Background:
It is the policy of the CSU to allow direct payments for certain types of commitments/obligations for which little or no value can be added by processing the transaction through the standard procurement procedures.

CSU, Chico Practice:
It shall be the practice of California State University, Chico to process the following transaction types as direct payments IF the transaction amount is less than or equal to $5,000 or $1,000 for employee reimbursement:

Newspaper ads
Advertisement text using University name, logo etc. must be approved by the University Communications Department. Place ad with publication and submit supporting documentation including advertisement approval and tear sheet.

Online vacancy ads
Online ads may be placed after receipt of a FA#/VA# and as approved by Human Resources/OAPL. Invoice for ad placement should note the FA#/VA#.

Film Rental
When ordering please request the rented film be captioned.

Lodging
Contact department Procurement Specialist and obtain an "LA number". This number should be communicated to the hotel for correct billing.

Membership to non-social organizations & Subscriptions
Membership must have the University's mailing address and where practical list the University as the member. Maximum length of subscription is two (2) years.

Reimbursement to University Employees
Allowed when necessary up to $1,000, exclusive of tax, for legitimate and documented purchases made for University business, including hospitality meal-related reimbursements.

Taxes:
If the vendor from whom a purchase is made does not collect California State sales tax and therefore was not paid by the employee/student, current sales tax will be applied to the purchase price and charged to department.

Ownership and Location of Goods:
Upon reimbursement, the acquired goods become the property of the University. As University property, some items may require tagging/bar-coding, and recording in the University property database. All items over $1,000 must be tagged. Departments are responsible for assuring items are tagged. If any of the items purchased are for use at a non-University location, an “Off-Campus Use of State Property” form shall be completed and submitted to the Property Management Office. This form is located online at http://www.csuchico.edu/pm/.

Itemized Receipts:
Itemized receipts are always required for reimbursement and should contain the following information:
- Name and address of vendor from whom purchase was made
- Date of purchase
- Description of item(s) purchased
- Quantity and unit price of each item
- Sales tax
- Total cost
- Payment method (cash, credit card, personal check)
**Procedure:**
Campus departmental personnel shall utilize the Direct Pay Request form which can be found on the Procurement & Contract Services website at: [http://www.csuchico.edu/fin/forms.shtml#forms--pcs](http://www.csuchico.edu/fin/forms.shtml#forms--pcs). This form should be completed and a copy of the invoice/itemized receipts should be attached. Each Direct Pay Request shall have an authorizing signature.
For hospitality related reimbursements departmental personnel shall utilize the Hospitality Expense and/or Reimbursement Request Form.

The authority to approve a Direct Pay Request shall be indicated on the Financial Services Authorized Signature form and in the case of an employee reimbursement must be of a higher authority than the employee being reimbursed. Once complete, the form and associated paperwork should be sent to the Accounts Payable Office at Zip 243.

**Exceptions:**
The Accounts Payable Manager shall have authority to allow additional direct payments, or those above the dollar threshold by signing the Direct Pay Request form in advance of the payment. These exceptions shall be reviewed with and approved by the Director of Procurement & Contract Services for appropriateness.

*Additionally, due to the nature of the following transactions, they shall be paid direct without the use of a Direct Pay Request form, may be greater than the $5,000.00 threshold, and do not require additional approvals:

- Public Utilities (energy, telephone, water)
- Airgas
- Settlemens
- Books & subscriptions for library only
- Salary advances
- Procurement & travel credit card
- Department requested refunds
- Travel reimbursements
- Amerisource - for student health supplies
- Postage
- Voyager credit card for vehicle fuel

Certain requests over the direct pay threshold(s) may also require the approval of the Vice President for the specific area. Unique circumstances must exist for such a request to be approved. Requests deviating from these procedures will generally be denied. If a reimbursement request is denied, the employee will be personally liable for the expense. The employee has the option of returning the item(s) or seeking approval for reimbursement from non-state funding sources, if appropriate.

**Forms, Resources and Related Links:**
ICSUAM Policy 5227-00
Reimbursement to Campus Employees Procedure
Hospitality Expense Procedure
Direct Pay Request form

**Original Implementation Date:** February 2011
**Updated:** March 2016, November 2018