



PROCUREMENT SERVICES CAMPUS NEWS & INFORMATION



Why the UW Cannot Pay in Advance

Washington State agencies are bound by specific laws and financial regulations that govern how public funds can be spent. One important rule all agencies must follow is the prohibition against making payment in advance of receiving goods or services — or an invoice, whichever comes later. This policy ensures taxpayer dollars are spent responsibly and helps protect the state from financial risk.

What Does “No Advance Payment” Mean?

In simple terms, this means that state agencies:

- **Cannot pay a supplier before the product is delivered or the service is completed.**
- **Cannot issue payment before receiving a proper invoice.**

Payment can only be processed **after both conditions are met:**

1. The goods or services have been received and accepted.
2. A valid invoice has been received.

Why Is This Rule in Place?

This rule comes from **Article VIII, Section 5 of the Washington State Constitution** and is reinforced by various state laws and accounting policies. Its purpose is to:

- Prevent misuse or loss of public funds.
- Ensure agencies only pay for what has actually been delivered.
- Maintain accountability and oversight in public spending.

Are There Any Exceptions?

Yes, but they are limited and must be commercially reasonable. The Revised Code of Washington (RCW) specifically allows the following exceptions:

- **Postage:** Postage may be paid in advance
- **Books:** Books may be purchased in advance
- **Subscriptions:** Subscriptions may be paid up to three years in advance. Subscriptions may include physical as well as digital media
- **Software/Software Updates:** Considered to be “subscriptions” and may be paid up to three years in advance.
- **Equipment Maintenance:** Equipment maintenance may be paid up to 60 months (5 years) in advance.
- **Travel:** Travel expenses may be paid in advance. See [UW Administrative Policy Statements, Section 70 for additional guidance](#).

Other exceptions are not specifically called out by the RCW, but due to the nature of the purchase or guidance in the State Administrative and Accounting Manual (SAAM) may be paid “in advance.”

- Memberships
- Insurance
- Leases

Lastly, progress payments with a reasonable upfront payment may be allowed in limited circumstances. Progress payments must be tied to specific milestones or percentage of work completed. Procurement Contracting staff will approve the use of progress payments and negotiate with the supplier.

Questions?

We know that state procurement rules can be complex. If you're unsure about the payment timing for your purchase, or whether an exception applies, please reach out to the Procurement Services [Contracting Team](#). We're happy to help clarify and ensure a smooth transaction for both parties.

Workday Supplier Invoice Request Update

To comply with the Machinery and Equipment (M&E) policy now in effect, units

will **not** be able to submit a Supplier Invoice Request with the Financial Treatment worktag FT003.

What's changing:

The Supplier Invoice Request task has been updated to prevent users from using the FT003 worktag. Using this worktag will cause an error to occur.

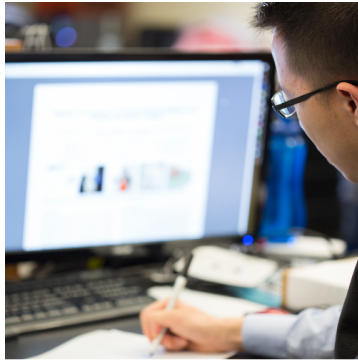
Why this matters:

Per the Equipment and Inventory policy, the application of the M&E tax exemption requires the certificate requirement and justification to be reviewed and approved before the purchase is made. Since the Supplier Invoice Request is created after an item/service has been procured, it does not meet the policy requirements.

Resources:

Policies and regulations regarding the use of the M&E tax exemption can be found at the [Machinery and Equipment \(M&E\) Sales Tax Exemption webpage](#) on the Equipment Inventory Office website.

Thank you for your cooperation! If you have any questions about the M&E tax exemption, please reach out to eio@uw.edu.



Miscellaneous Payment Request Reminders

Remember to keep the following in mind when submitting Miscellaneous Payment requests in Workday:

When submitting payments to Foreign National Payees, utilize the checklists found on the Global Operations Support

Best Practices for Handling Incorrect Invoices

If there are invoice discrepancies with the purchase order number, quantity, pricing, number of items, etc., resolve the issue with the supplier and obtain a corrected invoice and/or credit memo. Then, use the [Department Match Exception](#) form in Connect to submit the corrected

Shipping Reminder

When creating a purchase order, make sure that items are not being shipped to a home address.

This is not allowed, and puts the University at financial risk for off-site delivery issues, security/theft and shipment receiving issues.

[Checklists & Charts](#)

webpage for a list of documents needed. All documents should be uploaded to DocuSign

If a payee is receiving \$600 or more in reportable income for the calendar year, include their social security number and their mailing address in their profile. This is needed to send their Form 1099 at the end of the year.

invoice/credit memo/s to AP. They will use the corrected invoice and make adjustments in Workday without the need of canceling the original invoice and resubmitting another to GHX.

The primary reasons to request an invoice cancellation through the [Cancel Supplier Invoice](#) Connect form include invoices issued to the wrong supplier, invoices containing an item billed in error and not part of the original order, or cases where the PO is closed and cannot be reopened. Other exceptions may apply.

If you have questions about correct shipping procedures on a purchase order, visit the Procurement Services [Subject Matter Experts](#) webpage.



Upcoming Training Opportunities

Remember to check the Procurement Services Event Calendar for upcoming events.

August trainings:

Procurement 201 Class: 8/21/2025
Sole Source Justifications & Competitive Solicitations Deep Dive: 8/26/2025

September trainings:

ProCard Verification Class: 9/17/2025
Invoicing & Best Practices Deep Dive: 9/23/2025
Central Travel Account (CTA) Verification Class: 9/24/2025



Prevent Card Suspension

Each month cards are suspended due to aged, unverified transactions.

Unfortunately, many suspensions are caused by less than 5 aged, unverified transactions. Please note, that the suspension will apply even if the aged transaction is "in progress"; it must be fully approved by the Grant/Cost Center Manager.

Card Services strongly encourages cardholders to run the following reports in Workday once per week to stay informed as to the status of their transactions. Don't fill in the date fields for any of the reports:

ProCard/Ghost Card Transactions

My Procurement Card Transaction Verifications

Use this to view transactions that are in Draft (saved for later or sent back) or In Progress (submitted, but not approved) by selecting both in the Verification Status drop down.

R0552, Business Processes in Flight Initiated by Me

Use this to check the status of transactions submitted by you. In the Business Process field enter then select Procurement Card Transaction Verification Event. Filter the results.

CTA Transactions

R1126, Find Expense Reports

Find CTA verifications in Draft or In Progress by selecting Draft and In Progress in the Expense Report Status field.

R0552, Business Processes in Flight Initiated by Me

Use this to check the status of transactions submitted by you. In the Business Process field enter then select Expense Report Event. Filter the results.

Note: if you don't have access to R0552 then you can find the same information in the first report options for both ProCard/Ghost Card and CTA.

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Procurement Services Campus News & Information, Box 354967, Seattle WA 98195

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