

Confirming Purchase Orders and Direct Pay Processing

In a recent review of unauthorized purchases and expenditure, we have identified three areas, which stand out and require immediate correction.

- 1) Through the use of “confirming” purchase orders, departments are circumventing established procurement processes, which is not an authorized method of transacting business.
- 2) Non-authorized “Direct Pay” items are being submitted to Accounting Services for processing, which require exceptions to procedures and policies, leading to inefficient and unnecessary use of resources.
- 3) Requesting “pre-payment” to vendors who do not accept purchase orders.

Departments are required to only use approved methods of ordering/buying products and services (i.e. requisitions, procurement cards, petty cash, or, if necessary, emergency purchase orders which meet campus established criteria) to meet State requirements for expending public funds. After the fact payments for purchases made by departments is an unauthorized use of public funds and will no longer be accepted. The use of confirming purchase orders will only be made on an exception basis and **must** be approved **in advance** by Procurement & Support Services.

Effective immediately, unauthorized transactions (which include over expenditures of “Blanket” purchase orders) will be returned to the departments, unprocessed, and the department will need to find other funding sources to pay for these expenses. **Remember that you may be personally liable for these types of unauthorized purchases.**

Departments are encouraged to use procurement cards (except for services) and/or petty cash for low dollar value purchases that have been handled in the past as pre-payments or confirming purchase orders. Remember that our staff can help you correctly process your transactions, so, to avoid delays and the returns of unauthorized acquisitions, please contact us in advance of transacting business.

Following is a revised Direct Pay list, which includes additional categories to make this process more flexible. If we can provide additional information or if you have any questions, please let us know.

Dutch Green, Director of Procurement and Support Services

Bob Vega, Director of Accounting Services

Direct Pay

- Accreditation Expense
- Advertising (i.e., Ads placed in publication)
- Books and Publications (order forms will not be accepted)
- Candidate Expense Reimbursement (requires interview certification, invoices & receipts)
- CSU Chancellor's Office Expenses
- Express Mail Services
- Facility Rentals for State Business (Must include a justification)
- Film, Videotapes, Audio Rentals
- Fingerprint Fees
- Food (Must be approved in advance and under \$1,000)
- Freight
- Honorariums (contracted fee amount is less than \$5,000 - requires invoice & 204 form)
- Hotel Charges (University Guests Only (Please include guest's name, date of stay and justification)
- Inspection/Permit/License Fees (excluding software licenses)
- Legal Services - FCC Licensing
- Library Photocopying Chargebacks to Departments
- Long Distance Reimbursed Telephone Charges
- Memberships & Dues (include invoice w/ justification - order forms will not be accepted)
- Office Machine Repair (typewriters, computers, fax machines, time stamps, etc)
- Physicians Service (off campus health, lab care - students & staff, job related)
- Reimbursement Expenses (up to \$100.00 - requires generic invoice & receipts)
- Royalties
- Scholarship (Financial Aid)
- Stipends - student's master teacher
- Student Teacher Agreements less than \$5,000
- Subscriptions (one year periods only)
- Telephone Charges
- Testing Services
- Vehicle Rental (not covered under travel claims)
- Wire Transfers
- Workman's compensation Payment (school districts)

NOTE: Itemized invoices must accompany all department approved Direct Pay forms. Submit one original Direct Pay form. Do not sent copy - retain copy for your files.