

Policy Name:	Approval and Delegation of Authority
Originating/Responsible Department:	Office of the Vice -President (Finance and Administration)
Approval Authority:	Senior Management Committee
Date of Original Policy:	September 2015
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Contact:	Assistant Vice President (Financial Services)

PURPOSE

The purpose of this policy is to ensure the efficient operation of Carleton University (“University”) by implementing proper controls through the appropriate approvals and delegation of authority required for various transactions and activities at the University.

SCOPE

This policy applies to all members of the University community who have been delegated authority for approving transactions. The policy outlines the minimum approval requirements for transactions, which include but are not limited to accounting, facility management, p-card, system access, travel and other transactions. The policy also outlines situations in which it is appropriate to delegate that authority and the procedures that should be followed to make such delegations.

Reference to the Signing Authorities policy (which covers Contracts, and other legal documents) must be made for all contracts with external suppliers or partners including Construction Contracts, Employment Contracts, Gift Agreements, Purchase Contracts, Research Proposals, Research Contracts and Confirmation of Insurance.

The scope of this policy excludes approvals related to payroll transactions, appointments, hiring procedures for continuing employees or employment review processes.

DEFINITIONS

1 Approval Authority: The University has provided approval authority to certain individuals based on their position or function within the organization. Those positions are categorized as Level 1 and Level 2 based on the organizational hierarchy within the university. Approval Authority is further defined in terms of Specified, Supervisory, or Financial authority.

1.1 Level 1: Positions within the university categorized as level 1 are as follows:

Executive / Senior Management

- President
- Vice Presidents
- Associate Vice President, Assistant Vice Presidents
- Deans, Associate Deans

- Department Chairs, Directors
- General Counsel

Other Management

- Assistant Directors
- Managers
- Supervisors
- Principal Investigators

1.2 **Level 2:** Positions within the university categorized as level 2 include all other non-management personnel, typically (but not limited to) financial officers, administrators, administrative assistants.

1.3 **Specified Approval Authority:** As used in this policy, “Specified” approval authority means a named individual or position that has the authority to approve a particular type of transaction. Specified approval authority is only granted to individuals in a designated Level 1 position.

1.4 **Supervisory Approval Authority:** As used in this policy, “Supervisory” approval authority means the employee who is the direct supervisor, or higher, of the individual making or performing the transaction.

1.5 **Financial Approval Authority:** As used in this policy, “Financial” approval authority means the individual or position with permission to approve transactions for execution. The approval attests to the appropriateness of the transaction within the university’s budgetary guidelines. An individual who has been given financial approval authority is thereby charged with financial accountability and ensuring the appropriate use of funds. This individual or position is either the funding source owner or an individual who has been delegated financial approval authority by the funding source owner.

1.5.1 **Funding Source Owner (Primary):** The primary funding source owner is either a specific individual or position within the university, given to employees within the Level 1 approval authority category as assigned by Financial Services.

1.5.2 **Funding Source Owner (Secondary):** A secondary funding source owner is either a specific individual or position within the Level 1 or 2 approval authority categories as assigned by Financial Services. In the case of research grants and contracts, a secondary funding source owner is reserved for co-applicants.

1.6 **Delegation of authority:** As used in this policy, “a delegation of authority” is the recorded conveyance of approval authority as outlined in this or other university policies to another individual as permitted below. Any such transfer of powers and duties are therefore significant actions requiring great care and scrutiny.

1.6.1 **Delegation of Specified Approval Authority:** Specified approval authority may only be transferred temporarily or delegated to another individual who is acting in the same capacity as the named specified approver.

1.6.2 **Delegation of Supervisory Approval Authority:** Supervisory approval may only be transferred temporarily to another individual who is in an equal position or higher position level within the university’s organizational hierarchy. In the case of Level 1 Executive Management, supervisory authority may also be delegated to one level lower within the university’s organizational hierarchy. For departmental chairs, this includes the temporary transfer of authority to a faculty member within the same department.

1.6.3 **Delegation of Financial Approval Authority:** Financial Approval Authority may be delegated to any Level 1 or Level 2 position within the University by the primary or secondary funding source owner. This delegation may not be further delegated.

1.7 **Delegator:** The employee who has the authority to take action on behalf of the university, faculty or department who transfers (“delegates”) his/her authority to another University employee (“Delegate”).

1.8 **Delegate:** The employee who is officially transferred the authority to act on behalf of the delegator.

