



Direct Payment/Low Value Purchase Policy and Procedure

Definition: A direct payment may be made for University obligations for which little or no value can be added by processing the transaction through standard procurement procedures. Typical examples of such transactions may include, but are not limited to, advertisements, postal and mailing charges, one-time repair transactions, stipends and honoraria, accreditation fees, reimbursements, books, subscriptions, publications, registration fees, medical exams, insurance premiums, and membership fees. The *preferred* method for processing such transactions is the University Procurement Card (P-Card). However, in cases where use of the P-Card is not feasible, a Direct Pay Request may be submitted.

**Authorized
Direct Pay**

Transactions: Direct payments may be made for invoices up to \$2,500, except for the following *prohibited* transactions:

- Equipment over \$1,000
- Furniture over \$1,000
- Reimbursement over \$1,000
- Services performed at a university location

Note: Legal settlements and inter-agency charges are exempt from the \$2,500 limit, but require special approvals. See below.

Reimbursement requests must be made within 90 days of incurring the expense being reimbursed. Requests made after the deadline will be rejected. Reimbursement requests submitted after the 90-day deadline must be approved by a Vice President.

**Authorized
Forms:**

Direct Payments may be made using the appropriate form for each request, as outlined below:

- The **Honorarium Form** must be used for Honorariums.
- The **Stipend Form** must be used for Stipends.
- The **Direct Pay Request** form must be used for all other purchases.

Note: Leases and other written agreements, although coded as DVP in the system are considered contracts, rather than a true direct payment and are exempt from the restrictions of this policy.

Dollar Limit: Direct payments may not exceed **\$2,500***. Any exception must be approved by the Associate Vice President for Fiscal Affairs or designee(s). All legal settlements and attorney fees must be approved by the Associate Vice President for Fiscal Affairs, regardless of dollar amount.

* Inter-Agency charges are allowable in any amount; but those in excess of \$100,000 require the approval of the Associate Controller, Trust & Project Accounting, the Controller, or the AVP for Fiscal Affairs.

Procedure:

- 1) Complete the appropriate form.
- 2) Attach appropriate backup documentation, such as original receipt, invoice, memorandum, etc.
- 3) The Direct Payment Request must be signed by the person in the college or department with the delegated authority to sign documents authorizing the expenditure of University funds.
- 4) Send payment request package to Accounts Payable-Fiscal Services, ADM-350, or drop off the request by placing it in the in-box.

Form of Payment:

A check is issued to the vendor for all of the above direct payment request types. In some cases, Accounts Payable may pay the invoice by P-Card.

Use of Forms:

Use of the appropriate form is mandatory. Payment requests submitted without the appropriate form will be returned to the requestor for correction.