

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE
SIGNATORY AUTHORITY AND APPROVAL PROCESS POLICY

Number 02.01.

Division Academic Affairs

Date September 2016

Purpose The purpose of this policy is to develop and implement a signature authority and approval process to ensure appropriate fiscal oversight for all expenditures in Academic Affairs. It is good fiscal practice to have expenditures of public funds made by an individual who is responsible for an account monitored by the person who is in at least one position of higher administrative authority. The university by promoting sound fiscal practices is carrying out its ethical obligations as a holder of public funds.

Policy The basic principle is that the individual who has responsibility for the account is the person who determines what transactions should occur, is the individual who makes transaction on that account, and is responsible for the account, and the second person, typically a department chair/unit head/director/associate dean/dean/associate provost/associate vice president/provost/vice president will approve the transactions made by the responsible individual on each account. Two individuals should sign on each transaction. Only one is involved in the transaction and the other person, the person of next highest administrative authority, is an independent party. For this policy a second signature on a transaction is required for all transactions over \$1,000. The provost, deans and directors may at their discretion choose to set the limit for a second signature at a lower amount.

For the types of accounts and the budget transfers indicated below at least one position of higher administrative authority than the responsible individual must approve the expenditures. The exception is expenditures made on a purchase card which is monitored according to University purchasing card policy.

The accounts and budget transfers affected include:

Ledger 2: State accounts

Ledger 3: Discretionary Accounts including startup, PI, professional development, college, department, residual funds, and some internal research accounts, etc.

Ledger 6: University gift funds and some internal research accounts, etc.

Foundation Accounts

Budget Transfers: from college/center fund balances, Ledger 3 accounts, Ledger 6 accounts, etc.

Procedures

1. Transaction approval process

In the process outlined below, it is acceptable and, indeed desirable, for those who have signature authority and those who are in the required approval process to utilize fully the support and knowledge of the staff/administrative assistants and budget resource managers in the department, college, academic support unit, center, or office. The approval required by the department chair/unit head, dean/director, and/or provost in no way diminishes the importance of the work the staff/administrative assistant and resource budget manager do to assist the faculty, staff, chair/unit head, dean/director and provost in determining if the right account is being used, if the expenditure is appropriate, if the expenditure is a legitimate expense for the type account from which it is being spent, and any other information that is needed.

Process:

- A. All transactions must have at least two signatures for the transactions above \$1,000 to occur: the person responsible for the account and initiating the transactions and the person who is in a higher position of administrative authority approving the transaction.
- B. Transactions are approved in the following manner:
 1. Department chairs and unit heads must approve all transactions above \$1,000 prior to the transaction occurring that faculty and staff initiate and may seek the assistance of the staff assistant and budget resource manager as stated above.
 2. College deans and directors must approve all transactions above \$1,000 prior to the transaction occurring that department chairs/unit heads and assistant/associate deans and associate directors initiate. The dean/director may delegate the approval authority of department chair and unit head transactions to associate deans or associate directors and may seek the assistance of the budget resource manager as stated above.
 3. If the college or unit does not have departments, the dean/director or the associate dean/associate director designated by the dean/director must approve all faculty and staff transactions above \$1,000 prior to the transaction occurring and may seek the assistance of the budget resource manager as stated above.

4. The provost must approve the assistant/associate provost/associate vice president transactions above \$1,000 prior to the transaction occurring. Likewise, the provost and vice presidents or their designated associate provost/associate vice president must approve all of the dean's/director's including accounts listed above and fund balance transfers.
- C. Procedure for administrative approval.
1. The administrator with approval authority may approve the transaction by signing the appropriate form, by approving in self-serve Banner, by signing the requisition or by any other appropriate means. The administrator with signatory approval responsibility must ensure that copies of all approvals are kept as record for seven years.
 2. The administrator with approval authority is responsible for all P-card transactions in the administrative unit and needs to ensure that the expenditures are appropriate and within budget in accordance with the Purchasing Card policy. The administrator may choose to place additional approval restrictions on P-card expenditures.
- D. The vice presidents are authorized by the President to make appropriate expenditures in their areas of responsibility and are held accountable for these expenditures which are routinely reviewed.

2. Foundation accounts

Foundation accounts require additional approvals in addition to the signatures required at the Foundation. The basic principle applies to all Foundation transactions: the person responsible for and initiating the transaction signs for the transactions and the person of the next higher administrative authority approves. Foundation transactions will be routed to the provost's office for signature prior to the transactions going to the Foundation,

3. The above approval system becomes effective upon approval of this policy. The deans' and directors' offices will coordinate this effort and send the appropriate signature authorization forms to general accounting.
4. All non-online reimbursement must follow the same approval process outlined above.
5. Dispute resolution will follow the academic administrative sequence for such instances.

Review

Academic Affairs will review this policy every five years or sooner as needed.

Approval

Chief University Counsel

Date

Provost and Executive Vice President for
Academic Affairs

Date

APPROVED:

President

Date