



Approval Authority

Effective Date: November 1, 2017

Last Revision Date: October 27, 2017

1. PURPOSE

This policy provides guidelines for the appropriate delegation for approval authority, establishing a sound internal control environment where only authorized employees and their formal designees approve financial transactions for the University.

2. RESPONSIBLE CAMPUS DIRECTOR

Controller

3. DEFINITIONS

Approval Authority: Permission given or delegated to approve (but not sign and execute) financial transactions. This approval attests to the appropriateness of the transaction within the University's program objectives and budgetary authorizations.

Financial Transaction: Any exchange involving the transfer of money or property, currently or in the future, from or to the University.

Signature Authority: Permission given or delegated to sign instruments, contracts or other documents on behalf of the University.

WISDM Manager: WISDM is the Wisconsin DataMart for UW's Shared Financial System (SFS) and the WISDM Manager is the lead administrator associated with an open [active] department account within SFS.

4. POLICY

The Chief Business Officer, in conjunction with the Controller, is responsible for establishing a sound system of internal controls, one aspect of which is ensuring that any approval of financial transactions is made by an authorized individual. It is important to note that approval authority differs from signature authority. The approving authority confirms that the financial transaction is appropriate, but only an employee with signature authority can execute the transaction.

Within each operating unit, the dean, chair or director is responsible for the overall operations of the unit and has approval authority for all the financial transactions within the unit. This role is specifically identified when a department account is active and a WISDM Manager is identified on the account. A dean, chair or director is typically identified as the WISDM Manager during the new account request process. The dean, chair or director may delegate approval authority to another administrator or authorized designee within their respective unit. Final approval for a WISDM Manager or designee is determined by the Controller.

An electronic or written signature must evidence the approval of all financial transactions. The approval of a financial transaction attests to its completeness, accuracy and validity. No individual may approve a financial transaction which personally involves him/her or was procured by him/her.

Approval of financial transactions ensures the following:

- Confirms compliance with Federal, State, University and sponsor policies, and with terms and conditions of an account (if applicable);
- Confirms availability of funds within an approved operating budget;
- Confirms appropriateness of accounting information and source of funds;
- Reviews basic transaction information to ensure it is appropriate, reasonable, and complete;
- Verifies through inquiry or has direct knowledge that the goods were received, or services were rendered; and
- Confirms that he/she has the appropriate approval authority to approve the financial transaction.

Internal Controls for Delegation of Approval Authority

It is the responsibility of the delegator to review the impact of a delegation on controls and management of the unit, prior to authorizing a delegation of approval authority. The delegator shall remain accountable for all actions taken by the delegate. The delegator shall take into account and maintain appropriate internal controls and separation of duties within the unit, which may include reviewing reports, sampling completed transactions and monitoring the effectiveness of controls established.

Individuals may not approve their own transactions or transactions for relatives; they may not approve transactions that directly benefit themselves or their relatives; nor may they approve transactions that, in any way, create a conflict of interest with the individual's responsibilities to the University. Another approval authority, of a higher level within the University, must countersign these financial transactions.

Individuals who improperly delegate or misuse approval authority may be subject to an investigation or disciplinary action, up to and including termination of employment.

Signature Authority

The University is part of UW System, a legal entity, whose operational authority emanates from Chapter 36 of the Wisconsin Statutes. UWSP conducts business only through its duly authorized officers and agents. The authorization to sign documents that legally obligate the University is detailed in [UW System Board of Regent's Policy Document 13-1](#): General Contract Approval, Signature Authority and Reporting. Additionally, there is a list of [authorized signers](#) that have received specific delegation from the UWSP Chancellor.

5. PROCEDURES

A. Approval Authority Delegation

To delegate approval authority, complete and return the Approval Authority Delegation form to the Controller for approval and processing.

6. REFERENCES and RELATED DOCUMENTS

[Approval Authority Delegation form](#)

[UWSP Signature Authority](#)

[UW System Board of Regents Policy Document 13-1](#)

7. POLICY HISTORY

Effective Date: 11/01/2017

Approved: 10/19/2017

Revision Date: 10/27/17, correct word flow on item 5 & add Approval Authority Delegation form link on item 6

Approved by: Vice Chancellor for Business Affairs

8. SCHEDULED REVIEW

October 2022