

## Prepayment & Advance Payments

Generally, prepayment is not authorized for any purchase of supplies, materials, equipment, or services. A hard copy purchase voucher still requires a signature on a certificate which states:

"I approve each purchase, travel, and payroll document in this batch. Employees at my state agency have determined that each document complies with applicable law, including the General Appropriations Act (GAA) and the rules of the Comptroller of Public Accounts. For each purchase of travel document, employees at my state agency have determined that: (1) the goods and services covered by the document comply with the requirements of the contracts under which they were purchased; and (2) the invoices for the goods and services are correct. For each transaction included in a travel document, employees at my state agency have determined that the information included in the transaction has been approved by the claimant. For each payroll document, employees at my state agency have determined that: (1) the payroll is correct and unpaid; and (2) any salary supplementation report required by the GAA to be filed with the Comptroller of Public Accounts and the Secretary of State has been filed. My state agency has authorized me to make this statement for the agency, and I accept responsibility for it."

In the Uniform Statewide Accounting System (USAS), certification is implied as having been signed when a document is released into the system for payment. There are certain exceptions contained in various statutes and manuals. (See Comptroller's publication "State of Texas Purchase Voucher Guide." The exceptions are listed as follows:

- Texas Government Code, Title 10, Subtitle D, Section [2155.386](http://tlo2.tlc.state.tx.us/statutes/statutes.html) (<http://tlo2.tlc.state.tx.us/statutes/statutes.html>)- "An institution of higher education may pay for library material before receiving them if reasonably necessary for the efficient operations of the institution's library."
- Texas Government Code, Title 10, Subtitle D, Section [2155.383](http://tlo2.tlc.state.tx.us/statutes/statutes.html) (<http://tlo2.tlc.state.tx.us/statutes/statutes.html>)- "All state agencies are authorized to make advance payments to federal and other state agencies for merchandise purchased from such agencies when advanced payments will expedite the delivery of the merchandise."
- A state agency may pay for goods and services before their delivery to the agency if there is legitimate public purpose. Purchase of library materials may require a down payment and percentage deposits during the life of the purchase if in accordance with the items listed above.
- A state agency may enter payment for rent (leases) in advance by setting the due date of the 23rd of previous month or later in Uniform Statewide Accounting System (USAS). The warrant will be issued on the first cycle after the due date. The use of future dates expands the time frame available to state agencies to enter

- their documents in USAS. **Note:** A Purchase Category Code (PCC) of Z must have a unique document number and cannot be mixed with other PCCs.
- A state agency may pay a subscription up to six weeks in advance of the renewal date;
  - A state agency may pay a rental fee for a meeting room or exhibit booth (see Section 4.5 Exemptions for Policy Letter 97-1), or a registration fee in advance if there is a legitimate public purpose for making the payment in advance (e.g. significant cost savings of reserving a space when there is limited enrollment);
  - A state agency may pay an annual maintenance agreement in advance, regardless of whether it covers more than one appropriation year. A state agency must charge a purchase for services to the fiscal year in which the services were rendered. In other words, a state agency may not charge a fiscal year for the purchase of services if the services were rendered during a different fiscal year; and
  - A state agency may pay tuition to an institution of higher education no earlier than the 42<sup>nd</sup> day before the class begins. However, a state agency may not reimburse a state employee for tuition before the class begins.

A state agency that needs to make an advance payment for a reason not listed above may do so only if the agency determines before making the payment that making the payment in advance is necessary and would serve a proper public purpose.

**Note:** The Education Code specifically prohibits the expenditure of money in the Higher Education Assistance Fund (HEAF) to pay for goods or services before their delivery. None of the preceding exceptions apply to that provision.

**Legal Source:** [Texas Education Code Ann. 62.021\(a\) \(Vernon Supp. 2004\)](#).

SECTION 2.52

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