In 2019, university policies related to university purchases (formerly FIN-PUR-01 through FIN-PUR-35) were updated and consolidated into FIN-PURCH-01 through FIN-PURCH-14. The History section of this policy contains complete information on where the topics covered by each FIN-PUR policy can be found in FIN-PURCH. A few FIN-PUR policies have been rescinded or converted into Standard Operating Procedures, and the History section contains that information as well.

Prepayment of Orders
FIN-PURCH-06

About This Policy

Effective Dates:
03-12-2019

Last Updated:
03-12-2019

Responsible University Administrator:
Executive Vice President for Finance and Administration

Policy Contact:
Baris Kiyar
Associate Vice President for Procurement
bkiyar@iu.edu

Scope

The policy applies to all individuals responsible for university purchases, regardless of procurement mechanism.

Policy Statement

Payment for goods or services shall not be made unless satisfactorily received prior to payment subject only to the following exceptions:

1. Payments to local, state, and federal government entities.
2. Where the supplier provides an instrument of security in equal or greater value than goods and services to be procured.
3. Where the funding agency has authorized prepayment.
4. Service and maintenance contracts where necessary.
5. Approval by University Procurement Services.

Reason For Policy

To assure satisfactory value is received prior to payment.

Procedure

Prepayments shall be approved and submitted to the supplier by University Procurement Services for inclusion of payment with order.

Sanctions

Failure to follow appropriate policies and procedures regarding the use of university funds and resources or in obligating the university to financial or legal transactions could put the university in financial and legal risk.
Sanctions for failure to comply could result in disciplinary actions up to and including employee termination. Violation of state statutes could result in civil or criminal penalty and legal action.

**Additional Contacts**

<table>
<thead>
<tr>
<th>Contact</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Procurement Services</td>
<td>Purchasing, P-card, AP, and SDM Support Form</td>
</tr>
</tbody>
</table>

**History**

In 2019, university policies related to university purchases (formerly FIN-PUR-01 through FIN-PUR-35) were updated and consolidated into FIN-PURCH-01 through FIN-PURCH-14. The university purchasing policies related to conflicts of interest and commitment were updated and consolidated into UA-17.

FIN-PURCH-01 consolidates and updates:

- FIN-PUR-1.0 (Purchasing Authority)
- FIN-PUR-1.1 (Exceptions to Purchasing Authority)
- FIN-PUR-1.2 (Delegation of Purchasing Authority)
- Portions of FIN-PUR-2.0 (State and Federal Statutes and Regulations)
- FIN-PUR 4.0 (Responsibilities in Acquisition Process)
- FIN-PUR-16.0 (Transactions Utilizing the Pre-Disbursement Processor).

FIN-PURCH-02 updates and renumbers FIN-PUR-20.0 (University Procurement Contracts).

FIN-PURCH-03 consolidates and updates:

- FIN-PUR-5.0 (Competition)
- FIN-PUR-5.1 (Development of Vendor List)
- FIN-PUR-5.2 (Use of Other Recognized Sources as Basis of Award)
- FIN-PUR-5.3 (Negotiation)
- FIN-PUR-5.4 (Emergency Situations)
- FIN-PUR-5.5 (Purchase Order Award Criteria)
- FIN-PUR-5.7 (Documentation)
- FIN-PUR-12.0 (Board of Trustee Reporting)
- Portions of FIN-PUR-18.0 (Auctions and Reverse Auctions).

FIN-PURCH-04 updates and renumbers FIN-PUR-5.6 (Single-Source Orders)

FIN-PURCH-05 consolidates and updates:

- FIN-PUR-3.5 (Purchases for Employees)
- FIN-PUR-10.0 (Restricted Purchases).

FIN-PURCH-06 updates and renumbers FIN-PUR-7.0 (Prepayment of Orders).

FIN-PURCH-07 is a new policy.

FIN-PURCH-08 updates and renumbers FIN-PUR-9.0 (Furniture Purchases)
FIN-PURCH-09 consolidates and updates

- FIN-PUR-3.0 (Purchasing Ethics)

FIN-PURCH-10 updates and renumbers FIN-PUR-11 (Release of Procurement Information).

FIN-PURCH-11 consolidates and updates:

- FIN-PUR-14.0 (Disposal and Redistribution of University Property)
- FIN-PUR-14.1 (Sale of Computing Equipment)
- Portions of FIN-PUR-18.0 (Auctions and Reverse Auctions).

FIN-PURCH-12 updates and renumbers FIN-PUR-21.0 (Non-Solicitation on Campus)

FIN-PURCH-13 updates FIN-PUR-13 (Purchases from Historically Underutilized Suppliers)

FIN-PURCH-14 consolidates and updates:

- FIN-PUR-10.1 (Protection of Old Growth Forests)
- FIN-PUR-19.0 (Procurement of Appliances and Electronics).

Specific to purchasing policies, UA-17 (Conflicts of Interest and Commitment) consolidates and updates:

- FIN-PUR-3.0 (Purchasing Ethics)
- FIN-PUR-3.3 (State Conflict of Interest for Procurement Transactions)
- FIN-PUR-3.4 (Gifts and Gratuities)

The following FIN-PUR policies were rescinded or converted into Standard Operating Procedures as follows:

- FIN-PUR-6.0 (Common Construction Wage) was rescinded.
- FIN-PUR-8.0 (Endorsement) was rescinded.
- FIN-PUR-15.0 (Strategic Alliances) was converted into a Standard Operating Procedure.
- FIN-PUR-17 (Procurement for Off-Shore University Activities) was converted into a Standard Operating Procedure.

Post-2019 History

The policy's additional contact information was updated on May 1, 2023.