



NORTHWESTERN
UNIVERSITY

**Purchasing Policy and
Procedures**

Clarification

Effective January 26, 2009

There are five (5) procurement and payment methods defined by policy, all designed for certain types of transactions. This clarification is meant to 'fine tune' when certain methods should be used.

Most purchases start with a Requisition		Other procurement methods		
iBuyNU Marketplace Requisition	Non-Catalog Requisition	Procurement Card	Direct Payment Request (DPR) Form	Blanket Order

Direct Payment Request (DPR) Form

The Direct Payment Request process was designed as a way to request payment for services when the transaction does not warrant the issuance of an official Purchase Order to a vendor, for direct-billed contracted services, for services when it is the normal practice to pay in advance (should be minimal), and for certain special payments such as recurring or international. Specific examples include:

- Registration fees, Subscriptions, Membership dues
- Repairs (unplanned, emergency)
- Research subject fees
- International check or wire payments
- To open or replenish a petty cash fund
- Contracted and Direct Billed Services
 - Use DPR for consultant or contract staffing agency payments, hotel charges when hosting a conference/academic function, direct bill for visitor travel (on an exception basis)
 - Use Contracted Services Form for payments to individual contractors/consultants

The Direct Payment Request process **cannot** be used to pay invoices for the purchase of goods or services that should have been ordered through the issuance of an official NU Purchase Order to the vendor.

Non-Catalog Requisition – Hold for Further Processing

Initially, departments/schools were advised that if they had a requisition that needed to be dispatched to a vendor in a way other than the default dispatch method in the vendor's profile in NUFInancials, they were to check the 'hold for further processing' box on the requisition. This allows Purchasing Resource Services (PRS) to change the dispatch method for that one order.

Since go-live, we have discovered other types of payments that need to be made that don't fit the normal purchase order process. This is to advise departments/schools that the '**hold for further processing**' functionality on a non-catalog requisition **can** be used in lieu of the DPR. Departments/schools must provide sufficient explanation in the comment field to support why a payment needs to be made without sending a Purchase Order to the vendor. It is **not** to be used to pay an invoice when a Purchase Order should have been issued and sent to the vendor. If you have any questions about whether a particular payment is eligible to be processed in this manner, please contact PRS at 1-8120. In some cases, it may be more appropriate to submit a requisition for a Blanket order to pay for routine services that are provided on a consistent basis, such as monthly equipment maintenance, rent, utilities, etc.

Departments/schools need to make every effort to order goods and services using NUFInancials, which will result in an official Purchase Order being sent to the vendor. **This needs to occur at the time the product or service is ordered, not when it is time to pay for the product or service.** Vendors are accustomed to receiving purchase orders from customers. When the 'hold for further processing' functionality is used, payment cannot be made until PRS changes the dispatch method. If a department/school is routinely using this process to pay invoices for orders placed informally to avoid using NUFInancials, PRS will contact the vendor to stress the importance of not accepting orders without an official PO and will also contact the department/school about this inappropriate activity.

The DPR Form should also **not** be used for payments of \$25,000 or more. For payments of \$25,000 or more that do not fit the normal PO process, follow the 'hold for further processing' process described above. A Bid Documentation Form or Sole Source Justification Form must be attached to the requisition.