ANNOUNCEMENT

TO: Grace Crickette, AVP Business Operations, Administration and Finance
FROM: Cheryl Leung, Quality Assurance Analyst, Business Operations
DATE: February 17, 2017
SUBJECT: Direct Payment Request Procedure

PURPOSE

The Direct Payment Request (DPR) is a vehicle to be used to submit payment directly to a Vendor without a purchase order. Payments to Vendors may be processed via the Direct Payment process when a requisition and purchase order would not add value to the transaction and procurement card (P-Card) cannot be used. This document outlines the procedure to complete Direct Payment Request for Allowable Transactions, Pre-Approved Transactions, and Post Transaction Requests.

PROCEDURE

Faculty or staff who have been granted the appropriate authority or have already acquired the appropriate approval(s) to initiate an expenditure can submit a Direct Payment Request. Approval authority for expenditures and Direct Payment Requests is established locally by each College and Department. The most current DPR form may be found at:


A. Allowable Transaction

1. Requestor initiates the request by completing the fillable form and providing the following:
   a. Vendor Information: Vendor Name, Vendor Address, and Supplier ID if it’s available
   b. Invoice Information: Invoice Amount, Invoice Number, Invoice Date, Description of Transaction, and Type of Direct Pay Transaction
   c. Chart Fields
   d. Department Approval: Requestor’s Name, Requestor’s Contact, Today’s Date, and Approver’s Name
2. Requestor prints out the completed form and attaches invoices and any supporting documentation.
3. The Direct Payment package is then forwarded to the appropriate Department Authorized Approver (i.e. Business Manager, Department Head or Chair) for review and approval.
a. Approvers are individuals who have the delegated authority to sign documents authorizing the expenditure of University funds; they may not approve the expenses of a person to whom they direct report.

4. Department Authorized Approver confirms the expenses are in compliance with applicable policies and procedures, ensures the appropriateness of use of funds, and makes certain that there is no apparent conflict of interest on the part of the Approver or other individuals involved in the transaction.

5. Once the transaction is approved and verified, Department Authorized Approver will sign and date DPR form.

6. If the expenditure is paid by an ORSP fund, the Direct Payment package is forwarded to ORSP for additional approval.

7. After obtaining the necessary approvals, the Direct Payment package is submitted to Accounts Payable Office In-box (ADM 358) for payment.

B. Pre-approved Transaction

Pre-approval for Direct Pay can be requested for transactions that are either defined as prohibited or are allowable but exceed $5,000.

1. Evidence of pre-approval, can be accomplished by the following ways:
   a. Email Director of Procurement requesting pre-approval of the transaction and include the information below:
      i. Description of the transaction - If the transaction involves services, requestor must indicate whether the services will be performed on or off campus.
      ii. Dollar amount of the transaction, including tax if applicable.
      iii. Vendor name and, if known, whether the vendor is existing or new.
      iv. The returned email approval from the Director of Procurement or designee is constituted as evidence of pre-approval.
   b. A copy of a valid unexpired contract, agreement, memorandum of understanding, or other binding document executed between the vendor and an authorized employee of the Procurement Department.

2. Once the Department receives the vendor invoice, requestor can initiate the Direct Payment Request process by downloading the most current DPR form from Fiscal Affairs website and completing the DPR form.

3. Requestor then assembles Direct Payment package by appending the following supporting documents to DPR form:
   a. Original invoice or receipt
   b. Evidence of pre-approval per Item 1 above.
   c. Any supporting documents

4. The Direct Payment package is submitted to Department Authorized Approver for review. If there are issues or questions concerning the expenditure, Departmental Authorized Approver will contact Requestor.

5. The Direct Payment package is forwarded to ORSP for approval if the expenditure is paid by an ORSP fund.

6. Completed DPR form with the necessary approvals and supporting documents is submitted to Accounts Payable Office In-box (ADM 358) for payment.

C. Post Transaction Request

THE CALIFORNIA STATE UNIVERSITY: Bakersfield, Channel Islands, Chico, Dominguez Hills, East Bay, Fresno, Fullerton, Humboldt, Long Beach, Los Angeles, Maritime Academy, Monterey Bay, Northridge, Pomona, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, San Luis Obispo, San Marcos, Sonoma, Stanislaus
Prohibited Transactions that have not been pre-approved will be rejected, leaving the requestor personally liable for the expense until approved by appropriate campus officials.

1. Requestor may initiate the Post Transaction Direct Payment request by completing the DPR form and including the justification in the Post Transaction Request section to explain why a Prohibited Transaction was initiated without Pre-Approval as described in the Direct Pay Practice Directive. The justification must also include a statement that the initiating party has been trained in the appropriate procedure for such transactions in the future.

2. Requestor attaches the invoice and other support documents to DPR form, and forwards it to Department Authorized Approver for review.

3. Once the request is approved and signed by to Department Authorized Approver, the Direct Pay package is submitted to requestor’s Vice President or Provost for approval.

4. If appropriate Vice President or Provost approves the request, the Department is responsible to email an electronic copy of the DPR package to Director of Procurement for approval.

5. If approved, Director of Procurement will sign and return the DPR form via e-mail. A copy of this signed form will be included with the DPR package that will be submitted to the Vice President of Administration and Finance. Except for the Director of Procurement all other signatures on the primary DPR form must be original.

7. After the Vice President of Administration and Finance approves and signs the Direct Payment Request, the DPR package will be forwarded to Accounts Payable Office In-box (ADM 358) for payment.

**RELATED DOCUMENTS**

- Direct Pay Practice Directive

- Direct Payment Request Form