

**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

Payments of purchase orders will comply with federal and state laws at all times. In the event of a conflict between this policy and any federal or state law, the stricter of the conflicting policies will prevail.

APPLICABILITY

This policy is applicable to TWU Faculty, Staff, Vendors, and Contractors.

DEFINITIONS

1. "Goods" means supplies, materials, or equipment as defined in Texas Government Code § 2155.001. Goods do not include Services or real property.
2. "Invoice" means an itemized bill for goods or services delivered or performed by a vendor.
3. "Purchase Order" means a legal document issued to a Contractor which formalizes the terms and conditions of any purchase of goods or services.
4. "Receipt" means an electronic/systematic acknowledgement of having received or taken into possession any goods or services from a vendor.
5. "Service(s)" means the furnishing of labor, time and effort by a Contractor including for a Construction Project, which may involve to a lesser degree, the delivery or supply of goods.
6. "Vendor" means an individual or business or governmental entity that has a Contract to provide goods or services to Texas Woman's University.

REGULATION AND PROCEDURE

I. Payment of Invoices Against a Purchase Order

A. Vendor Responsibilities

1. If an invoice is to be paid against a purchase order, the vendor must send the invoice directly to Procurement and Contract Services.
 - a. This can be done electronically to: TWUPayables@twu.edu.
 - b. Mailed invoices shall be sent to:

Texas Woman's University
Procurement and Contract Services
PO BOX 425349
Denton, Texas 76204-5439
2. The vendor shall ensure that the TWU purchase order number is identified accurately on all invoices.
3. The vendor shall include only one purchase order number per invoice.

B. Departmental Responsibilities

1. Ensure a purchase order has been approved prior to receiving goods or services.
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 receive the exact amount of goods or services received in the Oracle Financial System. The department must notify Procurement and Contract Services if payment should be withheld for lack of conformance with the purchase order or specifications. The receipt date must be the date the goods or services were delivered, performed or accepted.

C. Procurement and Contract Services Responsibilities

1. Make timely payments on valid invoices in accordance to 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 30 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 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 \$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 under the following types of purchases:
 - a. Library books
 - b. Databased and other published material necessary for the efficient operation of the institution's library
 - c. Payments to federal or state agencies
 - d. Lease payments

- e. Subscriptions (up to six 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
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 so to serve the purpose as documented by the purchaser.
 3. Texas Education Code § 62.021, prohibits the use of HEF funds to pay for goods or services before the delivery of the goods or services.

F. 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).

G. Standing with the State of Texas

Vendors must be in good standing with the Comptroller. The Comptroller may place a vendor 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 who is not in good standing with the state.

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 Education Code § 61.003](#)

[Texas Tax Code Chapter 151](#)

FORMS AND TOOLS

None

<p>Publication Date:</p> <p>Next Review:</p>
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