

# Signature Authority

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PURPOSE .....	1
POLICY STATEMENT .....	2
WHO SHOULD KNOW THIS POLICY .....	2
DEFINITIONS .....	2
REGULATIONS .....	3
1.0 DELEGATION OF AUTHORITY .....	3
1.1 <i>Minimum Qualifications for Delegated Approval Authority</i> .....	3
2.0 APPROVAL AUTHORITY .....	3
2.1 <i>Operating Budget Expenditures</i> .....	3
2.2 <i>Personnel Transactions</i> .....	4
2.3 <i>Employee Travel</i> .....	4
2.4 <i>Student Organization Grant Expenditures</i> .....	4
2.5 <i>Contractual Agreements</i> .....	4
3.0 DOCUMENTATION OF DELEGATION .....	4
3.1 <i>Delegation of Authority Form</i> .....	4
3.2 <i>Certification</i> .....	4
3.3 <i>Retention</i> .....	4
4.0 SEGREGATION OF DUTIES.....	5
4.1 <i>Self-Serving Transactions</i> .....	5
5.0 IMPROPER TRANSACTIONS.....	5
6.0 REVOCATION OF SIGNATURE AUTHORITY .....	5
FORMS .....	6

## Purpose

A sound internal control environment requires that only authorized administrators approve transactions that commit the resources of the Associated Students, Incorporated. ASI relies on these controls to ensure that:

- Only legitimate and appropriate transactions are executed and recorded;
- Transactions are executed as intended, and in accordance with ASI policy and relevant financial, legal and contractual requirements; and
- Errors are detected prior to execution

To ensure that the expenditure of ASI funds and other commitments are properly approved, the following policy has been established for granting authority to individuals to approve financial, contractual, and personnel transactions.

## Policy Statement

It is the policy of the Associated Students, Incorporated that only authorized individuals can make financial, contractual, or personnel commitments on behalf of the corporation. This authorization shall be documented on a Delegation of Authority form, maintained by the appropriate administrative services office. The form must be revised whenever changes in personnel or responsibilities occur.

## Who Should Know This Policy

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Management Personnel       | <input checked="" type="checkbox"/> Program Advisors           | <input checked="" type="checkbox"/> Staff |
| <input checked="" type="checkbox"/> Supervisors                | <input type="checkbox"/> Volunteers                            |   |

## Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Approval authority	Permission to approve transactions for execution. This approval attests to the appropriateness of the transaction within ASI's program objectives and budgetary authorizations
Administrative services office	The A.S. Business Office, Human Resources Office, or Information Technology Office.
Budget area administrator	The authorized budget area signatory listed on the Delegation of Authority form
Certification process	A method for ensuring a minimum knowledge base necessary to perform authorization tasks
Contract	Any commitment to exchange money or property, currently or in the future, from or to ASI or to perform services which would require the expenditure of money or use of ASI resources, or increase risk to ASI
Department Supervisor	A full-time ASI employee who serves as the supervisor for a recognized unit or department of the corporation
Division Director	The Associate Executive Director/Director, University Student Union; the Director, Isabel Patterson Child Development Center; and the Director, ASI Administrative Services
Fiduciary responsibility	A duty to act primarily for the ASI's benefit in business transactions and matters related to the handling of money or property
Financial transaction	Any exchange involving the transfer of money or property, currently or in the future, from or to ASI
Improper transaction	A business transaction that is incorrect, inappropriate, fraudulent, or in violation of ASI policy or governmental law or guidelines
Management personnel	Employees who are covered under the provisions of ASI's Management Personnel Plan
Qualified	Having successfully completed the certification process
Signature authority	The ability to approve or execute transactions by virtue of one's signature

## **Regulations**

### **1.0 Delegation of Authority**

The ASI Board of Directors delegates to the Executive Director primary financial and fiduciary responsibility for the corporation, including approval authority for financial, contractual, and personnel transactions.

Certain approval authority may be further delegated by the Executive Director to qualified management personnel, and by management personnel to qualified department supervisors as provided in this policy. This delegation of authority shall be exercised within a sound internal control environment established by the Executive Director and his/her designees in consultation with the university Director of Internal Auditing Services or equivalent and ASI's certified public accountants.

#### **1.1 Minimum Qualifications for Delegated Approval Authority**

The following qualifications are required for individuals to be delegated approval authority:

- Active involvement with the activity being conducted
- Working knowledge of the ASI budget process
- Familiarity with the policies, rules, laws, regulations and other restrictions placed on the use of resources sufficient to determine compliance
- Technical skills required to use systems involved in conducting the activity
- Authority to disallow a transaction without being subject to disciplinary action.

### **2.0 Approval Authority**

Signature authority for approval of the following transactions is delegated to the Division Directors by the Executive Director. Within each Division, the Director may delegate approval authority for certain transactions to a department supervisor or budget area administrator. In all such cases, however, the Division Director still retains accountability and responsibility for the delegated transactions.

