

**PROCEDURES AND GUIDELINES FOR COMPLIANCE WITH THE POLICY AGAINST  
ADVANCE PAYMENT**

**Purpose & Background:** To establish University procedures and guidelines for compliance to contractors, service providers and/or vendors.

**5 GCA §5007 Policy Against Advance Pay:** “With the exception of off- island orders of the Guam Public Library, the Department of Education, and the University of Guam, *no* procurement *shall* be made under this Chapter which *shall* require advance payment.

**UOG Procurement Regulation 1.6 Advance Payments:** No procurement shall be made which shall require advance payment except for when advance payment is required for off-island vendors. Whenever practicable, the University shall make every effort to avoid making advanced payments to off- island vendors by pursuing lines of credit or alternate payment arrangements.

**SOURCE:** GC § 6950.6. New Section. Amended by P.L. 17-045:5 (Jan. 18, 1984), P.L. 30-087:2 (Feb. 8, 2010) (“effective upon adjudication of the rules and regulations required under Section 2 of this Act”), P.L. 35-114:11 (Dec. 11, 2020) and P.L. 36-133:2 (Dec. 28, 2022).

**NOTE:** This Section added by the Committee on General Governmental Operations. The Committee has observed the waste of money, loss of interest, and difficulty in recovery should something happen to the order when advance payments are made. Thus, there is a general prohibition on such advance payments.

2 GAR Section §1103 Advance Payments Prohibited states: “No procurement shall be made which shall require advance payment unless authorized by law.”

**Procedures and Guidelines:** To comply with 5 GCA §5007 Policy Against Advance Payments, the following procedures will be implemented.

**1. Justification Memo Required:**

The unit must provide clear and substantive justification for any advance payment to off-island vendors. Documentation of solicitation to local vendors also must be provided, demonstrating that off-island procurement is necessary.

**2. Authorization:**

The Dean/Director reviews the initial payment justification for compliance and need, then submits the memo to the Business Office. The authorization must be attached to, or written under “Justification” on, the Abstract Summary or the Request for Payment.

- Units should limit the amount and frequency of advance payments, wherever possible.

**3. Approval & Payment:**

Upon final approval of the advance payment justification and purchase order by the Comptroller: either the Business Office will issue a check or, when requested and authorized, the Business Office will pay through bank transfer or credit card.

**4. Post-Payment Documentation:**

The Dean/ Director, authorizing the advance payment, is responsible for ensuring that receiving reports, vendor invoices and other pertinent documents needed to close the advance payment are submitted to the Business Office no more than 30 days from the receipt of goods or services. Units that do not comply with this procedure shall be subject to limits on their ability to have further initial payments authorized, as determined by the VPAF.

T: +1 671.735.2925 F: +1 671.735.3010 W: [www.uog.edu](http://www.uog.edu) E: [procurement@triton.uog.edu](mailto:procurement@triton.uog.edu)

Mailing Address: 303 University Drive UOG Station Mangilao, Guam 96923

*The University of Guam is a U.S. Land Grant Institution accredited by the Western Association of Schools and Colleges  
Senior College and University Commission and is an equal opportunity provider and employer.*