

**OLD DOMINION UNIVERSITY  
OFFICE OF FINANCE PROCEDURE MANUAL**

**Title: Processing Prepayments**

**Procedure: 6-813**

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**A. PURPOSE**

This procedure provides general guidelines for processing prepayments.

**B. DESIGNATED STAFF**

University Departmental Staff

**C. PROCESSING CYCLE**

Daily or as required for prepayments

**D. REQUIRED RESOURCE MATERIALS**

eVA Direct Order (DO)  
Memorandum  
Authorization for Purchase Form  
eReceiving in Banner for DO's

**E. GOVERNING POLICIES AND PROCEDURES**

CAPP Topic 20310 – Expenditures  
CAPP Topic 20315 – Prompt Payment  
ODU Procurement Manual  
ODU Manual Accounts Payable Check Policy

**F. CROSS REFERENCE TO OTHER PROCEDURES**

ODU AP Payments Training Manual

**G. OTHER ODU OFFICES IMPACTED**

Office of Finance – Accounts Payable  
Procurement Services

**H. INVOLVEMENT EXTERNAL TO ODU**

Vendors who provide goods or services to ODU

**I. PROCEDURE:**

Payments may be processed to prepay for the purchase of goods or services before delivery of the goods or receipt of the services.

**Prepayment Terms**

Advance payments are subject to a maximum prepayment of 90 days. Advance payments cannot be made to vendors on the Comptroller's Debt Setoff (CDS) list.

**Processing of Prepayments**

Prepayments submitted to Accounts Payable (AP) Travel Processors that are accurate and complete will be processed within 5-7 work days.

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Prepayments delivered to AP in May and June for goods or services that will be received after June 30 are posted to the next fiscal year, if greater than \$250.00.

**Prepayment of Services for Individuals**

An Independent Personal Services Certification (IPSC) form must be completed for any services procured from individuals.

Steps in the IPSC Process

1. Complete the IPSC form
2. Complete the Industry Practice (IP) Checklist or the Worker Classification Review Questionnaire, as applicable.
3. If the IP Checklist can be used, submit the IPSC form and the IP Checklist with applicable procurement documentation (eVA DO or memorandum) to Accounts Payable. Be sure a W9 is on file.
4. If the Worker Classification Review Questionnaire must be used, submit the IPSC form and questionnaire to Human Resources for review of worker classification.
5. If the IPSC form and questionnaire are approved by Human Resources, the forms will be returned to the department.
6. Submit the approved IPSC form, Worker Classification Review Questionnaire, and applicable procurement documentation (eVA DO or memorandum) to Accounts Payable. Be sure a W9 or W8BEN is on file.
7. If the IPSC form is not approved by Human Resources, the individual must be paid as an employee. Submit the appropriate payroll documentation to the Payroll Office for processing.

**Procurement Methods for Prepayments**

1. eVA Direct Order (DO)  
DO's prepared for prepayments require eReceiving. Input a receiver in Banner utilizing the prepayment receiving method. Send the DO and supporting documentation to AP Travel. Ensure Prepayment is indicated on the DO.

The following three types of prepayments are exempt from eVA processing, and eVA DO's are not issued:

- a. Honoraria
- b. Entertainment - speakers, lecturers, musicians, and performing artists
- c. Intercollegiate athletic game referees, officials, and umpires

The use of the Standard Engagement Agreement will support requests for payments to vendors in the three categories shown above. An Independent Personal Services Certification form must be prepared for payments to individuals.

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2. Authorization for Purchase Form (non-eVA users)  
The Authorization for Purchase form may be submitted to process prepayments for goods and services that are \$500 or less.
  
3. Memorandum  
Include the following information when submitting memos to request payment of fees:
  - Budget Unit Director's original signature
  - Purpose of Prepayment
  - Vendor Name, Number (UIN or FIN), and Address
  - Amount to be paid
  - Budget Code and Sub-account
  - Special handling instructions (mail check, deposit or mark for pick up)

<b>Types of Prepayments</b>		<b>Supporting Documentation Required</b>
1	Advertising Expenses	Invoice or agreement Tear sheet or copy of advertisement
2	Computer Hardware and Software Maintenance Contracts	Invoice or contract service agreement
3	Convention and Educational Services (workshops, training seminars, and conference registration)	Registration form Copy of approved travel estimate, if applicable
4	Hotel or Motel Deposits	Copy of hotel reservation or hotel documentation that includes the applicable hotel rate  Copy of approved travel estimate  List of participants names, titles and UIN (University Identification Number), if applicable
5	Insurance Premiums	Invoice
6	Licensing Agreements	Invoice or licensing agreement
7	Organization Memberships	Invoice or Membership Application Original signature of the President or VP, if an eVA DO is not prepared
8	Publication Subscriptions	Invoice or Subscription Application
9	Real Property and Equipment Rentals (rental of buildings for events)	Invoice or rental agreement Copy of business meal form, if applicable for the event
10	Travel via Public Carriers	Invoice or service agreement List of participants names, titles and UIN (University Identification Number), if applicable

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**Records Retention:**

Original prepayment documentation should be maintained in the Office of Finance agency file for three years.

**Contacts:**

For questions regarding this procedure and/or practice contact the Accounts Payable Manager at 683-6977, Accounts Payable Travel Supervisor at 683-5020.