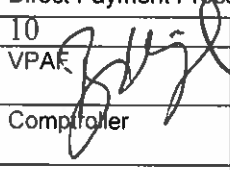


University of Guam Direct Payment Procedure

Policy Name	Direct Payment Procedure		
Article No.	10	Article Title	Business Office Procedures
Approval Authority	VPAE 	Created/ Adopted/Effective	Most Recent Review
Responsible Executive	Comptroller	Revision Tracking	
Responsible Office	Business Office	Policy/Procedure contact / website where document is maintained	671.735.2900 boardJofJregents@triton.uog.edu www.PoliciesJProcedures.uog.edu
Initiation / Review / Consultation / Approval History			

1. Procedure Statement

Most of the University's vendor payments are governed by 5 GCA Chapter 5, however, there are some instances in which the provisions of 5 GCA do not apply. This procedure is intended to define when it is appropriate to utilize direct payments for purchases and other expenditures.

2. Reason for the Procedure

The low risk auditee status the University has achieved is critical to the efficient and effective operation of the University. This procedure was created in this context to ensure that a process exists to address non-standard expenditures that arise from time to time.

3. Scope of Procedure and Exclusions

All members of the University must comply with this procedure but the procedure mainly impacts the Business Office.

4. Who Should Read this Procedure

Business Office Supervisors and staff who work on the payments of invoices and those they interface with in the units.

5. Responsibilities

The Comptroller is responsible for carrying out this policy and maintaining records for all transactions paid under this procedure.

6. Definitions

A Direct payment is a payment which is made apart from a contract, purchase order, and normal bidding process.

7. The Procedure

- I. While the University's internal controls are set up around the procedures for bids and professional contracts established in 5 GCA Chapter 5, the University recognizes that some expenditures do not lend themselves to the standard purchase order and contracting procurement processes. The University has established this procedure to address these items which are business requirements for which the creation of a purchase order is not practical or possible.
- II. The University recognizes there are some transactions that do not fall within the business procedure for most transactions which follow 5 GCA Chapter 5. There are times when a check is needed apart from these procedures. Examples of these instances are the payments of (this list is not all inclusive):
 - a. Investment Management Fees

- b. Trustee Fees
- c. Rating Agency Fees
- d. Negotiated settlements of legal or contractual disputes
- e. Pass-thru appropriations and grants
- f. Pass thru Contracts, i.e. GLE, etc.
- g. Petty Cash Requests
- h. Loan Interest Payments
- i. Utilities Payment
- j. Student Payments i.e. stipends, awards, scholarships
- k. Honorarium
- l. Publishing fees
- m. Faculty payments outside of duty days
- n. Charitable donations from President's Development Fund
- o. P-Card transactions
- p. Certifications and memberships to reputable Organizations (this will also be covered by the planned procedure governing dues and subscriptions)

III. All procurement of goods and services shall require a Purchase Order, a contract or to be included in this list (Section II). Any goods or service obtained on behalf of the University without following University regulations and standard operating procedures shall be considered unauthorized.

IV. In the event an unauthorized procurement is conducted on behalf of the University, a resolution shall be:

- i. The department will provide justification of purchase of goods or services signed by their Dean/Director and approved by the VP of Administration and Finance or President.
- ii. If approved by the VP of Administration and Finance or President, the department will submit the invoice, receiving report, and other pertinent documents to the business office to process the payment.
- iii. The vendor will be contacted and advised to ensure that a Purchase Order must be issued prior to providing goods or services.
- iv. General Counsel will be contacted to determine if a ratification is required.

V. This procedure is intended to correct some unfortunate practices that have developed at the University. The Business Office will begin enforcing this procedure after training has been conducted in the units throughout the University. This procedure will be used as one of the bases for that training.

8. Feedback

University staff and students may provide feedback about this document by emailing businessoffice@triton.uog.edu

9. Appendix / Appendices None