

<b>System-wide Policy:</b> <b>FI0510 - Advance Payment to Vendors</b>	
<b>Version: 9</b>	<b>Effective Date: 01/04/2018</b>

## FI0510 – Advance Payment to Vendors

### Topics:

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### Objective:

To provide policies on the methods of prepaying outside vendors for goods and services.

### Policy:

#### [Advance Payment to Vendors](#)

1. Generally, payment for goods or services cannot be made until after goods are received or services are provided. However, payment or partial payment can be made before goods or services are received for the following: (1) registration for conferences and seminars, (2) orders to the U.S. Government Printing Office, (3) purchases of postage, (4) subscriptions to trade magazines and periodicals, (5) purchases of items from specialty establishments **requiring that payment accompany the order**, (6) advance payments to vendors which would result in documented significant savings to the university. A purchase order (or approval by the campus or unit purchasing department) is required if items described in (5) or (6) costs \$10,000 or more.
2. Upon a request for advance payment, departments must enter the information in IRIS. If an invoice is not available, departments must complete either Form T-29 or Form T-30 and take the following action:
  - a. [SPECIAL REMITTANCE AND ORDER FORM \(FORM T-29\)](#). Form T-29 must be used when advance payment is required and an invoice is not available. Departments must

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complete the FORM T-29, enter the required information into the university's accounting system, and send a copy of the form to the vendor after the check is issued. Payment will be mailed separately by the Treasurer's Office.

Documentation to support the items ordered must be attached to the T-29 and maintained on file in the responsible office. This form should not be used to prepay conference and seminar registration fees.

When used to purchase postage, FORM T-29 should indicate the vendor as **Postmaster** and give the appropriate address; and the order should be itemized by quantity and denominations of postage desired. Orders for postage meter machines should indicate the location of the machine. Departments using considerable amounts of postage should anticipate their requirements so that rush orders for postage may be kept to a minimum. The purchase of postage does not require attached documentation.

- b. **CONFERENCE AND SEMINAR PREPAYMENT FORM (FORM T-30)**. Conference and seminar registrations may be paid with a departmental procurement card, or a procurement card in a campus/institute business office. Conference and seminar registrations may also be paid via direct bill using the Conference and Seminar Prepayment Form (FORM T-30). Regardless of the method of payment, the registration material supporting the payment must be entered on the expense report and marked as company-paid before other travel expenses will be processed.

## PROCEDURES:

Knoxville:	<a href="http://budget.utk.edu/fiscal-policy/">http://budget.utk.edu/fiscal-policy/</a>
Health Science Center:	<a href="https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&amp;">https://uthsc.policymedical.net/policymed/home/index?ID=de47aa28-16aa-408b-9c96-cb04f232964f&amp;</a>
Institute of Agriculture:	<a href="https://ag.tennessee.edu/Pages/UTIApolicies.aspx">https://ag.tennessee.edu/Pages/UTIApolicies.aspx</a>
Martin:	<a href="http://www.utm.edu/departments/finadmin/procedures.php">http://www.utm.edu/departments/finadmin/procedures.php</a>
Chattanooga:	<a href="http://www.utc.edu/business-financial-affairs/fiscalpolicies.php">http://www.utc.edu/business-financial-affairs/fiscalpolicies.php</a>

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**FORMS:**

- [Conference and Seminar Prepayment Form \(T-30\)](#)
- [Special Remittance and Order Form \(T-29\)](#)

**FOR MORE INFORMATION:**

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Related Policies: [FI0505 - Accounts Payable](#)