



**LOS ANGELES UNIFIED SCHOOL DISTRICT
POLICY BULLETIN**

TITLE: Advance Payments Made To Vendors

NUMBER: BUL-4589.0

ISSUER: Megan K. Reilly, Chief Financial Officer
Office of the Chief Financial Officer

DATE: December 10, 2008

ROUTING
 Administrators
 Local District
 Superintendents
 Local District
 Support Directors
 Local District
 Fiscal Services
 Managers
 Principals

POLICY: The advance payment procedure is to be used only on rare occasions when payment(s) are required up-front, prior to the time goods are received or services are rendered, and no other authorized method of payment will suffice. A minimum of ten (10) working days in advance of the required payment should be allowed to enable the Accounts Payable Branch to process the advance payment and provide the warrant (Reference Guide 2191.2).

MAJOR CHANGES: This is a new policy that outlines the procedure to secure advance payments.

GUIDELINES: An authorized, established procurement method, such as Purchase Order, District Procurement Card, or Imprest Fund, must be used whenever applicable. If schools or offices are uncertain about the correct procedure for obtaining an item or service, they should contact the Procurement Services Group for assistance at (562) 654-9009 prior to requesting an advance payment. Please Note: All advance payments, other than those made to the Division of State Architects (DSA), require the approval signature of both the Local District Superintendent/Division Head and the Controller prior to the Accounts Payable Branch processing the payment (Board Rule 1826 and Board of Education Report No. 360-05/06).

- I. AUTHORIZED USES OF ADVANCE PAYMENTS PROCEDURE
 - A. Required up-front payments made to public utility agencies and/or the Division of State Architects (DSA).
 - B. To purchase bus tokens for student transportation involving applicable municipal bus lines.



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

- C. For advance deposits or payments to secure facility rentals and/or food service involving non-district venues in support of District approved events.
- D. Conference registration deposits or fees involving special or unusual circumstances at the discretion of the Local District Superintendent/Division Head.
- E. Bulk postage involving special or unusual circumstances at the discretion of the Local District Superintendent/Division Head.
- F. Subscriptions involving special or unusual circumstances at the discretion of the Local District Superintendent/Division Head.
- G. Maintenance of equipment involving special or unusual circumstances at the discretion of the Local District Superintendent/Division Head.
- H. Other emergency or urgent situations may be approved on a case-by-case basis.

II. PROHIBITED USE OF ADVANCE PAYMENTS PROCEDURE

- A. Any payment where the vendor accepts purchase orders and is willing to submit an invoice to the District after goods are received or services are rendered.
- B. Any payment where procurement is authorized and payment can be made by purchase order, P-Card, Imprest Fund, or other established payment method.
- C. Any after-the-fact contract or purchase order
- D. Inappropriate budget line or underfunded budget line that will not support the encumbrance of funds associated with the advance payment.

III. PROCEDURE

Submit the following documents to the appropriate Local District Superintendent/Division Head:



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

- A. Completed “Request For Advance Payment Authorization Form” (Attachment A). Note: This form is also available on the Accounts Payable web page within the District’s web site. Make certain that the vendor has an existing Integrated Financial System (IFS) vendor code number. If not, contact the Procurement Services Group Customer Service Center at (562) 654-9009.
- B. “Inter-office Correspondence Memo” outlining in detail the rationale and circumstances surrounding the need for an advance payment. Include the appropriate funding information such as identifying the purchase order number or funding line to be used. Also, describe any special instructions or necessary warrant handling requirements.
- C. Any other supporting documentation that substantiates the need for the advance payment, e.g., conference brochure (if applicable) or invoice (if applicable).

Once the “Request For Advance Payment Authorization Form” has been signed and approved by the appropriate Local District Superintendent/Division Head, forward all paperwork to the Controller’s Office for final approval. The requesting office is ultimately responsible for:

- A. Securing the Local District Superintendent/Division Head approval signature
- B. Securing the Controller’s approval signature
- C. Delivering all completed and approved paperwork to the Accounts Payable Branch for final processing at least ten (10) working days prior to the required payment date.

AUTHORITY: This is a policy of the Office of Controller – Accounting and Disbursements Division

RELATED

RESOURCES:

- “Procurement Manual,” Procurement Services Group, dated September 1, 2008.
- Policy Bulletin No. 972 “Payment of Miscellaneous Bills,” Accounting and Disbursements Division, dated May 27, 2004.
- Reference Guide No. 2191.2 “Admission Ticket Purchases” Specially Funded Programs Division, dated April 28, 2008.



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

- Reference Guide No. 1706.1 “Imprest Funds,” Accounting and Disbursements Division, dated November 17, 2005.
- Policy Bulletin No. 2188.0 “Purchase of Meals/Refreshments/Food,” Chief Financial Officer, dated January 24, 2006.
- Bulletin No. C-5 “Procedures for Arranging Events/Conferences at Non-District Facilities,” Business Services Division, dated August 6, 2001.

ASSISTANCE: For assistance or further information please contact:

- Accounts Payable Branch - Customer Service Center at (213) 241-4800.
- Procurement Services Group – Customer Service Center at (562) 654-9009