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.
Dollar Limit: Direct payments may not exceed $2,500. Direct payments in excess of $2500 must be approved by a Vice President or Cabinet Level Official before being submitted to Procurement for review with the following exceptions only:

- 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.
- **One time** annual renewal fees for licenses and subscriptions may be processed via direct pay providing a copy of the original license/subscription is attached to the Direct Payment Request form submitted to Procurement for review.

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.