#### **2.1 Operating Budget Expenditures**

Signature authority for approval of expenditures from operating budgets approved by the Senate/Board of Directors is delegated to the Division Directors. Within each Division, the Director may delegate approval authority to a department supervisor or budget area administrator.

Individuals authorized to expend funds from a department operating budget must comply with all the applicable policies, regulatory requirements, laws, regulations, and special restrictions on the use of those funds.

## **2.2 Personnel Transactions**

Signature authority for approval of the payroll and personnel documents is delegated to the Division Directors. Within each Division, the Director may delegate approval authority for certain documents (i.e., timecard approval) to a department supervisor.

Employees without supervisory responsibility are prohibited from having approval authority for personnel/payroll documents

## **2.3 Employee Travel**

Approval authority for employee travel is delegated to department supervisors by their Division Directors. Employees without supervisory responsibility are prohibited from having approval authority for travel authorizations.

## **2.4 Student Organization Grant Expenditures**

Approval authority for the expenditure of grants awarded to student organizations is delegated to the university Director of Student Life and Development or equivalent. He/She may delegate this authority to qualified student services professionals assigned to advise the respective student organizations. No further delegation is permitted.

## **2.5 Contractual Agreements**

Based on the area of functional responsibility, the Executive Director may delegate to qualified management personnel approval authority to enter in to contracts, operating agreements, investment manager agreements, construction contracts, insurance arrangements, benefit contracts, employment contracts and sub-lease agreements.

## **3.0 Documentation of Delegation**

### **3.1 Delegation of Authority Form**

All delegations of approval authority shall be documented on a Delegation of Authority form, maintained by the appropriate administrative services department. The form must be revised whenever changes in personnel or responsibilities occur. If a revision is necessary, a new Delegation of Authority form must be completed, signed and filed with the appropriate office.

Administrative service departments shall periodically obtain a listing of separated employees, compare it to the Delegation of Authority forms maintained by their respective offices, and initiate corrections as necessary. Administrative service departments shall also develop a process to delete immediately employees who no longer have signature authority.

### **3.2 Certification**

Authority to approve transactions shall only be granted to individuals upon completion of the required training.

### **3.3 Retention**

Delegation of Authority forms shall be retained for a period of three fiscal years following the end of the fiscal year in which the expiration or replacement occurs.

## **4.0 Segregation of Duties**

To ensure that proper controls are in place, responsibility for departmental transactions must be divided among at least two individuals in a department: the preparer of the transaction and an approver. If a department is too small to have adequate segregation of duties, the Division Director must be involved to provide the required separation.

### **4.1 Self-Serving Transactions**

All persons to whom signature authority has been delegated may not approve any financial, contractual, or personnel transaction to which they are a party. In such cases, the individual must obtain approval from their Division Director, the Executive Director, the ASI Treasurer, or the university Director of Student Life and Development (for student organization transactions only).

## **5.0 Improper Transactions**

Persons to whom signature authority has been granted must not knowingly prepare or approve a business transaction that is incorrect, inappropriate, fraudulent, or in violation of ASI policy or governmental law or guidelines. Any person with knowledge of an improper transaction must immediately record the information on a Fraud Allegation Form and submit it to the Executive Director or to the University Office of Internal Auditing Services.

There shall be no retaliation for reporting in good faith a suspected improper transaction. Refer to ASI's Policy on Whistleblower Protection.

## **6.0 Revocation of Signature Authority**

The Executive Director shall be authorized to revoke the signature authority of any Division Director or department supervisor under the following conditions:

- It has been determined by the Executive Director and Treasurer that the signatory has engaged in an improper transaction as defined in this policy.
- It has been determined by the Executive Director and Treasurer that the signatory lacks sufficient knowledge of the current policies, rules, laws, regulations and other restrictions placed on the use of resources for which he/she has been delegated authority.
- The signatory fails to complete required training updates by the dates specified.

Once revoked, signature authority may only be reinstated upon the approval of the Executive Director and Treasurer.

**Forms**

The following forms are to be used in the execution of this policy.

<b>Form Name</b>	<b>Purpose</b>	<b>Responsible Office</b>	<b>Approved By</b>	<b>Timeline for Submission</b>
Delegation of Authority	To identify and provide specimen signatures of those persons authorized to approve financial, contractual, and personnel transactions.	ASI Administrative Services	Executive Director	At or near the beginning of the fiscal year (July 1). Revise anytime signature authority or authorized personnel changes. Form remains in effect until cancelled.
Fraud Allegation Form	To report an allegation of fraud involving the assets, programs, or operations of the Associated Students, Incorporated.	Office of the Executive Director	N/A	Completed form and any attachments must be sealed in an envelope marked "Confidential" and mailed or delivered to the Office of the Executive Director. If an allegation is being made against the Executive Director, the form should be mailed or delivered to the Student Government Office ATTENTION: ASI President.