
Chapter 2–Restricted Expenditures

§ 2.002 Advance payments

With certain exceptions, a state agency may not pay for goods or services before their delivery to the agency. The exceptions to this policy are as follows:

- A state agency may pay rent for leased space a maximum of seven days before the payment due date.
- A state agency may pay the cost of a periodical subscription a maximum of six weeks before it begins.
- The Comptroller will process a purchase voucher for the purchase of real property anytime during the seven days before the closing date if the agency submitting the voucher agrees to deliver the warrant to the seller not earlier than the closing date.
- A state agency may pay in advance the entire cost of a maintenance contract.
- A state agency may make an advance payment to a federal agency or another state agency for goods purchased from the agency if the advance payment will expedite the delivery of the goods.
- A state agency may make an advance payment if significant cost savings would result from making the payment in advance.
- A state agency may make an advance payment to a vendor who is selling specialized or proprietary goods or services to the agency if the vendor requires the payment to be made in advance.
- A state agency may pay tuition directly to an institution of higher education not earlier than the 42nd day before the class begins. A state agency, however, may not reimburse a state employee for tuition before the class begins.
- An institution of higher education may pay for books and other published library materials before receiving them if reasonably necessary for the efficient operation of the institution’s libraries.
- The Texas Building and Procurement Commission (TBPC) may make an advance payment of rent for a distribution center, an office space, or another facility that is required to accomplish TBPC’s functions under Subchapter G of Chapter 2175, Government Code.⁸

The Education Code specifically prohibits the expenditure of money in the higher education fund to pay for goods or services before their delivery. Of the preceding exceptions, only the exception concerning books and other published library materials applies to the higher education fund prohibition.

⁸ That subchapter is entitled “FEDERAL SURPLUS PROPERTY.”