STANDARD OPERATING PROCEDURE

SOP Number: Purchasing and AP 21-04

SOP Title: Partial and Advanced Payments

Effective Date: 3/1/22

Revised Date: 1/9/24

1. PURPOSE

The purpose of this Standard Operating Procedure is to provide guidance for the use of partial and advanced payments.

1. INTRODUCTION

The State, as a general practice, does not favorably view requests made by a vendor for payments which may precede performance (“advance payment”) or during the course of performance prior to completion or delivery (“partial payment”). The State considers such payments as a form of financing which is an element of determining a vendor’s “responsibility.” The State, however, does permit select instances for “payment plans”, or payments over a period of time; defined herein to include advance and partial payments.

1. SCOPE

This SOP applies to all partial and advanced payments.

1. RESPONSIBILITIES
   1. Chief Purchasing Officer – The Chief Purchasing Officer must review requests and approve requests from vendors accept partial or advanced payments.
2. SPECIFIC PROCEDURE

Western Carolina University Purchasing Department is required to limit the acceptance of vendors’ request for a “payment plan” or “partial payments” and to fully justify the request’s approval. The Purchasing Department will only consider such requests where the campus department(s) find that the use of a payment plan will best serve the interests of Western Carolina University. Recognition of any approved “payment plan” will be recorded by inclusion of the specific plan of payment and the associated incremental transfer of title to the University in the resulting Purchase Order.

The Director of Busines Operations will be made aware of the partial or advanced payment by the purchasing agent and will approve or disapprove via the CataMart comment function for to ensure the decision is permanently recorded within the corresponding Purchase Order.

1. RESOURCES

Office of the State Budget Management:

<https://files.nc.gov/ncosbm/documents/files/BudgetManual_2017Aug.pdf>