



Smithsonian
Institution

SMITHSONIAN DIRECTIVE 302,

March 20, 2012,

Date Last Declared Current: January 24, 2014

FINANCIAL MANAGEMENT PAYMENT POLICIES, SYSTEMS, AND PROCEDURES

Purpose	1
Background	1
Policy	2
Responsibilities	2
Authorities	4
Applicability	4

Purpose

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

Background

The SI *Financial Management Payments Handbook* is available at <http://prism.si.edu/ocfo/oc/FPPD/FPPD.htm> on the Office of Finance and Accounting (OFA) 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
- Payment Systems and Procedures, including:
 - Accounts Payable Payments
 - Purchase Cards
 - Organizational Checking Accounts

Background
(continued)

- Smithsonian Miscellaneous Reimbursements (SMRs)
- 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. Questions regarding the *Financial Management Payments Handbook* should be directed to OFA's Accounts Payable and Vendor Maintenance Branch supervisors. Contact information is available at the OFA's webpage on the Prism website.

In addition, the *Financial Management Payments Handbook* contains more specific information on bookkeeping policies and general records and documentation policy.

Policy

SI policy is to pay for goods and services in a timely manner. Invoices have to be legitimate claims for payment and will be the only documentation accepted for payment. Vendors will also be required to submit Taxpayer Identification Numbers (TINs). Electronic Funds Transfer (EFT) payments will be encouraged.

Internal controls will be implemented as required, and reviewed on a regular basis. The review will include proper segregation of duties.

The Smithsonian Institution is not subject to the provisions of the Prompt Payment Act.

Responsibilities

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

- The **OFA** ensures that financial reporting systems and procedures enable disbursement of funds for the acquisition of goods and services for the

Responsibilities
(continued)

Smithsonian Institution. The OFA's Financial Information Processing Division (FIPD) is responsible for processing payments. Additional information on the FIPD is available on the OFA's website at <http://prism.si.edu/ocfo/oc/FIPD/fipd.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 Vendor Maintenance Help Desk. Contact information is available at the OFA's webpage on the Prism website.

- **Authorizing Officers** (e.g., directors of museums, research centers, and offices) are responsible for ensuring that expenditures of SI 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 of allocated funds and to approve their use.
- **Contracting Officers** (as authorized by the Secretary of the Smithsonian Institution directly, or through delegations of authority to select officials, including the Director, OCon&PPM) are responsible for ensuring use of the proper instruments for obligation and expenditure of SI federal and trust funds. Such obligation and expenditure of SI funds shall be in accordance with applicable laws and guided by reasonable business practices, and to acquire the goods and services needed to conduct the business of the Smithsonian. OCon&PPM provides oversight of the contracting process and conducts periodic reviews of contracting activities SI-wide.
- **Funds Control Officers** are delegated by authorizing officers to ensure that sufficient fund balances are available for the appropriate financial coding (Chartfield) to prevent overspending, and are responsible for validating that the financial coding of unit expenditures is correct.

Responsibilities
(continued)

- 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 SI 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 SI units and organizations. Smithsonian Enterprises is authorized to use independent information technology (IT) systems to conduct its business operations for general ledger, payroll, and disbursement transactions.

CANCELLATION:
INQUIRIES:
RETENTION:

SD 302, December 10, 2009
Office of Finance and Accounting (OFA)
Indefinite. Subject to review for currency 24 months from date of issue