

University Procedure P3-100A: Vendor Payments and Prepayments

I. Purpose & Scope

1. To clarify approvals which may be necessary when a vendor requires prepayment?

II. Definitions

1. See [Policy 3-100](#), Section II. Definitions

III. Procedure

- A. In reference to [Policy 3-100](#), Page 8 Rules and Procedures. (vendor prepayments)

1. This section of the policy on University Procurement addresses certain procedural issues – specifically, “Advance payments may not be made. Under the State Statute State Agencies, Government and Universities are **not** authorized to issue prepayment
2. The University, through the purchasing process, is occasionally asked by suppliers to make prepayments as a condition of sale for goods that are to be delivered at a future date. The risk associated with these types of transactions requires that the University take additional steps to ensure that the University’s interests are protected. Whereas the University cannot do a prepayment but however, it can do an even exchange for goods and services.
3. State statutes require legislative approval before any allocations of state funds. All expenditures of state funds are established in the State Procurement Codes.
4. This Procedure is not intended to apply to routine transactions such as subscriptions, scholarships, payments required by grants/contracts, leases, rents or any other prepayments that are routinely required and accepted as part of standard industry practice, and which fall outside the purchase order process.

IV. Policies, Procedures, Guidelines, Payments of Good and Services

V.

§ 87-7-3. Payment of **contractors**; penalty for late payment.

- . MS - Mississippi Code of 1972 Annotated Miss. Code Ann. § 87-7-3
- A. Title 87. Contracts and Contractual Relations > Chapter 7.
- B. Improvements to Real Property
- C. All sums due contractors under all construction contracts, except public construction contracts, shall be paid as follows: (a) Partial, progress or interim payments: all partial, progress or interim payments or monies owed contractors shall be paid when due and payable under the terms of the contract. If they are not paid within thirty (30) calendar days from the day they were due and payable, then they shall bear interest from the due date at the rate of one percent (1%) per month until fully paid. (b) Final payments: The final payment of all monies owed contractors shall be due and ...
 - i. ... Miss. Code Ann. § 87-7-3 Mississippi Payment of contractors; penalty for late payment . § 87-7-3. All sums due contractors under all construction contracts, ...
- D. Payments for repairs to equipment provided however, that no component or replace parts are required (ie. Starter, Alternator, and or Carburetors are required). Due to the uncertainty of repair to equipment cost can change dramatically, these repairs must be made by a reputable dealer, therefore allowance must be made for cost increases.
- E. Estimating equipment repair a vendor must be able to give their best reasonable guess of what other equipment have cost exhibiting the like symptoms.
 - b. Policies
 - i. 3-100, University Procurement
 - c. Procedure *[reserved]*
 - d. Guidelines *[reserved]*
 - e. Forms *[reserved]*
 - f. Other related resource materials *[reserved]*

CI. References

CII. Contacts:

- 3. If you have questions concerning this Procedure, please contact the Director of Procurement & Contracting Services at (662) 254-3319