Approval Date: November 1, 2009

Parent Policy: Signing Authority and Delegation of Signing Authority Policy - All Funds

Signing Authority and Approval Procedure

Office of Administrative Responsibility:	Finance, Procurement and Planning
Approver:	Associate Vice-President (Finance, Procurement and Planning)
Scope:	Compliance with this procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in the Recruitment Policy (Appendix A and Appendix B).

Contact for questions about this procedure:	**fs.requests@ualberta.ca**

Purpose

The purpose of this procedure is to:

- outline the responsibilities for those individuals within the University organization who have the authority to expend or release funds, and

- act as an internal control mechanism:

    - to provide assurance that the expenditures are in compliance with University policy and procedures and where applicable with granting agency/donor terms and conditions

    - for expenditures where there may be a potential or perceived conflict of interest:

        - providing assurance that the expenditure is appropriate and is required for University operations, and

        - providing assurance that travel expenditures are relevant to the research being funded.

PROCEDURE

1. SIGNING AUTHORITY (AUTHORIZATION)

Publication of the University Budget, as approved by the Governors of the University of Alberta (“Board of Governors”), confers authority upon Deans, Directors or Chairs to make expenditures within the amounts and scope of the accounts allotted to them in the budget and in accordance with University policy and procedures.

Recipients of restricted funds (research, endowment spending allocations and other trust funds) are authorized to make expenditures that are in accordance with University policy and procedures and are compliant with granting agency/donor terms and conditions.

a. General Operating Funds – Dean, Chair, Director

Authorization is granted to the holder of the budget (account holder) to expend or release funds. The account holder must ensure that the expenditures are required for University operations and are in compliance with University policy and procedures. The account holder must have sound knowledge of the budgeting processes and the impact of making commitments against these budgets or other resources within the units. Any expenditure that may be deemed ineligible or inappropriate becomes the responsibility of the Unit.

b. Research and Trust Funds – the Principal Investigator/Trust Holder

Authorization is granted to the Principal Investigator/Trust Holder (account holder) to expend or release funds. They must ensure that the expenditures are required for University operations and are in compliance with University policy and procedures. In addition they must ensure that the expenditures are in compliance with granting agency/donor terms and conditions. Subsequent internal control mechanisms and administrative infrastructure do not remove or diminish the Principal Investigator/Trust Holder responsibilities and accountability. Any expenditure that may be deemed ineligible or inappropriate becomes the responsibility of the Principal Investigator/Trust Holder.

Note: Authorization to expend funds can be delegated (refer to Delegation of Signing Authority Procedures). Delegation must be in writing and on file at the Unit.

2. APPROVALS (AND OTHER SIGNATURES)

Approvals refer to additional signatures (additional to the authorization signature) required and carry specific responsibilities depending upon the type of transaction. The University has the right and responsibility to withhold approval of expenditures proposed that contravene University policy and procedures or granting agency/donor terms and conditions.

a. Internal Control Approval

The internal control approval signifies a control operation and indicates that the transaction has been reviewed for accuracy and appropriateness. The approval provides assurance that the expenditures are in compliance with University policy and procedures and external agency/donor terms and conditions.

Administrative staff reviews for the following:

i. Ensures form has been filled out completely and accurately.

ii. Ensures appropriate supporting documentation is attached (on file, etc).

iii. Confirms authorization signature (signature verification). Acceptable signatures include signed original and faxed signature or, in the cases where the account holder cannot provide a written authorization (original or by fax):

- an email (authorizing the expenditure) from the account holder may be accepted in emergency or unusual circumstances, provided that an original or faxed signature is obtained as quickly as possible, or

- delegate signing authority on an interim basis in accordance with the Delegation of Signing Authority Policy. NOTE: the faculty or department is responsible to establish an internal protocol for the delegation of signing authority for these types of situations.

iv. Verifies correct speed code/account coding.

v. Ensures funds are available.

vi. Ensures expenditures and revenues are in compliance with, and processed in compliance with University policies and procedures and if applicable, in compliance with external granting agency/donor terms and conditions.

vii. Ensures expenditure encumbrance/commitment does not go past project/grant end date.

viii. Applicable appendices are attached and filled out correctly.

ix. On any type of expenditure, where there may be a sense that the expenditure may not stand the test of "required for University operations", "relevance", etc - return to the authorizing individual for more information or forward to the one-over-one for review and assessment of validity.

x. On any of type expenditure, when there is a potential or perceived conflict of interest, forwards to the one-over-one for approval (i.e. Chair). They can highlight "not sure" which is a signal for the Chair to look at that particular expenditure more carefully.

xi. On any type of expenditure, when there is uncertainty or if it is not clear if the expenditure represents a potential or perceived conflict of interest, then one-over-one approval should be secured.

xii. Secures any other approvals that may be required.

Certain types of transactions may require additional review and/or information and are outlined in the specific respective procedures.

