



TEEX 21.01.04.NO.01 Extension of Credit

Approved: September 1, 2005

Revised: October 13, 2008

Revised: October 27, 2009

Revised: June 1, 2012

Revised: August 18, 2015

Revised: December 20, 2021

Next Scheduled Review: December 20, 2026

Summary

The CFO through the appropriate delegation of authority allows for the extension of credit when a contract, purchase order or letter of agreement signed by the company agreeing to pay the appropriate fees has been received in lieu of advance payment.

Requirements

1. The following guidelines will be used to determine when payment for goods and/or services should be received:
 - 1.1. Tuition and fees from individual students must be paid in advance or at the time of registration.
 - 1.2. Contracted services with Local, State and Federal agencies will be invoiced in accordance with the terms of the signed contract, purchase order or letter of agreement.
 - 1.3. Tuition and fees from private companies must be paid in advance or at the time of registration. However, a contract, purchase order or letter of agreement signed by the company agreeing to pay the appropriate fees may be accepted in lieu of advance payment.
2. Contracts, purchase orders or letter of agreements must be executed and signed before the service is provided in accordance with [Contract procedures TEEX 25.07.01.NO.01](#). The following minimum requirements must be met in order for a purchase order or letter of agreement to be deemed valid for the express purpose of extending credit:
 - Agency or company name
 - Billing address
 - Contact name and phone number
 - Description of goods and/or services provided
 - Amount of charges
 - Authorized signature
 - Tax Payer ID, EIN or FEIN

3. Purchase orders, letter of agreements, and/or veteran's certificates of eligibility containing extenuating terms and conditions must be submitted to the division business office for review.
4. TEEX is exempt from Red Flag requirements of an identity theft prevention program according to Office of General Counsel in April 2009 due to TEEX not extending credit to individuals. Contracts and letter of agreements must be to legal entities only and not individuals.
5. In the event extenuating circumstances prevent compliance with these procedures, the Division Director must justify the prevailing facts and circumstances. This will be done by submitting [Extension of Credit Form \(FS-73\)](#) to the CFO describing the types of circumstances the Division Director anticipates would require the extension of credit and must be approved by the CFO.

Quality Assurance Measures (Required)

- Financial Services reviews all posted invoices to ensure a Purchase Order, Contract number or Letter of Agreement number is referenced on all invoices created in the TEEX Financial System.
- Financial Services conducts annual monitoring of class folders to ensure a valid Purchase Order, Contract or Letter of Agreement is retained to support Accounts Receivable billings.

Related Statutes, Policies, or Requirements

Supplements [System Policy 21.01](#) and [System Regulation 21.01.04](#)

Office of Responsibility

Financial Services
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