Direct Voucher and Exceptions

Policy:	Number:	Last Update:
Purchasing-Direct Voucher	Budget & Finance 95-3	7/15/2013

1.0 Purpose

To provide a means by which staff may purchase goods or services directly from a licensed, private business (a vendor).

2.0 References

2.1
Department of Finance and Administration Services (FAS) Purchasing Rules on Small Direct Voucher.

2.2
Department of Finance and Administration Services (FAS) Purchasing Rules on Small Direct Voucher Exceptions.

2.3
This procedure is used together with the
Expenditure Pre-Authorization and Approval (EPAA) procedure.

2.4
The First Time Payments to a Vendor procedure should be reviewed.

2.5
Department of Finance and Administration Services (FAS) Purchasing Violation Policy.

2.6
Department of Finance and Administration Services (FAS) Noncompliant Purchasing Form.

2.7
City of Seattle WMBE policy.

2.8
If your purchase involves food and beverage for employee or volunteer recognition, you must review the **food and beverage policy**.

2.9
For clarification of questions on this procedure, please contact the Accounts Payable Supervisor or Contracting Manager

3.0 Policy

3.1
Initiate the EPAA procedure if necessary.

3.2
Review the updated City Purchasing Policy on Small Direct Voucher Rule use.

3.3
The direct voucher rule only applies if a) as a first step you have verified that there is no Blanket contract available and b) each single invoice will be less $8,000 excluding taxes and freight and the total department spend is expected to be less than $47,000 for 2013, and c) this is not consulting including on and off site training.

3.4
Purchases for the same or complimentary items cannot be split apart into separate invoices to make it appear that the purchase falls into the small Direct Voucher limit. Items that are traditionally and by industry standard sold together or perform together need to be counted together when estimating future spending. An example is lawn mowing and edging, which are two tasks performed at the same time, or a water meter and the cover which are bought together.

3.5
Certain purchases are exempt to the direct voucher rule are found on the "Direct Voucher Limitation Exception List".

Excerpt of Direct Voucher Limitation Exception List:

- DX 01 Advertisements (help wanted ads, advertisements required by law, and promotional advertisements);
- DX 19 Memberships, licenses, accreditation, and certifications;
- DX 20 Publications, including newspaper, magazine, including electronic publications, CD ROMS, online information services – Please note there maybe Blanket contracts for this.
- DX 24 Testing and travel expenses of employment applicants (including moving expenses for eligible personnel, and travel expenses of certain out of state job applicants). Please note there are Blanket contracts for moving companies.
- DX 26 Travel, training and related expense . Includes travel and convention expenses, fees of City employees and board or commission members conducting City business, and tuition fees and training seminar fees for City employees.

3.6
When selecting a vendor, consider women and minority owned businesses (WMBE). Use the following link for searching the City's the blanket contract vendors. You may do a search by vendor or category or keyword. Although the vendor may be listed, it does not mean that we have paid the vendor in the past. Review the First Time Payments to a Vendor procedure.

3.7
If the direct voucher rule doesn't apply, review the following:

	How much is the single invoice excluding taxes and freight?	Will HSD repetitively purchase this item?	How to proceed?
	Consultant contract (including on site and off site training)		Go to HSD Contracting homepage or contact HSD Contracting Manager
Step 1	No dollar Limit unless specified in Blanket Contract	No dollar limit unless specified in Blanket Contract	Blanket Contract
If not Step 2	Under $8,000	And total HSD spend is expected to be under $47,000 for 2013	Direct Voucher Rule and Exceptions
If not Step 3	Over $8,000	And total HSD spend is expected to be under $47,000 for 2013	Informal Quote or Sole Source
If not Step 4	Over $8,000	Any predicted spend above $47,000 for 2013 requires a formal bid/RFP	Competitive Sealed Bid or Sole Source

4.0 Procedures

4.1 Initiate Order

Initiate the EPA procedure. Select a vendor that can provide the goods or services required. If a purchase is based on the direct exception write DX and the corresponding exception number based on the list referenced above, otherwise write DV on the EPAA form, obtain approval signature(s) and follow the balance of the EPAA procedure.

Accounts payable will directly receive the invoice from the vendor. All invoices must be addressed to accounts payable.

Payment terms is 30 days from the date of invoice unless early payment discount is offered or after receipt of goods and/or services whichever is later.

Please be sure to specify shipping or ship to or delivery address with the vendor. You will need to provide a physical address (not a PO Box) if goods are delivered via FedEx or UPS. If you are shipping via expedited services to the Seattle Municipal Tower (SMT), the address is

Seattle Human Services Department
Attn: Your Name
700 5th Ave, Suite 5800
Seattle, WA 98104-5017 (note the zip code is not the same if you are using PO Box address)

Freight terms shall be F.O.B Destination, Prepay & Allowed to include all transportation and unloading.

4.2 Invoicing Requirements

To facilitate payment, when placing orders with the vendor, request that the vendor to reflect a) EPA number, and b) your name on their invoice.

4.3 Receipt of Goods and/or Services

When the item is received, immediately inspect it for damage and verify that the quantity is correct. If there is a problem, resolve it with the vendor. Retain the packing slip or delivery ticket as a record of which items are received or other documentation for returns.

4.4 Payment Processing

Upon receipt of invoice in accounts payable, it will be logged and routed to division's finance analyst.

Division finance analyst will review the invoice and route it to the purchaser 1) to ascertain and sign that goods/services have been received (purchaser will access records such as packing slips or delivery tickets that have been verified for receipt of good/services which can also be attached to the back of invoice) and 2) to verify the pricing is consistent against the blanket contract. If there is a problem, purchaser will resolve it with the vendor directly.

Purchaser must indicate on the invoice which purchasing rule was used. As mention in section 4.1 above indicate either DV or DX on the invoice.

Purchaser must return the invoice back to your division's finance analyst.

Division finance analyst writes the accounting codes on the invoice or attaches the previously completed EPA form (if one was required). Finance analyst will submit the properly reviewed invoice to accounts payable with the completed original EPA form stapled to the back of the invoice when necessary.

Accounts payable processes payment within terms indicated either invoice or EPAA, mostly net 30 days from the date of invoice unless early payment discounts are offered.

4.5 Purchasing Code

Accounts payable will process these invoices as DOC TYPE “DV” or “DX”.

Accounts payable will process invoices for payment only when sufficient documentation is provided.

5.0 Policy Noncompliance

For EPAA noncompliance review section 6.0 of EPAA policy

For City Purchasing noncompliance, complete Noncompliant Purchasing Form. If you made a purchase without following City rules, HSD accounts payable will not be able to process the invoice. Completing the Noncompliant Purchasing Form will not correct the rule violations, but will provide a mechanism by which payment can be made to the vendor. Noncompliant purchases are flagged as DOC TYPE “NC” in Summit financial system.

Sign and route the Noncompliant Purchasing Form to your supervisor and submit to your finance analyst. The form will be submitted to the City Purchasing Director via HSD Contracting Manager. The City Purchasing Director will review the violation and authorize accounts payable to pay the invoice.

Please review this document for additional information.