



OP 01.06 Delegation of Signature Authority

Purpose

This policy is intended to standardize the signature delegation process and to provide guidance on when such delegation may be appropriate. This policy applies only to signature delegations for internal MSU documents. Signature delegation for all contracts, memoranda of understanding, or any other agreement with external entities is strictly limited to delegations signed by the President of MSU.

Policy

General Scope of Signature Authority

In accordance with the Board of the Institutions of Higher Learning ("IHL") Policies and Bylaws, the President of Mississippi State University ("MSU") shall be responsible for the administration of the divisions and departments of his/her institution and for keeping its expenditures strictly in compliance with the budgetary authorizations of the Board and within the limitations provided therein. Except as otherwise specifically prohibited by Federal and State Law, IHL Board Policies, or University Policies, the President may grant signature authority to MSU's Executive Officers, Deans, Directors, Department Heads, and other administrative officials for financial and/or administrative matters. Consistent with such policies and permissions, certain individuals have signature authority based upon their positions at MSU (e.g., Vice Presidents, Deans, and Department Heads) and are able to sign certain internal MSU documents and forms because of their position.

Delegation of Signature Authority

Those who possess such signature authority may delegate that authority to other employees for financial and/or administrative transactions internal to MSU. Such delegation should be used only as necessary to promote the efficient operation of MSU, its colleges, departments, and other budgetary units. Delegation of signature authority should not be used merely for convenience, and no delegation shall be made to an employee unless such employee possesses the competency, knowledge, skills and ability to fulfill the obligations imposed by the delegation.

In determining whether to delegate signature authority, the person with such authority should be mindful of his/her obligation to safeguard MSU resources by establishing and maintaining sound business controls that deter and detect any abuse. The delegation of signature authority does not relieve the delegator of their responsibility or accountability for the documents signed pursuant to the delegation.

To delegate, change a delegation, or cancel a delegation, a Signature Authorization eform must be completed and submitted for approval to the next highest level of administration within MSU. Once approved, the delegation of signature authority shall be effective for the time period specified by the eform or until revoked by a new Signature Authorization eform. Notwithstanding the foregoing, all delegations of signature authority shall expire on July 1 following the creation of such delegation, and a new Signature Authorization eform shall be submitted if the delegation is to continue.

Signature Authorization eforms should be revoked if either party to the delegation ceases to be employed by MSU, or changes positions such that the delegation no longer satisfies the standards set forth in this policy.

The employee to whom signature authority is delegated under this policy may not, hereafter, delegate that authority to any other person. Furthermore, the Signature Authorization eform grants that employee only the right to sign his/her own name on a document that would otherwise be signed by the person initiating the delegation. In executing a document under a Delegation of Signature, the employee signing the paper document should sign his/her name followed by a notation that provides the name of the person delegating the authority; i.e., "Jane Doe, on behalf of John Doe."

Employees with signature authority and those signing pursuant to a Signature Authorization eform are responsible for the following:

- Understanding the document that is being signed,
- Determining that the information and supporting documentation is accurate and complete,
- Determining that the transaction is allowable, reasonable, and justified and complies with all applicable federal and state regulations,
- For financial transactions:
 - Confirming that the transaction is charged to the correct account(s),
 - Confirming that there are adequate funds to cover the expense,
 - Confirming that the funding source is appropriate for the expenditure, and
- Confirming that the transaction complies with University policies, including, without limitation, those related to conflicts of interest in purchasing.
- Confirming that the transaction is in the best interest of MSU.

The person delegating signature authority is responsible for ensuring that delegations are being properly carried out and that no abuse of the delegation has occurred.

Internal Controls to Be Considered Before Delegating Signature Authority

In determining whether and to whom to delegate signature authority, employees should consider, among other factors, the following:

- All transactions should be authorized according to sound management practices.

- Subordinates, in fact or by appearance, cannot approve transactions related to the activities of their superiors, for example: travel, leave, reimbursement request(s), etc.
- Segregation of duties is critical because it ensures separation of different functions and defines authority and responsibility over transactions. An individual should not be in a position to initiate, approve, and review the same action.
- The accounting/reconciliation function, and the asset custody function (such as money, inventory) should be separate among employees. These are called incompatible duties when performed by the same individual.
- There must be a separation of duties between the approval of expenditures and the reconciliation of departmental financial accounts.
- Responsible administrators must consider the principle of segregation of duties when designing and defining job duties. They must implement processes and control procedures that, to the extent feasible, segregate duties among employees and that include effective oversight of activities and transactions.
- Departments with very few staff that are unable to segregate duties require the department head to attest to the implementation of alternate internal controls.

Any exceptions must be reviewed and approved in advance by the appropriate Vice President in consultation with the Office of Compliance and Integrity and/or the Office of General Counsel.

Review

This policy will be reviewed every four years or as needed by the Chief Human Resources Officer and the Vice President for Budget & Planning.

This policy has been superseded

REVIEWED BY:

/s/ Judy Spencer
Chief Human Resources Officer

03/11/2016
Date

/s/ Don Zant
Vice President for Budget and Planning

03/14/2016
Date

/s/ Timothy N. Chamblee
Assistant Vice President and Director
Institutional Research and Effectiveness

03/15/2016
Date

/s/ Joan Lucas
General Counsel

03/21/2016
Date

APPROVED BY:

/s/ Mark Keenum
President

03/28/2016
Date

This policy has been superseded