

## **2.18 Prepayment Purchases**

It is not usual University or State policy to pay for goods or services prior to their being received. However, there are special circumstances that do require payment in advance.

In cases where a prepayment is required for items that are exempt from competitive pricing because of their proprietary nature, such as dues, subscriptions, lodging, conference fees, etc., an Invoice Voucher is prepared by the requisitioning department with the appropriate documentation attached i.e. order form, invoice, etc. (see [Section 2.19](#) and [Section 3.14](#)).

There are unique instances in which a non proprietary purchase may require prepayment. In those instances the requisitioning department should contact the University Purchasing Department to discuss the situation before any commitment is made to a vendor. The Purchasing Department will advise the requisitioning department as to the validity and necessity of a prepayment in their particular case, and the appropriate procedure to be followed.

It should be noted that prepayment for goods and services is not considered a recommended method of purchase and is discouraged because there exists the element of risk, and the settlement of claims becomes difficult.