Procurement and Payment Requirements for Specific Object Codes Excluding Travel

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This section will describe in detail the procurement and payment requirements for various object code categories. The procedures for the various object codes will be developed and included in the handbook/website in phases. The object codes highlighted in blue in the DAGS Object Code Listing Index, will have information available for phase one. To find out the procurement and payment procedures for an object code, select an object code highlighted in blue in the index. If the procedures are complicated, a highlight or quick reference section will precede the explanation of the detailed procedures. The following items will be included for each object code listed:

- Procurement Procedure
- Procurement Reference
- Payment Procedure
- Payment Reference
- If applicable, Memo/Instructions/Filled Out Sample Form//Blank Electronic Forms and website links

To provide you with a general overview of the procurement and payment process, the following is a simplified procurement and payment procedure for a normal transaction:

1. **Prior approvals** – If applicable, obtain the prior approvals, e.g. Governor, Department of Budget and Finance, Comptroller, Business Management Officer, Information and Communication Services Division, Systems and Procedures Office, Personnel Office, etc. using the appropriate forms. For a detailed explanation on the approval requirements for specific object codes, refer to the website link at: http://dagsnet.higov.net/fiscal/pph/requirements.html
2. **Procurement** – Follow the appropriate procurement procedure by clicking on the website link at: http://dagsnet.higov.net/fiscal/pph/procurementguide.html
3. **Encumber** – Prepare and issue either a purchase order or a contract prior to the purchase of the goods, services, or construction. A purchase order is required because: 1) it authorizes the purchase; 2) it checks for the availability of funds during the recording/posting process; 3) after the purchase order is posted, it reserves the funds for that month/quarter in the current fiscal year; and 4) provides documentation to the vendor of the State's commitment to acquire the goods, services, or construction. For a detailed explanation, refer to the website link at: http://dagsnet.higov.net/fiscal/pph/encumbrance.html
4. **Payment** – After the goods, services, or construction are received, obtain an original invoice from the vendor and submit the invoice and required documents, if applicable, to the Department of Accounting and General Services – Administrative Services Office. For a detailed explanation, refer to the website link at: http://dagsnet.higov.net/fiscal/pph/paymentguide.html

For each of the four steps above, the six topics/modules in this website go into great detail explaining the required procedures, acceptable substitution, and required documents that must be submitted for specific types of transactions.