLLEGE OF FLORIDA
REGULATIONS MANUAL

Chapter 3—Administrative Affairs

3-1015 Prompt Payment and Payment Scheduling

It is the intent of the NCF Board of Trustees to ensure all payments processed by the College through its accounts payable operation are made in a timely manner. The regulation establishes criteria for what is required to process an invoice, what constitutes late payment of an invoice, if any, due a vendor as a result of late payment, prompt payment exemptions, and provides a process for a dispute resolution.

(1) Statement of Policy. It is the policy of the College to process proper invoices within 30 days of receipt, or when goods and services are received and approved. This regulation shall apply to all purchase requisitions, purchase orders, contracts, and agreements.

(2) Definitions.

(a) Dispute – differences of opinion held in good faith between a vendor and the College.

(b) Governmental Entity – means state agencies, county or municipal governments, or other governmental bodies.

(c) Late Payment – a payment that is distributed to a vendor after the payment due date.

(d) Out-of Pocket Purchase – a purchase of goods and services initiated and paid for by an individual in support of official College operations where circumstances preclude following normal procurement procedures.

(e) Payment Due Date – the 30th day from the start date countdown for prompt payment compliance (see Section V for details).

(f) Proper Invoice – a document presented by a vendor for prompt payment, which conforms to all College requirements.

(g) Vendor – any person who sells goods or services, sells or leases personal property, or leases real property to the College.

(h) Vendor Ombudsman – the position within the Business Office whose responsibilities include, but are not limited to, the review and recommendation for disposition of vendor complaints involving the College's prompt payment compliance guidelines.

(3) Invoice Information.

(a) When submitting an invoice for payment, the original invoice must be submitted. If an original invoice is not available, then the copy must contain the statement "Original invoice not available. Records show that this obligation has not been previously paid." with the signature of the person certifying the statement. No thermal copies may be submitted as the original.

(b) An invoice should contain the following:

1. Invoice date.

2. Invoice number.

3. Vendor's mailing "remit to" name and address for payment.

4. Vendor's mailing address for correspondence, plus phone number, fax number and/or email address of representative who can answer questions regarding the invoice.

5. College's purchase order (where applicable), contract or other document number.

6. Name and mailing (ship to) address of the College department that received the goods or services, as indicated on the purchase order or contract.

7. Description of goods delivered or services rendered in sufficient detail to identify them as the same goods/services in the purchase order or contract.

8. Where applicable, a breakdown of quantity, description, unit and extended prices. If a numerical code is used as a description, then a copy of the purchase order must be attached giving a description of the item purchased. No payment will be made from a statement.

(c) Invoices should not include the following:

1. Payment terms that are different from those specified in the purchase order or contract.

2. Goods that have not been delivered to the College or services that have not been completed, unless the purchase order or contract contains a provision for advance payment.

3. Unit prices or quantities or total price or quantity that exceed those indicated in the purchase order or contract.

4. Charges for goods, services or freight that were not included on the purchase order or contract.

5. Taxes or fees from which the College is exempt as a non-profit, Florida public institution of higher education.

6. Charges for late payment. Vendors must request in writing, payment for late payment penalties believed to be owed them but not yet paid by the College at the time of a suspected late payment. In no case shall the annualized penalty interest rate exceed 12%. If the interest due is under $10.00, payment will be waived.

(d) Invoices received from vendors that have failed to supply the College with a complete and accurate W-9 or other form that provides all necessary data to determine 1099 status will be deemed insufficient for payment until such information is supplied.

(e) No past due balances will be paid unless the supporting documentation for the past due amount is attached, e.g., invoice for past due amount.

(f) The determination of any potential late payment is based upon adherence to the regulations promulgated by the College, not by the vendor.

(g) All invoices are to be sent to the appropriate College "remit to" department, as detailed in the purchase order or contract, where the invoice will be stamped with the date received. If an invoice is sent elsewhere, then the received date will be the date the invoice is received by the appropriate department.

(h) Accounts Payable will give invoices that contain discounts preference in order to take advantage of the discount. College departments will be directed to process and forward discounted invoices in a timely manner.

(4) Determination of Payment Compliance.

(a) The start date for prompt payment compliance will be the most recent date of the date the proper invoice is stamped as received by the appropriate department or the receipt, inspection, and approval of the goods and services. The department has 7 days from the receipt of the invoice to inspect and approve the goods and services and to approve the invoice for payment and forward to Accounts Payable.

(b) For discounted invoices, the department has 5 days from the receipt of the invoice to inspect and approve the goods and services and to approve the invoice for payment and forward it to Accounts Payable.

(c) If the invoice does not indicate the date of receipt by the department, the received date will be that of the invoice date.

(d) In the case of a dispute, the start date will not begin until the issue(s) is/are resolved. With "remit to" department's approval, those items that are not in dispute may be paid within allotted time frame.

(e) The timeliness of the payment must allow time for resolution of disputes and accounts payable processing.

(f) The College will be deemed out of compliance after the 30th day from the start date of prompt payment compliance. The 30-day requirement is calculated from the start date to the date of the check. The 30-day requirement may be waived under extenuating circumstances, if approved by the Controller.

(g) The Business Office will monitor the timeliness of payments and recommend corrective action, as appropriate.

(h) This section does not apply to payments made to State agencies or other governmental entities within the State of Florida.

(i) For invoices that do not meet the College's standards, the department that reviews the invoice will take one of the following actions:

1. If the items missing from the invoice are not required to make the payment (e.g., vendor's phone number), use the invoice to process a payment before the Net Due Date.

2. Return the invoice to the vendor for correction and re-submission by mail or fax immediately and no later that 21 calendar days after the Invoice Receipt Date.

3. Partially pay the invoice to the extent it is correct, and notify the vendor of the error by mail or fax immediately and no later then 21 calendar days after the Invoice Receipt Date.

(5) Travel and Other Employee Payments. Properly completed employee travel expense or other employee reimbursement requests will be processed during the next scheduled payment cycle. The payment cycle is normally once per week.

(6) Advance Payments. The College may authorize advance payments for goods and services when it is in the best interest of the College to do so and it has been determined there is adequate protection to ensure that such goods or services will be provided.

(7) Vendor Ombudsman Dispute Resolution. The Controller or his/her designee will act as vendor ombudsman. This individual will perform the following duties:

(a) Evaluate payment patterns to discern timeliness of payments both for late payment penalties and lost discounts.

(b) Work with fiscal liaisons to help eliminate late payments and discounts lost.

(c) Approve waivers for time extensions due to exceptional circumstances.

(d) Work with vendors where problems are not resolved with the applicable department processors.

(e) Provide Ombudsman contact information to contractors and vendors via purchase orders and/or College website.

(8) Review and Responsibilities. Responsible Party: Controller

History: Adapted from NCF Policy 2-010, 2-03-04, Adopted as regulation x-xx-xx.