

[Who Should Be the Approver?]

Best business practices at our institution call for at least two employees to be involved in every transaction. Generally, one employee initiates the transaction, and a second employee approves it. This increases the likelihood that errors will be identified and corrected in a timely basis and discourages intentional abuse or misuse of resources. So who should have the approver role in your department?

Who Should Be the Approver?

When we assign an employee the responsibility to approve a transaction, we are also assigning the authority to question and, possibly, deny a transaction. Therefore, the approver should not report to the person(s) who would initiate the transaction. He or she must be able to question and deny a transaction without fear of reprisal. The employee should have knowledge of the university policies and procedures pertaining to the type of transaction, budget constraints on purchases, and any applicable grant requirements. Finally, the employee must be available to approve transactions in a timely fashion. A backup approver should be assigned or provided in situations when the primary approver is not available.

What Does "Approval" Really Mean?

An approver's signature, initials, or online approval means that the approver:

- ▶ Has read the document.
- ▶ Is satisfied that the documentation is complete and ChartFields are correct.
- ▶ Has had any questions pertaining to the transaction answered to his or her satisfaction.
- ▶ Understands what he or she is approving.
- ▶ Is in agreement with the transaction and is satisfied that it will help meet the unit's goals and objectives.
- ▶ Is accountable for the transaction and willing to defend it. (The buck stops here.)

If the approver is not comfortable approving the transaction after getting all pertinent information, he or she should deny it or bring it to the attention of his or her supervisor.

How Much Approval Authority Is Appropriate?

Obviously, the risk for errors or irregularities varies with the type of transactions and the value of transactions. The authority for approving transactions should also vary.

Consider these examples: You would not want to assign a clerk the authority to approve (or deny) grant expenditures initiated by a PI. It would be appropriate, however, for a clerk to initiate the requisition at the PI's request. Certain employees may be given the authority to approve transactions under a certain dollar value or for a particular type of transaction. The senior secretary may be able to approve hiring of OPS workers where the commitment of funds is temporary, but the chairperson may need to hire all full-time personnel since this will require a recurring expense over several years. You may allow the senior clerk to approve purchases of office supplies up to \$500 but require the administrative assistant to approve expendable supplies up to \$2,000. The chair may want to approve expenses greater than \$2,000. Or, while it may be appropriate for the secretary in your department to approve time worked for various OPS personnel reporting to him or her, it would not be appropriate for the secretary to approve time or leave for an administrative assistant who is her supervisor.

Ultimately, these are just examples of the types of relationships you will want to consider when determining "approver" roles in your area. Any limits established (per our examples) also should be determined by your department and evaluated periodically.

Delegation of approval authority for various types of transactions will be documented through the assignment of roles in PeopleSoft. Any additional restrictions on approval authority should be



documented, retained in your files, and a copy provided to the employee. Employees should understand the extent of their authority and what they are expected to approve and to deny. If you have additional questions concerning who should be assigned approval roles, please contact Anne Burt at anneb@ufl.edu.