

Prepayment of Orders

FIN-PUR-7.0



About This Policy

Effective Date:

02-18-1992

Last Updated:

07-26-2016

Responsible University Office:

University Procurement Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

Jill Schunk

Associate VP, Office of Procurement Services

jschunk@iu.edu

Scope

Policy Statement

Reason For Policy

Procedure

History

[Back to top ↗](#)

Scope

All Indiana University units and employees.

[Back to top ↗](#)

Policy Statement

Payment for goods or services shall not be made unless satisfactorily received prior to payment.

Exceptions:

1. Payments to local, state, and federal government entities.
2. Any procurement of goods or services where the source provides an instrument of security.
3. Where the funding agency has authorized prepayment.
4. Service and maintenance contracts where necessary.
5. Small orders (under \$2,500.00) where the account manager approves prepayment.
6. Approval by the Associate Vice President of University Procurement Services or the campus Vice Chancellor.

[Back to top ↗](#)

Reason For Policy

To assure satisfactory value is received prior to payment.

[Back to top ^](#)

Procedure

Prepaid orders shall be submitted to Financial Management Services for inclusion of check with order. Invoices for partial shipments will be accepted.

[Back to top ^](#)

History

This policy was established on February 18, 1992.