Texas Woman's University
University Regulation and Procedure

Regulation and Procedure Name:	**Payment of Purchase Orders**
Regulation and Procedure Number:	**URP: 04.340**
Policy Owner:	**Finance and Administration**

POLICY STATEMENT

The purpose of this policy is to establish procedures to be followed regarding payment of purchase orders at Texas Woman's University ("TWU" or "University"). Payments of purchase orders will comply with federal and state laws at all times. This policy may impose stricter guidelines to ensure compliance with federal or state law.

APPLICABILITY

This policy is applicable to TWU Faculty, Staff, and University Affiliates.

DEFINITIONS

1. "Faculty" means an individual who is employed by TWU as a member of the faculty and whose duties include teaching, research, service, and administration. Professional librarians and graduate assistant titles are excluded from the definition of faculty.

2. "Goods" means supplies, materials, or equipment as defined in Texas Government Code § 2155.001. Goods do not include Services or real property.

3. "Invoice" means an itemized bill for goods or services delivered or performed by a Vendor or Contractor.

4. "Purchase Order" means a legal document issued to a Vendor or Contractor which formalizes the terms and conditions of any purchase of goods or services.

5. "Receipt" means an electronic and systematic acknowledgement of having received or taken into possession any goods or services from a Vendor or Contractor.

6. “Service(s)” means the furnishing of labor, time, and effort by a Vendor or Contractor, including for a construction project, which may involve to a lesser degree, the delivery or supply of goods.

7. “Staff” means each classified, administrative, and professional employee who is appointed to work in a regular full time or regular part time position, excluding students employed in positions for which student status is required as a condition of employment and those employees holding teaching and/or research positions classified as faculty.

8. “University Affiliate” means any individual associated with TWU in a capacity other than as a Student or Employee who has access to TWU resources through a contractual arrangement or other association. This includes the following individuals:

    a. Contractors and Vendors: an individual, business, or governmental entity that has a fully executed contract to provide goods or services to TWU. This includes employees of contractors or vendors and independent contractors.

    b. Employee of a Governmental Agency: an individual employed by a federal or Texas state agency.

    c. Employee of a TWU-Affiliated Institution: an individual who works for organizations that are tightly aligned with the University.

    d. Pre-Employment Individual: an individual who will be hired by the University and the hiring department has sponsored their access to TWU resources.

    e. Other University Affiliate: any individual who does not fit into any other category and needs access to TWU resources.

REGULATION AND PROCEDURE

I. Payment of Invoices Against a Purchase Order

A. Vendor or Contractor Responsibilities

1. If an invoice is to be paid against a purchase order, the Vendor or Contractor must send the invoice directly to Financial Services.

    a. This can be done electronically to the following email address: TWUPayables@twu.edu.

b. Mailed invoices shall be sent to:

Texas Woman's University

Attn: Financial Services

304 Administration Drive

Denton, TX 76209-2098

2. The Vendor or Contractor shall ensure that the TWU purchase order number is identified accurately on all invoices.

3. The Vendor or Contractor shall include only one purchase order number per invoice.

B. Department Responsibilities

1. Ensure a purchase order has been approved prior to ordering goods or services per URP 04.360: Purchase of Goods and Services and the TWU Purchasing Guidelines Website.

2. Verify that the goods or services received are the goods or services that were ordered and are compliant with the specifications of the purchase order.

3. Systematically, and in a timely manner, receive the exact amount of goods or services received in the Oracle Cloud Financial System. The department must notify Financial Services if payment should be withheld for lack of conformance with the purchase order specifications.

4. If the Vendor or Contractor submits an invoice directly to the department, the department shall promptly send the invoice to Accounts Payable in Financial Services by scanning and emailing to TWUPayables@twu.edu.

C. Financial Services Responsibilities

1. Make timely payments on valid invoices in accordance with the terms of the purchase order or the contract. Payments cannot be made from documents such as sales orders, packing slips, etc.

2. Ensure that the invoice, purchase order, and receipt match in price, description, and quantity within tolerance limits.

D. Payment Terms

1. In accordance with Texas law, invoices shall be paid no later than thirty (30) calendar days after the latter of the following: the date the University receives the goods, the date the vendor completed performing services, or the date the University received a correct invoice for the goods or services.

2. Any payment made after the 30th day shall also pay the applicable interest as required by Texas Government Code 2251.

3. The payment interest terms do not apply if the invoice is not sent to the University in compliance with the instructions on the purchase order.

4. No interest accrues if the total amount of interest that would otherwise have accrued is equal to or less than five dollars ($5) and the payment is made from institutional funds, as defined in Texas Education Code § 61.003.

E. Prepayment and Advance Payments

1. Per Texas Comptroller of Public Accounts guidelines, advance payments are allowed for the following types of purchases:

   a. Library books;

   b. Database and other published material necessary for the efficient operation of TWU's library;

   c. Payments to federal or state agencies;

   d. Lease payments;

   e. Subscriptions (up to six (6) weeks in advance);

   f. Rental fees for a meeting or conference booth;

   g. Annual maintenance agreements (regardless of whether it covers more than one appropriation year; however, on appropriated funds, the University may not charge a fiscal year for the purchase of services if the services are rendered during a different fiscal year);

   h. Registration fees; or

   i. Disaster purchases.

2. The University may make advance payments for additional reasons if cost savings will be realized or if it is in the University's best interest to do as documented by Financial Services.

3. Texas Education Code § 62.021, prohibits the use of Higher Education Funds ("HEF") to pay for goods or services before the delivery of the goods or services except for the acquisition of library materials.

F. Early Payment Discounts

Cash discounts are acceptable and will be taken if they are earned by TWU. An example includes a 2%/10, which indicates a two percent (2%) discount if paid within ten (10) days of an invoice date.

G. Tax Exemptions

The University is exempt from Texas state sales tax and Texas local sales tax. The University is not subject to sales taxes of other states if the goods purchased in the other state are shipped to a Texas location (Texas Tax Code Chapter 151).

H. Standing with the State of Texas

Vendors or Contractors must be in good standing with the Texas Comptroller. The Texas Comptroller may place a Vendor or Contractor on hold for failure to pay taxes, student loans, or child support. Purchase orders will not be issued and payment will not be made to a Vendor or Contractor who is not in good standing with the state. Departments may verify the Vendor's or Contractor's status on the Texas Comptroller's website.

REVIEW

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

REFERENCES

Texas Government Code Section 2155.001

Texas Education Code Section 61.003

Texas Tax Code Chapter 151

Texas Government Code 2251

Texas Education Code Section 62.021

URP 04.360: Purchase of Goods and Services

TWU Purchasing Website

FORMS AND TOOLS

Texas Comptroller's Website – Vendor Hold Search

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