

ADVANCE PAYMENTS	POLICY	
	Document Number:	FRS-PL-028
	Version Number:	01

1.0 Purpose:

To establish the policy for making advance payments.

2.0 Scope:

This policy applies to all VTA departments and all vendors participating in the established VTA procurement process.

3.0 Responsibilities:

It is the responsibility of the Purchasing and Materials Manager to draft and obtain approval of this policy and to assure its organizational understanding and compliance.

4.0 Policy:

- 4.1 Advance payments are payments made to a contractor before the contractor incurs costs.
- 4.2 In order to reduce risk, VTA will not make advance payments to contractors unless otherwise permitted in this policy.
- 4.3 VTA recognizes that advance payments are typically required for, but not limited to, the following items and are therefore considered exceptions to this policy:
- Public Utility Connections and services
 - Rent
 - Tuition
 - Insurance Premiums
 - Subscriptions to Publications
 - Software Licenses and Maintenance
 - Construction Mobilization
 - Transportation
 - Hotel Reservations
 - Conference and Convention Registrations
- 4.4 For FTA funded payments, VTA may use local share funds for advance payments if FTA assistance has been awarded, a Letter of No Prejudice has been issued or other preaward authority has been provided. Lacking those authorities, such advance payments will be ineligible for federal reimbursement.
- 4.5 FTA funds may not be used to make advance payments to third party contractors.
- 4.6 In addition to the exceptions listed in Sec. 4.3 above, VTA may make other exceptions to this policy for sound business reasons.
- In the case of federally funded payments, advance payments must be approved by the FTA regional office.

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- Requests to make non-federally funded advance payments will be considered on a case by case basis. The Purchasing and Materials Manager shall have the authority to approve such requests. For advance payment requests greater than \$100,000, the Purchasing and Materials Manager will get concurrence from the General Manager.
- Requests for non-federally funded advance payments will be considered based on the validity of the business reasons cited and the adequacy of the security for the payment.

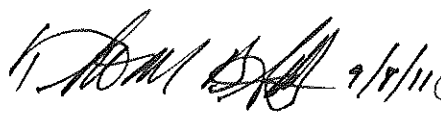

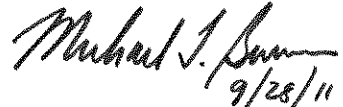
5.0 Definitions:

N/A.

6.0 Summary of Changes:

New Policy that reflects current practice.

7.0 Approval Information:

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
 Thomas B. Smith Purchasing & Materials Manager	 Joseph T. Smith Chief Financial Officer	 Michael T. Burns General Manager

Date Signed