

MEMORANDUM

April 16, 2002

TO: ABCD Distribution

FROM: James L. McDonough, Vice President for Business and Finance

SUBJECT: Signature Approval Policy

The web page link given below references a policy recently approved by the Administrative Council, for approvals of routine business transactions, from the initiating department through all designated approval offices. A "routine business transaction" is defined as any transaction that ultimately results in the receipt or payment of cash and is processed ultimately through the Office of Business and Finance in the university's official Financial Records System (FRS); examples of such transactions include purchase orders, procurement card transactions, check requests, travel and other employee reimbursements, personnel transactions, interdepartmental billings and journal entries.

The purpose of this policy is to define minimum requirements for signature approval, whether electronic or manual; departments may design additional approval policies and procedures with the consent of their Dean or Vice President to suit individual needs. If there are any questions or concerns regarding the attached policy, please contact my office at the above email address or 646-2432.

The policy requires certain actions on the part of individual department heads; we ask that all department heads carefully review the attachment, to ensure that each department is prepared to meet these minimum approval standards.

http://www.nmsu.edu/~boffice/memos/signature_approval_policy.html

Policy on Signature Approval for Routine Business Transactions

- All transactions will require at least one signature approval (manual or electronic) prior to the execution of the transaction by an employee with a title equivalent to Department Head or higher within the department initiating the transaction. Business and Finance will test adherence to this policy on a sample basis.
- Any member of university administration at or above the level equivalent to Dean or Director may optionally require more than one signature approval for any type of transaction. Adherence to this policy will be the responsibility of the initiating Department Head.
- Department Heads and other approvers may delegate their signature authority, though not their responsibility, on routine business transactions to permanent or temporary alternates, provided that the delegation is not made to a member of their support staff below the appropriate level of authority within the department. Acceptable alternates include faculty members, professional assistants, professional staff members or supervisory classified employees within the Dean or Director's office. Business and Finance will test adherence to this policy on a sample basis.
- No employee may approve any payment to be made to himself or herself, either as a reimbursement or through payroll. All such reimbursements are to be approved by the employee's supervisor, or the supervisor's designee. Adherence to this policy will be the responsibility of the initiating Department Head, and will be tested by Business and Finance prior to processing of each disbursement transaction.
- It is the responsibility of each position equivalent to Dean or Director to develop signature policies in conjunction with the above overall policy for his or her College or organizational unit, and to formally communicate those policies to all of his or her employees.
- If a department elects to approve transactions outside official university forms (either manual or automated), the department will retain approvals within departmental files, and centrally document delegated proxy approval for official university forms. Transactions that are not directly recorded in the university's official administrative systems are excluded from this policy.