



UNIVERSITY OF RICHMOND

Policy Manual

Policy #:	FIN-12001	Policy Title:	Delegation of Approval Authority and Processing Responsibilities
Effective:	01/01/2024	Responsible Office:	Office of University Controller
Date Approved:	12/11/2024	Approval:	Executive Vice President and Chief Operating Officer
Replaces Policy Dated:	N/A	Responsible University Official:	Senior Associate Vice President and University Controller

PURPOSE:

The University assigns responsibility for completing or approving business transactions and activities to employees based on their roles at the University. The purpose of this policy is to define the circumstances under which University employees may delegate their administrative approval authorities or processing responsibilities to other employees.

SCOPE:

This policy applies to the University of Richmond and all of its Affiliates. As used in this policy, the term “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board.

This policy does not apply to delegations of contract signature authority. Contract approval and signature authority is determined by the Board of Trustees (see FIN-4409, *Delegation of Contract Approval and Signature Authority*).

This policy does not apply to the delegation of academic responsibilities as outlined in academic policies or the academic catalog.

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POLICY STATEMENT:

FIN-12001.1 – Definitions

Approval

An approval is the act of reviewing and responding to an item, transaction, or group of items or transactions that is performed by an appropriate University employee, affirming that the item may proceed for further action or processing, recommending changes, or denying it.

Approver

An approver is an employee who, as part of their role, has responsibility to review and authorize business transactions.

Delegation

Delegation is the assignment of an individual's authority for completing or approving business transactions to another University employee.

Delegate

A delegate is the person to whom authority for completing or approving business transactions is assigned by the person with primary authority for those transactions.

FIN-12001.2 – Policy

Approval Responsibilities

The approval process plays a critical role in ensuring that the activities undertaken by the University are in alignment with the University's mission of teaching, research, scholarship and service; represent an appropriate use of the University's charitable resources; and conform with institutional policies and procedures. Only authorized University employees (*i.e.*, "approvers") have the authority to obligate the University to receive or spend funds, provide or receive services, or otherwise commit institutional resources. University employees with approval authority are expected to exercise good judgement in evaluating the reasonableness of transactions in light of University policies and procedures, and sound business practices.

Delegation of Approval Responsibilities

Approvers may temporarily delegate the authority to perform administrative approval responsibilities on their behalf to a delegate, as described in this policy. The delegate selected by the approver must have the requisite knowledge and skill set to be able to evaluate the proposed transactions or activities effectively. Additionally, the proposed delegation must not place the delegate in a position of approving their own transactions or those initiated by their approver (see "*Segregation of Duties*" discussion, below). The approver is responsible for actions taken by their delegate; delegation does not shift responsibility or accountability for the task from the approver. Delegations should be infrequent and for short periods of time, generally no longer than two weeks. Delegations that are more frequent or for longer periods of time must be discussed with and approved by the University Controller for financial transactions or the relevant Vice President for other types of transactions.

If an employee has plans to be away from the University for five or more days, approval responsibilities should be delegated to ensure that University business transactions are not delayed as a result of an absence.

A delegate has the same responsibilities as the approver and is acting in the approver's name. Delegation may be made only to someone who has knowledge of the transactions and relevant University policies, regulations, and restrictions associated with the transactions. Typically, delegations will be made to the approver's

supervisor or someone who has similar responsibilities for another area/unit. A delegate may not further delegate approval authority that has been delegated to them.

Examples of appropriate delegations include the following:

- Employees with transactional supervisory responsibilities, such as time approval, leave approvals and travel expense approvals, may delegate those responsibilities to their supervisor or the cost center manager in their area.
- Employees with responsibility for managing budgets and approving financial transactions may delegate those approval responsibilities to another cost center manager.
- Employees with responsibility for approval of payments to students may delegate those responsibilities to the AVP Financial Aid or the Director of Financial Aid
- Employees with responsibility for system access approvals may delegate those approval responsibilities in accordance with the policies associated with that system, typically to another system administrator.
- Employees with responsibility for approval of building access may delegate those approval responsibilities only in accordance with relevant building access policies, typically to the Building Steward's Vice President.

Approvers with different types of approval responsibilities should assign each type of responsibility to the most appropriate delegate, even if that results in having multiple delegates during an absence.

For transactions related to grants, a principal investigator may only delegate approval to someone with first-hand knowledge of the research/project that the grant is funding (e.g. a lab manager or post-doc working on the same project).

Approval or official acknowledgement that is required from a University employee or officer by a federal agency or third party (e.g., submission of a compliance certification) may not be delegated, except as permitted by the party requesting certification.

If delegation of specific approval or transaction authority is restricted by another policy, the more restrictive delegation policy must be followed.

Segregation of Duties for Financial Transactions

Segregation of duties is fundamental to the University's system of internal control over financial transactions, providing "checks and balances" to assist in detecting errors, deterring fraud, and preventing the concealment of irregularities. When evaluating a potential delegate for financial transactions, it is important for the approver to understand the delegate's responsibilities in their typical role so that the duties they will temporarily assume on the approver's behalf will not conflict with the permissions/authorizations in their usual position.

To the extent that complete segregation of duties is not realistic due to the size of or expertise within a department or unit, best efforts should be made to develop and maintain other preventative or detective controls. Units should consult with the Office of Internal Audit or the Controller's Office to discuss any unusual circumstances.

Delegation of Transactions that Do Not Involve Approval

Responsibilities for transactions that do not involve approvals should also be delegated if the employee has plans to be away from the University for five or more days to ensure that University business transactions are not delayed as a result of an absence.

Delegation of responsibilities for transactions that do not include approvals may only be made to someone who has knowledge of the transactions and all relevant policies, regulations, and restrictions associated with the transactions. Typically, delegation will be made to someone who has those same responsibilities for another area:

- Employees with responsibility for completing and submitting specialized HR transactions may delegate those responsibilities to an individual who has those same responsibilities for another area.
- Employees with responsibility for completing and submitting financial transactions may delegate those responsibilities to an individual who has the same responsibilities for another area (typically to another procurement specialist).

RELATED POLICIES:

FIN-4403 Procurement Policy

FIN-4408 Contract Management Policy

FIN-4409 Delegation of Contract Approval and Signature Authority

FIN-4301 Purchasing Card Policy

FIN-2101 Policy on Provision of Financial Resources to Students

FIN-4204 Policy on Business Meals and Entertainment

FIN-16001 Policy on Reporting and Investigating Suspected Financial Fraud, Waste, and Abuse

FIN-1100 Policy on Gifts, Prizes, and Awards

GOV-1005 Policy on Monetary Support and Cash Donations

PRM-1002 Policy on Space Allocation and Facilities Resources

POLICY BACKGROUND:

This policy was reviewed by Academic Deans and President's Cabinet prior to approval on 12/11/2024.

POLICY CONTACTS:

Senior Associate Vice President and Controller

Vice-President & General Counsel

Chief Human Resources Officer