



University of Central Florida

Financial Affairs

Procedures Document

Purpose of Procedure:	Documentation of automatic advance payment authorizations
Who Processes:	Disbursements (Vendors Payable & PCard) staff
How often:	As needed
What is Processed:	Invoices requiring a payment prior to receiving goods or services
Where are the results distributed:	PeopleSoft Financials
Date:	Initial: 09/01/2017; Revised 05/08/2020; 08/16/2021
Author:	Joel Levenson, AVP for Tax, Payables, Procurement

Summary:

This documents the university's procedures for advanced vendor payments.

Background Information:

Although section 215.422(14), Florida Statutes, and Florida Administrative Code Rule 69I-40.120(3) concerning advance payments made by other state agencies do not apply to the Florida public universities, it is best practice to document the university's position and procedures for approving certain advance payments when the benefits outweigh the risks. Advance payments are a common business practice and are required by certain suppliers for a variety of reasons; however, the risk that the vendor will not provide the agreed-upon goods or services at an acceptable standard of quality must be considered prior to any prepayments.

Examples of items and services that may require advance payments include:

- operating capital for a specialized piece of equipment
- catering
- monthly rent or lease payments

The following are examples of items and services that are qualified for automatic prepayment approval:

- 1) a continuous need for the maintenance or service of a research project
- 2) a mission-critical need of the department
- 3) customized equipment or furnishings
- 4) software licenses
- 5) insurance premiums
- 6) rent according to payment terms as evidenced by a lease with an external entity
- 7) other (justification provided by the requesting department)

The following are examples of goods and services that are strictly prohibited from advance payments:

- 1) internal UCF charges, other than monthly contracts. Example:
 - Department X receives an invoice in April for May's copier lease. Payment for the copier lease in April for May is allowable. Payment for next fiscal year's anticipated copier invoices is prohibited.
- 2) Any expenditure with the intent to expend current year operating budget prior to fiscal year close.

Procedures:

- I. Review of payment terms
 - A. Non-research project invoices which include payment terms requiring a payment prior to the requesting department receiving the requested goods or services, will be automatically approved for an advanced payment by the Division of Finance (DF), **if the prepayment terms are documented on the invoice, or other agreement between the university and the payee. The advance payments must meet the criteria listed, above.**
 - B. DF will review the prepayment during the vouchering process to ensure the payment meets the prepayment terms. Examples of allowable prepayment terms are provided below.
 - C. For research projects requesting an advance payment, DF will consider the prepayment approved after review and approval by the Office of Research & Commercialization (ORC).
- II. The disbursement staff processor is required to document the prepayment, if the payment meets both of criteria A and B, below. The documentation of the prepayment is an excel file titled, "Advance Multi-Year Payments" located on the T:Drive and is available for review by General Accounting.
 - A. The prepayment is for a term of service, or for goods expected to be received after a fiscal year end in which the payment occurs.
 - B. The payment is for \$5,000 or more.
- III. Any exceptions to this procedure must be approved in writing in advance of the purchase by the Assistant Vice President for Tax, Payables, and Procurement.

Examples of allowable prepayment terms:

BACKSTAGE EQUIPMENT, INC. 8052 Lankershim Bl. North Hollywood, CA 91605			<h1>Sales Order</h1>				
Tel: (818) 504-6026 Fax: (818) 504-6180			Customer No.: UCF Order No.: 26725				
Bill To: University Of Central Florida 12405 Aquarius Agora Drive Bldg 75, NSC 157 Film Orlando, FL 32816			Ship To: University Of Central Florida 12405 Aquarius Agora Drive Bldg 75, NSC 157 Film Orlando, FL 32816				
Date	Ship Via	F.O.B.	Terms				
05/25/17	Pilot Freight	Origin	-Prepaid-				
Purchase Order Number		Required Date	Sales Person		Our Order Number		
Verbal		06/15/17	Zulema Flores		26725		
Quantity			Item Number	Description	Serial Number	Unit Price	Amount
Req	Shipped	B.O.					
1			G-02	Super Duz-All Cart Dims. L63" x W29" x H68" 324 lbs.		\$1,995.00	\$1,995.00
1			E-15	Stinger Cart (Complete) L16" x W26" x H38" 79 lbs		\$495.00	\$495.00
1			GE-13	C-Stand/Hi-Roller Utility Cart Dims. L36" x W26" x H60" 100 lbs.		\$995.00	\$995.00
1			E-01	Electrician's Cart Dims. L61" x W29" x H64" 255 lbs.		\$1,575.00	\$1,575.00
6			B-03	Milk Crate w/ Ring		\$20.00	\$120.00
4			B-05	School Crate		\$20.00	\$80.00
6			B-04	Milk Crate Liner-Metal Dims. L19" x W13" x H11" 4 lbs.		\$10.50	\$63.00
4			B-06	School Crate Liner L17 3/4" x W11 3/4" x H4 7/8		\$10.00	\$40.00
1			PACK	Packing Charge 5% charge of the net price		\$268.15	\$268.15
John Bowen (407) 823-3803 Jonathan.bowen@uof.edu							
Order subtotal \$5,631.15 Freight charges \$931.48 Order total \$6,562.63							



PRIVATE EVENT AGREEMENT

EVENT: UCF
DATE OF EVENT: August 03, 2017

ROOM	TIME IN	TIME OUT	ROOM FEE
Hamlin	08/03/2017 06:00 pm	08/03/2017 09:00 pm	\$0.00

ESTIMATED ATTENDEES:	35	FOOD AND BEVERAGE MINIMUM:	\$1,500.00
ESTIMATED COST:	\$1,948.95	NONREFUNDABLE DEPOSIT:	\$1,000.00
MEMBER/CLIENT:	UCF Executive Development Center		
PHONE:	(407) 235-3914	EMAIL:	rwagoner@bus.ucf.edu
CLIENT REP:	Becky Wagoner		
PHONE:	(407) 235-3914	EMAIL:	rwagoner@bus.ucf.edu

This Agreement is not binding upon the Club unless it is signed by both parties and any deposit paid by: 02/28/2017

This Private Event Agreement (this "Agreement") is between Citrus Club, Inc. ("Club"), located at 255 South Orange Ave, Orlando, FL, 32801-3481 and UCF Executive Development Center ("Member/Client").

Member/Client has requested that Club reserve a portion of Club's facilities for an event, party, banquet, or function (the "Event"). Member/Client has selected the arrangement summarized above, which will be more specifically described on Exhibit "A" to be attached hereto (the "Banquet Event Order"). Member/Client understands and agrees that the following are express terms and conditions applicable to the Event:

1. **Payment Schedule.** At the time of execution of this Agreement by both parties, Member/Client shall pay to Club a nonrefundable deposit of \$1,000.00 to secure the Event. This nonrefundable deposit will be applied to the total cost of the Event. No later than 06/04/2017 (or, if blank, 60 days prior to the Event), Member/Client will pay an additional deposit equal to 50% of the estimated cost for the Event set forth above (the "Estimated Cost"). The remaining 50%, less the nonrefundable deposit, is due no later than 07/27/2017 (or, if blank, 7 days prior to the Event). In the event of an overpayment, the Club shall issue a refund check to Member/Client for the difference within 20 days after the Event. Any outstanding amounts and any additional charges incurred with respect to the Event will be charged to Member/Client's authorized credit card. If any payment is not made when due, the Club may, at its option, deem the Event canceled, in which case cancellation charges will apply.