The University has the right and responsibility to withhold approval of expenditures proposed that contravene University policy and procedures or granting agency/donor terms and conditions.

b. One-Over-One Approval

The one-over-one approval signifies a control operation and is required wherever there may be a potential or perceived conflict of interest. The one-over-one approval provides assurance that the expenditure is appropriate and is required for University operations. In addition, where research funding is involved, the one-over-one approval is required to ensure relevance of travel to the research being funded. The one-over-one approval also provides assurance that a control process is in place and that due diligence has been exercised with regards to this control process.

The one-over-one approval requirement stems from the concept that no one should be placed in a position where they can cause (authorize) a payment to be made to themselves or to their benefit. Obtaining a signature from a supervisor would indicate that a review of the proposed expenditure is legitimate and is for University operations. One-over-one approval is provided by the claimant's direct supervisor (one-over-one cannot be delegated).

The one-over-one approval would occur after the internal control approval. The administrative staff responsible for internal control approval should be able to provide direction as to the appropriateness (and relevance to research, where applicable). The administrative staff would also highlight situations where there may be discrepancies or non-compliance with University policies and procedures or external granting agency/donor terms and conditions including the ability to satisfy the relevance to the research being funded; the supervisor can then review those claims more carefully.

One-over-one approval is required on the following transactions (for University employees):

i. Travel Claims. To be submitted on the Travel and Hosting Expense Reimbursement Form. Travel expenses include accommodations, transportation and meals.

ii. Travel/hosting expenses (processed outside of the travel claim process)

- TAP (centrally billed air fares)

- HAP (centrally billed accommodation)

- VISA Billing Statements where there are travel related items

- Purchase requisition where there are travel related items. Sometimes a large block of rooms are secured on this basis.

iii. If the expense receipt is later attached to the Travel and Hosting Expense Reimbursement Form, then one-over-one approval would be acceptable on the “Form” only.

iv. Expense Reimbursement

v. Honorarium or consulting fee (per contract) where the Principal Investigator is entitled to an honorarium or consulting fee per contract.

vi. Payments to family members, relatives

The above categories are a general guide only and do not represent an all-inclusive list. When there is uncertainty or if it is not clear if the expenditure represents a potential or perceived conflict of interest, then one-over-one approval should be secured.

There are other types of expenditures that would fall into the category requiring one-over-one approval (petty cash reimbursement), however these are generally immaterial in amount and the internal control approval role provides an adequate review. Units may choose to apply the one-over-one approval process to these types of transactions to facilitate consistency of application and eliminate risk.

Ultimate responsibility rests with the claimant to provide complete, accurate and appropriate information to substantiate the claim/reimbursement. The one-over-one approval is based on the assumption that all of the information presented to them is complete, accurate and there is appropriate supporting documentation.

c. One-Over-One Approval Hierarchy

Where the expenditure is charged to a research or trust account, the expenditure must be approved by the account holder (Principal Investigator/Trust Holder) however, where the claimant is also the account holder (Principal Investigator/Trust Holder), the expenditure must be approved by the Chair or by the Dean when the claimant is also the Chair.

In all other cases, the approval of the travel and hosting expenditures must be as follows:

i. Claims by the members of the Board of Governors (BOG) are to be approved by the BOG-Chair.

ii. Claims by the Chancellor

- are approved by the President (when Chancellor related activity.)

- are approved by the BOG-Chair (when BOG-Member related activity.)

iii. Claims by the BOG-Chair are approved by the Board Audit Committee (BAC)-Chair.

iv. Claims by the President are approved by the BOG-Chair.

v. The Provost and Vice-President (Academic) or Vice-President when in the role of “Acting President” will have their claims approved by the BOG-Chair.

vi. Claims of the Provost and Vice-President (Academic) and claims of the Vice-Presidents are to be approved by the President.

vii. Claims of the Associate Vice-Presidents are to be approved by their respective Vice-Presidents.

viii. Claims of the Deans, Directors, Department Heads, and Chairs are to be approved by their respective Vice-President, Associate Vice-President, or Dean to whom they are accountable.

ix. The claims of all other staff are to be approved by their respective Vice-President, Associate Vice-President, Dean, Director, Department Head, or Chair to whom they are accountable.

Other signatures:

1. "Prepared by" is to be signed by the individual completing the form or preparing the transaction, that meaning the individual assembling the supporting documentation and accurately filling out the form. This individual is responsible for ensuring all supporting documentation is attached to the form and that the information contained on the form is accurate and complete.

2. "Claimant" is the individual who is requesting reimbursement for expenses paid out of pocket.. The claimant is ultimately responsible for providing complete and accurate information to support the claim and for ensuring the expenditures are required for University operations and are in compliance with University policy and procedures and granting agency/donor terms and conditions (where applicable). If the claimant has misrepresented any information in any way that results in the expenditure being deemed ineligible or inappropriate, the claimant will be held personally responsible.

d. Custodian of Petty Cash/Cash Float is the individual responsible for the safekeeping and replenishing the float. The custodian is responsible for ensuring that requests for reimbursements from petty cash are allowable and supported with appropriate receipts.

DEFINITIONS

There are no definitions for this procedure.

FORMS

Financial Services Forms Cabinet

RELATED LINKS

Guide to Financial Management