



Smithsonian
Institution

May 24, 2005

**FINANCIAL MANAGEMENT
PAYMENT POLICIES, SYSTEMS, AND PROCEDURES**

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Purpose

This Smithsonian directive establishes policies for the payments related to purchasing goods and services for the Smithsonian Institution. Achieving Smithsonian Institution objectives requires efficient and timely payment for the goods and services acquired.

Background

The Smithsonian Institution *Financial Management Payments Handbook* is available at http://prism.si.edu/oc/oc_handbooks1.htm on the Office of the Comptroller (OC) PRISM website. The handbook provides procedures for implementation and technical guidance, as well as information for achieving the standards it outlines.

The *Financial Management Payments Handbook* also contains detailed procedures and additional information for the following:

- General Payment Provisions, including
 - Definitions
 - Responsibilities
 - Records and Documentation
 - Vendor Maintenance

Background
(continued)

- Payment Systems and Procedures, including
 - Accounts Payable Payments
 - Purchase Cards
 - Organizational Checking Accounts
 - General Petty Cash policies
 - Petty Cash Vouchers
 - Organization Petty Cash System
 - Travel Payments

The Smithsonian Institution's *Financial Management Payments Handbook* is a living document that is periodically updated to reflect current changes in regulatory guidance. Procedural changes may include but are not limited to Intergovernmental Payment and Collection (IPAC) and vendor maintenance requirements.

Questions regarding the *Financial Management Payments Handbook* should be directed to the OC's Accounts Payable/Vendor Maintenance Branch Supervisor. Contact information is available at the OC's webpage on the PRISM website.

Policy

Smithsonian Institution policy is to pay for goods and services in a timely manner. The Smithsonian Institution is not subject to the provisions of the Prompt Payment Act.

In addition, the *Financial Management Payments Handbook* contains more specific information on the following:

- Bookkeeping policies
 - General petty cash policies
 - General records and documentation policy
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Responsibilities

The OC is responsible for coordinating all Smithsonian Institution work with the Office of Contracting (OCon) and the Smithsonian's individual units to maintain the credibility of the Institution's disbursement process. This involves the following:

Responsibilities
(continued)

- The **OC** ensures that financial reporting systems and procedures enable disbursement of funds for the acquisition of goods and services for the Smithsonian Institution. The OC's Financial Information Processing Division (FIPD) is responsible for processing payments. Additional information on the FIPD is available on the OC's website at <http://prism.si.edu/oc/Operations.htm> on PRISM. Questions regarding payments should be directed to the Accounts Payable Help Desk, and questions regarding vendor maintenance should be directed to the particular vendor involved in providing the specified goods and/or services. Contact information is available at the OC's webpage on the PRISM website.
- **Authorizing Officers** (e.g., Directors of museums, research centers, and offices) are responsible for ensuring that expenditures of Smithsonian Institution federal and trust funds allocated to their organizations are appropriate and executed in accordance with applicable laws and Smithsonian policies and procedures. Authorizing officers may designate individuals to certify the availability and approve the use of allocated funds.
- **Contracting Officers** (as authorized by the Director of OCon) are responsible for ensuring the proper obligation and expenditure of Smithsonian Institution federal and trust funds by OCon staff and procurement delegates throughout the Institution, in accordance with applicable laws and guided by reasonable business practices, to acquire the goods and services needed to conduct the business of the Smithsonian. OCon personnel accomplish this by providing oversight and performing periodic reviews of transactions completed by individual procurement delegates Institution-wide.
- **Funds Control Officers** are delegated by authorizing officers to ensure that sufficient fund balances are available to prevent overspending.
- The **Contracting Officer's Technical Representative (COTR)** is responsible for inspecting and acknowledging the receipt of goods and services.

Authorities

The **U.S. Treasurer** or the **Secretary of the Smithsonian Institution** may make disbursements to pay the Institution's debt for contract performance or other purposes. The U.S. Treasurer delegates the disbursement authority to the Secretary of the Smithsonian to issue U.S. Treasury checks to pay Smithsonian Institution debts. The **Smithsonian Institution Board of Regents** authorizes the Secretary of the Smithsonian to use bank accounts as a means to apply monies or issue payments to satisfy the Institution's debts.

Applicability

This directive applies to all Smithsonian units and organizations.

CANCELLATION:
INQUIRIES:
RETENTION:

SD 302, April 7, 1992
Office of the Comptroller
Indefinite. Subject to review for currency 24 months from date of issue.