

Client Agency Policy & Operations Manual

SECTION: General Administration

NUMBER: SCS-20-050

TITLE: Signature Authority

EFFECTIVE DATE: 11-5-02

APPROVED: Signature on File with the State Controller's Division.

PURPOSE and/or RESULTS DESIRED:

Client Agency Administrators have primary authority for the control of state resources within the agency. Client Agency Administrators may delegate financial and operational authorities to subordinate employees, and board / commission members. Client Agency Administrators are responsible for ensuring those being delegated signature authority are knowledgeable about the statutes, rules and policies governing delegated authority, as well as the effect that the delegated authority has on program operations, expenditure limitation and anticipated revenues.

AUTHORITY:

- [ORS 291.015](#) Fiscal responsibilities of department; delegation of fiscal functions.
- [ORS 293.590](#) Department to supervise state agency accounting; furnishing accounting services.
- [OAR 125.150](#) DAS Risk Management Division Policy.
- [OAM 10.40.00](#) Internal Control; Expenditures.
- [OAM 10.90.00](#) Approval of Agency Head Transactions.

APPLICABILITY:

Client agencies assigned and/or contracting for accounting, budgeting and financial reporting services with the State Controller's Division, DAS.

DEFINITIONS:

Segregation of Duties - Separation of functional responsibilities to ensure the assets are safeguarded. Adequate segregation of duties will ensure that a mistake, honest or not, cannot be made without being seen by at least one other person. An example of this would be the person purchasing an item would not be the person authorizing payment.

Types of Signature Authority

- **Appointing Authority** - Authority to appoint applicants to positions in state service and approve other personnel actions.
- **Expenditure Authority** - Authority to pay for items ordered and received.
- **Out-of-State Travel Authorization** - Authority to approve planned out-of-state travel for employees, prior to their departure.
- **Travel Expense Reimbursement** - Authority to approve the request for reimbursement of travel costs for employees.
- **Purchasing and Contracting** - Authority to enter into contracts and to purchase items on behalf of the State.

- **Refunds** - Authority to issue refunds.
- **Payroll** - Authority to approve documents associated with employees pay (timesheets, pay advances, etc).
- **Suspense Account Authority** - Authority to sign checks for suspense accounts.
- **Accounting Batch Release Authority** - Authority to send ACH's and wire transfers.
- **Misc. Financial Adjustments** - Authority to make adjustment to cash accounts, funds, etc.

POLICY:

This policy sets accountability standards for Client Agency Heads, employees and board / commission members with delegated commitment and expenditure authority and defines accountability for all employees within a given risk environment. Oregon statutes give client agency heads the responsibility for approving the use of state resources for commitments, expenditures, and disbursements of the client agency.

GUIDELINES:

- I. Delegated signature authority is an important internal control mechanism designed to protect state resources.
 - A. Delegated authority should be limited to the minimum number of employees and board and commission members needed to maintain control, but not hinder daily operations.
 - B. If the Client Agency Head lawfully delegates expenditure decision authority to another, the delegating authority could still be held responsible or accountable for another's expenditure, especially when they have reason to know the expenditure is unlawful or contrary to the client agency's policy.
 - C. Client Agency administrators or designees shall establish, modify, and cancel delegated signature authorities when personnel changes occur, within five working days.
 - D. For internal control purposes, all modifications to existing delegated authorities require the completion of a new form.
 1. The new form must be filled out completely and include an original signature by the division administrator or designee.
 2. The new form always supersedes the prior form. Hand amended copies are not acceptable.

- II. Client Agency Heads appointed by or reporting to a board or commission shall work with that body, at the beginning of each biennium, to prepare and submit to the SCS Manager an updated Signature Authorization Form indicating all delegated authority including, but not limited to, the Client Agency Administrator.

- III. Delegated authority must be documented using a Signature Authorization Form, which identifies the name and signature of the employee, type of authority being delegated, name, and signature of the person delegating the authority, and the program area(s) subject to the delegated authority.
 - A. Written documentation of delegated authority must be submitted to DAS Shared Client Services.
 - B. At a minimum, the Signature Authorization Form should meet the following requirements.
 1. Include the date signed,
 2. Include authorizing signatures and initials,
 3. Include legibly printed names and titles, and
 4. Be submitted on Client Agency Letterhead.

- C. Client Agency shall submit to SCS the original Signature Authorization Form. SCS will retain the original for 6 years, in accordance with State Archives requirements.
- D. It is recommended that the Client Agency retain a copy of current signature authorizations for future reference.