POLICY

The Approval Authority Policy establishes the approval authority that is required for each type of transaction before it can be executed. Units responsible for the execution of the transaction are obligated to ensure the proper approval authorities have been obtained. Where indicated, multiple approval authorities are required.

1. Type of Transaction/Authority to Sign

The following table outlines the approval authority required for the stated type of transaction.

Note: In the case where the supervisory approval authority is also the financial approval authority, only one approval is required.

Type of Transaction	Description	Specified	Supervisory	Financial
Accounting				
	Establish Funds and Organizations	RPC Head and/or Financial Services		
	Establish and Reimburse Petty Cash		X	
	Budget Adjustment Request			X
	Journal Entry Request			X
Facilities Management				
	FMP Work Order Requests			X
	Key Requisition	Key Control Designate		
	Key Control Designate Authorization	Department Head		
Purchasing				
	Purchase Requisition for Goods & Services			X
	Cheque Requisition			X
	Independent Contractor Questionnaire and Indemnification			X
	Employee Computer Loans	Financial Services		
	Purchasing Change Order			X
	Purchasing Card Application		X	X
	Purchasing Card Monthly Statement		X	X

Financial System Access				
	Posting Access (ability to utilize a funding source)	Funding Source Owner		
	Query Access (ability to view transactions)	Funding Source Owner		
Reimbursement				
	Travel and Non-Travel expense claims		X	X
	CUASA Professional Expense Reimbursement (non-travel)	Financial Services		
Insurance				
	Add/Delete Driver for University Vehicle	Department Head		

2 Approval Authority Guidelines

- 2.1 Within each Administrative Department, Faculty or Academic Department, the Department Head, Dean or Chair is responsible for the overall operations of the department and may delegate approval authority to certain employees in compliance with this policy.
- 2.2 Researchers, typically the Principle or Lead researcher has financial approval authority on research Funds. The Principle or Lead researcher is responsible for the overall management of research funds received from funding agencies and may delegate financial approval authority to Level 1 or Level 2 individuals in compliance with this policy and funding agreements.
- 2.3 If an employee transfers to another department or division, or other changes occur that affects their financial approval authority responsibilities, an updated Delegation of Financial Authority agreement must be dually completed by both the funding source owner (primary or secondary) and the delegate.
- 2.4 Individuals with supervisory approval authority are responsible for assuring the following:
- That he/she has an understanding of what is being approved,
 - The transaction is for University business purposes, and
 - The transaction is allowable, reasonable and justified.
- 2.5 Individuals with financial approval authority are responsible for assuring the following:
- An understanding of what is being approved
 - The transaction is allowable, reasonable and justified
 - The transaction is charged to the right funding source,
 - There are adequate funds to cover the expense, and
 - The funding source is appropriate for the expenditure.

3 Guidelines for Proper Delegation of Approval Authority

- 3.1 It is the responsibility of the Delegator to maintain proper control and management of his/her area; the Delegator remains accountable for all actions taken by their Delegates.
- 3.2 The Delegator shall take into account and maintain appropriate internal controls including segregation of duties, reviewing reports, sampling completed transactions and monitoring the effectiveness of controls established.
- 3.3 To assign or change financial approval authority, a Delegation of Financial Authority form must be dually completed by both the funding source owner (primary or secondary) and the

delegate. Cancellation of financial approval authority may occur without written agreement in the case of a change in duties, position or when an employment relationship is terminated.

3.4 Delegates may not approve transactions for themselves, their relatives or approve transactions that directly benefit themselves or their relatives or, in any way, create a conflict of interest with the Delegate's responsibilities to the university. Such transactions must be countersigned by another authorized person, usually the Delegator or person of the next higher authority level.

3.5 Documents signed by anyone other than those individuals who have a recorded delegation of financial authority may be declared null and void unless formally ratified by the next higher level authority.

3.6 Persons who improperly delegate or misuse delegated authority may be subject to an investigation, and disciplinary action.

CONTACTS

Assistant Vice President, Financial Services

LINK TO RELATED POLICIES

Signing Authorities Policy (Contracts)

<http://carleton.ca/secretariat/wp-content/uploads/Signing-Authorities-Policy.pdf>

Signing Authorities Procedures (Contracts)

<http://carleton.ca/secretariat/wp-content/uploads/Signing-Authorities-Procedures1.pdf>

Purchasing Policy

<http://carleton.ca/secretariat/wp-content/uploads/Purchasing-Policy.pdf>