


To: Deans, Directors, and Department Chairs

From: Jeffrey J. West 
Associate Vice President for Financial & Business Services

Date: June 25, 2008

Re: Initiating and Approving Electronic Transactions

This Administrative Rule is meant to provide guidance to University departments when developing internal procedures and requirements for initiating and approving electronic transactions.

Upol 3-003

~~PPM 3-7~~ allows for responsible delegation of authority for a variety of financial transactions, including payroll transactions. Payroll transactions represent a significant cost to the institution, and therefore should require a high level of scrutiny and review. Approval of financial transactions should be made mindful of an appropriate balance between institutional risk and the efficient and expedient processing from the perspective of University departments. Persons to whom approval is delegated can be any employee whom a reasonable observer would consider knowledgeable about the essence of the transaction, and who also has the authority to challenge or deny the transaction.

It is important to emphasize that ORG heads that choose to delegate their approval only delegate their authority to approve, not their ultimate responsibility for the propriety of the transaction. In other words, delegation does not relieve the ORG head of the responsibility for actions taken by their delegate.

Payroll transactions always require two approval signatures. Typically, when authority is not delegated, the two required signatures are the ORG head to which ORG the employee reports, and the ORG head one level higher. It is the responsibility of departmental leadership to maintain accurate and current information as reflected on the HR Department/ORG head Lookup Table, available for review on the employee tab of the Campus Information System.

As University departments consider delegation of authority, the following standards apply - specifically in regard to salary transactions:

- Approver One or his/her delegate should be an individual who considers the accuracy of the transaction, the appropriateness and availability of the funding, and who verifies that the transaction is a reasonable and necessary expense of the University.
- Approver Two should be the ORG head one reporting level higher, or his/her delegate, whose responsibility is to verify that the salary transaction is proper and prudent in the context of the University's mission.
- Persons to whom authority is delegated should understand departmental limitations placed upon their delegated authority by their ORG heads, and should act accordingly when authorizing any financial transaction.

Questions regarding this Rule should be directed to the Associate Vice President of Financial and Business Services.