METROPOLITAN GOVERNMENT OF
NASHVILLE & DAVIDSON COUNTY

Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Direct Payment Voucher

Effective Date: July 1, 2026
Revision Date: N/A
Policy Number: 1.17
Sponsor: Division of Accounts

Purpose

To establish uniform guidelines for when invoices may be processed as a Direct Payment Voucher (DPV) in lieu of a purchase order, ensuring compliance with procurement policies, internal controls, and financial reporting requirements within the Enterprise Planning System (ERP).

Definitions

Direct Payment Voucher: A payment method used to process a vendor invoice in the absence of the issuance of a purchase order within the procurement system.

Purchase Order Payment Process: A payment method used in which a purchase order has been issued that authorizes a vendor to provide goods or services, and payment is made only after confirming that the goods or services were delivered in accordance with the order, the price is correct, and all internal and regulatory requirements are met.

Grant Contract: An award of financial assistance to a recipient to support or stimulate the accomplishments of a specific public purpose, goal, or statute.

Procurement Contract: for the purchase of goods, professional services, or construction services in which the Government defines the scope and requires strict delivery of prescribed goods and services with possible penalties for failure to perform. Payment of funds is typically provided upon the delivery of the goods and services being provided.

Debt Indenture: A formal legal contract between the issuer of debt and the bondholders that specifies the terms and conditions of the debt issuance.

General Policies

Invoices should generally be supported by an approved purchase order (PO) before payment. A Direct Payment Voucher may be used only in limited circumstances where a PO is not practical, required, or applicable, and where the nature of the expense is allowable per procurement rules.

Appropriate Use for Direct Payment Vouchers

A direct payment voucher may be used only for non-purchase order eligible expenditures. In essence, for items not requiring a purchase order under procurement rules such as:

- Utilities (electricity, water, gas)
- Debt Indenture payments
- Insurance premiums where competitive solicitation is not required as determined by the Purchasing Agent
- Legal settlements or court-ordered payments

- Fees for membership, registration, and tuition
- Expenses associated with employee travel
- Goods & services provided directly by the United States Postal Service
- Subscriptions to print or online newspapers, periodicals, or affinity publications
- Placement of formal or legal notices in print or online newspapers, periodicals, or affinity publications
- Placement of advertisements in print or online newspapers, periodicals, or affinity publications, or other advertising venue
- Rental of space or provision of food, beverages, speakers, or entertainment for Metro sanctioned meetings or exhibitions
- Grant contract disbursements
- Event Sponsorships, allowable when made in the furtherance of the purposes for which it was appropriated and pursuant to authority granted by the Metro Council
- Stipends
- Refunds and reimbursements to individuals or entities

Prohibited Uses for Direct Payment Vouchers

A direct payment voucher may not be used for:

- Purchases made pursuant to any Metro procurement contract
- Routine procurement of goods or services that should follow the PO process
- Purchases that, under the regulations to the procurement code, require competitive bidding or solicitation
- Payments to circumvent spending limits or approval thresholds
- Splitting invoices to avoid purchase order requirements
- Standing orders or recurring services agreements

Internal Control and Audit Compliance

Direct payment vouchers are subject to periodic review by Metro Finance and Metro Office of Internal Audit for compliance with this policy.

Exemptions

The Metropolitan Nashville Public Schools (MNPS) and Component Units of the Metropolitan Government, that do not utilize Metro’s ERP system, are exempt from the requirements of this Direct Payment Voucher policy; however, they are encouraged to adopt policies consistent with this policy.

Applicable Local, State or Federal Regulations

Metro. Charter § 8.103: The director of finance shall be responsible to the mayor for the administration of the financial affairs of the metropolitan government.

Metro. Charter art. 8, § 8.104: The budget officer, with the advice and assistance of the chief accountant, shall write, revise and maintain a proper standard procedure instruction manual to be followed by all officers, departments, boards and other agencies of the government to ensure uniform accounting and budgetary procedures.

Metro. Charter art. 8, § 8.105: The chief accountant shall maintain a general accounting system and such cost accounting records as shall be required by the director of finance.

Associated Policies

- Finance Department Policy 8.1 Purchasing
- Finance Department Policy 1.6 Prompt Pay

Effective Date

This Policy Statement shall become effective upon issuance and shall be applied to all Metro agencies and departments.

Approvals

Approval of the Director of Finance

I hereby approve this Policy Statement of the Department of Finance and as such agree with and authorize the actions necessary to implement its requirements.

Jenneen Reed

Director of Finance

Date: July 1, 2026