

CHAPTER 48
PREPAYMENT OF EXPENSES
[Prior to 5/12/04, see 701—Ch 210]

11—48.1(8A) Definitions. For purposes of this chapter, the following definitions apply:

“*Department*” means the department of administrative services.

“*Director*” means the director of the department of administrative services.

This rule is intended to implement Iowa Code Supplement section 8A.514.

11—48.2(8A) Prepayment of expenses. The following expenses may be prepaid without prior written approval from the department:

1. Contracts for software purchases, software maintenance, or other maintenance contracts which have been negotiated with a clause requiring prepayment.
2. Subscriptions for magazines and periodicals.
3. Publications.
4. Rental of building space, post office boxes, parking spaces, and booths (only the portion that must be prepaid to reserve a space). Documentation must be attached to the claim.
5. Yearly memberships approved by the executive council.
6. Maintenance contracts that have been negotiated with a clause requiring prepayment.
7. If there is documentation attached to the claim which indicates the registration must be paid prior to the function, or there is documentation attached which indicates there is a savings of at least current general fund earning rate of the state treasurer if the registration is paid in advance.

This rule is intended to implement Iowa Code Supplement section 8A.514.

11—48.3(8A) Prepayment under special circumstances. Advance payment on contracts is allowable in certain instances. Reimbursement of expenses should be utilized whenever possible. The time elapsing between the receipt of the money and its disbursement should be minimized as much as is administratively feasible. In certain circumstances, the grantee may lack sufficient working capital to provide the service for which the grant was made. Contractors deemed by the department to have an employee/employer relationship with the state are not eligible for advance payments. Advance payments may be made under the following guidelines.

48.3(1) Advance payments may be made up to one month in advance of the anticipated expenditure. This is considered to be administratively feasible on a statewide basis. Requests for advance payments in excess of one month must have the prior approval from the department.

48.3(2) When it has been determined by the state agency that the grantee lacks sufficient working capital to provide the service of the grant, the grantee may be given a two-month “working capital advance” (i.e., an advance may be made for up to two months of projected expenses). After the initial two-month “working capital advance” has been made, the grantee should submit claims for the reimbursement on a monthly basis. This should allow the grantee enough start-up funds to commence the project, while also allowing the grantee to maintain a one-month advance after the initial start-up, which parallels subrule 48.3(1) above.

a. Documentation that indicates the grantee lacks sufficient working capital to commence the project must be attached to the initial claim.

b. Documentation supporting the projected costs must be attached to the initial claim.

This rule is intended to implement Iowa Code Supplement section 8A.514.

11—48.4(8A) Prior approval for prepayment of expenses. Any expense not specifically mentioned in rule 11—48.2(8A) must have prior approval to be paid in advance of receiving the good or service. Prior approval will be allowed only under the following circumstances.

1. If prepayment is required in order for the state to receive the good or service.

2. If the department can document that the state will benefit through reduced rates equal to or greater than the current general fund earning rate of the state treasurer.

This rule is intended to implement Iowa Code Supplement section 8A.514.

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