

Direct Pay Guidelines

I. INTRODUCTION & GENERAL GUIDELINES

- A. The "Direct Pay" method of purchasing represents payment for goods or services which are ordered directly by a department and paid directly by Accounts Payable.
1. Direct Pay requests are neither forwarded to, nor processed by, the Purchasing Department.
 2. Unlike a Purchase Order which encumbers funds prior to payment, Direct Pays are recorded on the finance system only at the time that payment is made.
- B. Direct Pays must be properly authorized and should be tracked by the user department.
1. Financial Managers must approve all items submitted for Direct Pay.
 2. Departments should ensure that any Direct Pay item received is priced correctly, complete, and in proper working order prior to submitting the invoice to Accounts Payable.
- C. Purchases by the University, including those made via Direct Pay, are exempt from Missouri state and local sales taxes.
1. Departments must inform vendors of the University's tax exempt status when making purchases and placing orders. A copy of the University's tax exemption letter is available in Accounts Payable.

II. ITEMS ELIGIBLE FOR DIRECT PAY

The following items are eligible for Direct Pay regardless of dollar value

1. Non-Employee Honorariums/Stipends
2. Utility/Telephone/Cable TV bills
3. University Contracted On-Campus Food Service Provider (Chartwells)
4. University Contracted Rental Car Provider (Enterprise)

III. DIRECT PAY METHODS

- A. Direct Pay Rubber Stamp: To be used when an external invoice or form contains all the vendor information needed to process the payment.
1. Departments should maintain a log to track Direct Pay rubber stamp activity.
 2. The stamp imprint is placed directly on the original invoice/form and the stamp spaces are completed by the department.
 3. Examples include vendor invoices and utility bills.
- B. Payment Voucher: To be used when an invoice or other form does not contain all the vendor information needed to process the payment.
1. The department completes the required information on the Payment Voucher and attaches original supporting documentation.
 2. Examples include non-employee honorariums/ stipends and replenishment of petty cash funds.

IV. INSTRUCTIONS FOR PLACING DIRECT PAY ORDERS WITH VENDORS

- A. Contact vendor to order desired item(s). Order should include item description and any other pertinent information.
- B. Provide vendor with a Direct Pay number.
- C. Instruct vendor where to ship item. Be certain vendor includes Direct Pay number*, department name, mailstop, and name of requestor on shipping label.

V. DEPARTMENTS TO CONTACT FOR ASSISTANCE

Departments may contact the Purchasing Department (ext. 2202) or Accounts Payable (ext. 2055) with any questions concerning Direct Pay procedures.