- IV. Client Agency Administrators are responsible for ensuring that staff being delegated signature authority is adequately trained on the statutes, rules and policies governing the delegated authority.
 - A. Employees authorizing state expenditures are responsible for ensuring that the expenditures are an appropriate and legal use of state resources.
 - B. Employees approving state expenditures can be held personally liable for any expenditure that is later determined to be an inappropriate use of state funds, or for which there was insufficient expenditure limitation or revenue.
 - C. If the Client Agency Head lawfully delegates expenditure decision authority to another, the delegating authority could still be held responsible or accountable for another's expenditure, especially when they have reason to know the expenditure is unlawful or contrary to client agency policy.
- V. Client Agency Administrators will ensure there are adequate internal controls and that segregation of duties occurs when they delegate signature authority within the client agency. This will minimize the risk associated with malfeasance.
- VI. Only original signatures, initials if authorized, or electronic approval in automated systems are acceptable for approving transactions. Rubber stamp facsimiles of signatures are not authorized.

PROCEDURES: Signature Authority

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Client Agency	Complete signature authority form and send to SCS Manager.
2.	SCS	Maintain signature information in the Signature Authorization file.
3.	SCS	Verify signatures with those in Signature Authorization file when auditing requests for payment.
4.	Client Agency	Completes new signature authority form when changes in personnel occur and forward to SCS. Any additions, deletions or changes to existing signature authorizations will be submitted by the Client Agency to SCS. Hand amended forms are not acceptable.
5.	Board / Commission	At the beginning of every biennium, the Client Agency shall submit, with authorizing signatures, an updated Signature Authorization form indicating all delegated authority, including but not limited to the Client Agency Administrator.

**FORMS:
Sample Signature Authorization Forms (2)**

[AGENCY LETTERHEAD]
SIGNATURE AUTHORITY

DATE:

TO: Shared Client Services, Manager

FROM: Agency Administrator/Board or Commission Chair
[Printed Name, Title and Signature]

SUBJECT: Signature Authority for

(Name) has the authority to commit and disburse funds for (Agency Name) in the capacity specified below. The individual's signature is:

SIGNATURE: _____ **INITIALS:** _____

Authority extended	Type of Authorization Limits
<input type="checkbox"/> Yes <input type="checkbox"/> No	Appointing Authority (Limited to Division Administrator only)
<input type="checkbox"/> Yes <input type="checkbox"/> No	Personal Service Agreements / Contracts (check one): <input type="checkbox"/> \$5,000 or less <input type="checkbox"/> \$50,000 or less <input type="checkbox"/> \$50,000 or more
<input type="checkbox"/> Yes <input type="checkbox"/> No	Maintenance Agreements (check one): <input type="checkbox"/> \$1,000 or less <input type="checkbox"/> \$1,000 or more
<input type="checkbox"/> Yes <input type="checkbox"/> No	Purchase Orders (check one): <input type="checkbox"/> \$1,000 or less <input type="checkbox"/> \$5,000 or less <input type="checkbox"/> \$10,000 or less <input type="checkbox"/> \$50,000 or less <input type="checkbox"/> \$100,000 or less <input type="checkbox"/> \$100,000 or more
<input type="checkbox"/> Yes <input type="checkbox"/> No	Invoices (check one): <input type="checkbox"/> \$1,000 or less <input type="checkbox"/> \$5,000 or less <input type="checkbox"/> \$10,000 or less <input type="checkbox"/> \$50,000 or less <input type="checkbox"/> \$100,000 or less <input type="checkbox"/> \$100,000 or more
<input type="checkbox"/> Yes <input type="checkbox"/> No	Petty Cash: <input type="checkbox"/> \$250 or less
<input type="checkbox"/> Yes	Travel Expense Detail (check one or both):

<input type="checkbox"/> No	<input type="checkbox"/> In-State <input type="checkbox"/> Out-of-state (if travel advance approved by Client Agency Administrator)
<input type="checkbox"/> Yes <input type="checkbox"/> No	Other (please specify):

[AGENCY LETTERHEAD]

SIGNATURE AUTHORITY

DATE:

TO: Shared Client Services, Manager

FROM: Agency Administrator/Board or Commission Chair
[Printed Name, Title and Signature]

SUBJECT: Signature Authorization

The following employees are authorized to approve disbursement of funds for fiscal transactions for (*Agency Name*).

This list supersedes all previous lists sent to Shared Client Services.

AUTHORIZED AGENT

INITIALS

AUTHORITY

[Signature]

[Initials]

[Specific delegated authority and limitations including dollar amounts)

[Printed Name]

[Printed Title]

AUTHORIZED AGENT

INITIALS

AUTHORITY

[Signature]

[Initials]

[Specific delegated authority and limitations including dollar amounts)

[Printed Name]

[Printed Title]

AUTHORIZED AGENT

INITIALS

AUTHORITY

[Signature]

[Initials]

[Specific delegated authority and limitations including dollar amounts)

[Printed Name]

[Printed Title]
