

**OLD DOMINION UNIVERSITY
ACCOUNTS PAYABLE PROCEDURE MANUAL**

Title: Processing Prepayments

Procedure: 6-813

A. PURPOSE

This procedure provides general guidelines for processing prepayments.

B. DESIGNATED STAFF

University Departmental Staff
Accounts Payable Travel Processors

C. PROCESSING CYCLE

Daily or as required for prepayments

D. REQUIRED RESOURCE MATERIALS

eVA Purchase Order
Memorandum
Authorization for Purchase Form – Procurement Services website
AP Payment Request Form – Accounts Payable website
eReceiving in Banner for Purchase Orders
Independent Personal Services Certification (IPSC) Form – Accounts Payable website
Industry Practice (IP) Checklist – Accounts Payable website
Worker Classification Review Questionnaire – Accounts Payable website

E. GOVERNING POLICIES AND PROCEDURES

CAPP Topic 20310 – Expenditures
CAPP Topic 20315 – Prompt Payment
ODU Procurement Manual

F. CROSS REFERENCE TO OTHER PROCEDURES

Procurement and Payment for Goods and Services Training Manual (part of the Certificate in University Financial Management) – Accounts Payable website

G. OTHER ODU OFFICES IMPACTED

Procurement Services
University Departments

H. INVOLVEMENT EXTERNAL TO ODU

Vendors who provide goods or services to ODU

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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.

Processing of Prepayments

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

Routine prepayments allowed in accordance with the CAPP manual that are paid prior to June 30 will be charged to the current fiscal year.

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. The form must be approved by a person on the authorized signature list. An original signature is required, but a digital signature will be accepted, if sent from a valid ODU email address.
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 (purchase order 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 (purchase order 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.

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Procurement Methods for Prepayments

1. eVA Purchase Order

Purchase orders prepared for prepayments require eReceiving. Input a receiver in Banner utilizing the prepayment receiving method. Send the purchase order and supporting documentation to AP Travel. Ensure Prepayment is indicated on the purchase order.

The following three types of prepayments are exempt from eVA processing:

- 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.

2. Authorization for Purchase Form

The Authorization for Purchase form (PA01) may be submitted to process prepayments for goods and services to any government agency or to other vendors, if the fees are \$500 or less.

The form must be submitted to AP with an original signature approved by a person on the authorized signature list, or a digital signature will be accepted, if sent from a valid ODU email address.

3. Memorandum

Include the following information when submitting memos to request payment of fees:

- Budget Unit Director's (BUD) original signature or BUD digital signature, if sent from a valid ODU email address
- 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)

4. AP Payment Request Form

The AP Payment Request form may be submitted to process honorariums, awards, and miscellaneous refunds.

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Types of Prepayments Required	Supporting Documentation
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 Pre-Approval Request, if applicable
4	Hotel or Motel Deposits Copy of hotel reservation or hotel documentation that includes the applicable hotel rate Copy of Pre-Approval Request, if applicable 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 If a PA01 is processed, then approval is required from the AVP or Dean/Director if one level below the VP
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 Accounts Payable agency file for three years.

Contacts:

For questions regarding this procedure and/or practice contact the Accounts Payable Manager at 683-4813 or the Accounts Payable Travel Supervisor at 683-5020.