

<b>Treasurer's Instruction No</b>	<b>706</b>
Title	<b>Prepaid Expenditure</b>
Effective date	<b>1 July 2005</b>
Objective and Background	<b>Establishes instructions in respect of prepayments for goods and services</b>
Last Reviewed Date	<b>31 July 2003</b>

*This Instruction was previously known as Treasurer's Instruction No 521 – Prepaid Expenditure.*

*Black letter (or bold) items within these Instructions are mandatory and other plain font items are instructional or for the purpose of providing guidance only.*

- (1) Except as provided in paragraphs (2) and (3), the Head of Agency is to ensure that expenditure does not include prepayment for any goods or services which have not been provided and which are not due or required to be paid, whether or not an invoice or statement has been rendered to an Agency.**
- (2) Paragraph (1) shall not apply in circumstances where a deposit or payment in advance, as a condition of fulfilling a contract, is unavoidable. Payments in advance shall be limited to travel tickets, subscriptions, rentals, licence and registration fees, insurance, application fees and deposits that are normally prepaid.**
- (3) In abnormal circumstances, prepayments not covered by paragraph (2) may be required. In such circumstances, prior approval of the Head of Agency is required, accompanied by certification that payment in advance is necessary and unavoidable because of the nature or conditions of the contract for the supply of goods and services.**