FISCAL POLICY & GUIDANCE MEMORANDUM

TO: Vice Chancellors, Deans, Directors and Business Managers
FROM: Patricia Overko, Associate Controller
DATE: September 23, 2008
SUBJECT: Internal Control Activity: New Signature Authorization Policy, Process and Form

Each year Administration & Finance conducts a review of the current internal control environment at the University of Massachusetts Boston. Internal Controls are the policies and procedures which are used to ensure that UMass Boston accomplishes its objectives and meets its responsibilities. They provide reasonable assurance for the University in the following areas:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with University Trustee Policy and President’s Office Guidelines
- Compliance with state and federal laws and regulations, and
- Safeguarding of University assets and resources.

The review results in an updated Internal Control Policy document as required of all state agencies. One important internal control is the annual signature authorization process. The purpose of the signature authorization process is to ensure that all financial transactions are authorized and executed by the individual designated, in accordance with legislative, trustee and campus delegations of authority.

Annual Signature Authorization Process Highlights are as follows:

- Frequency--Signature Authorizations are renewed annually.

- Scope--The annual signature authorization process will apply to the following:
  - funds allocated to departments through the campus budgetary process
  - internal grant funds (e.g. Joseph Healey, Public Service, etc.)
  - financial aid funds awarded to the campus
  - gift funds

  *It does not include external grants; they are subject to the Office of Research & Sponsored Programs authorization process.*

- Range of Authority—Vice Chancellors, Deans, Directors and Department Heads are considered the ‘primary signatory authority’ for financial transactions against university funds assigned to their department, unless otherwise determined by the Chancellor or a Vice Chancellor. Additional authorized signatories may be designated using the enclosed “Signature Authorization Form”.

- Method of Authorization—All signatures must be original signatures; signature stamps are not allowed.
• Department Designations—The official department designations are maintained in the ‘department table’ of the university’s financial system, along with the name of the primary Authorized Signer (aka Department Manager).

Instructions for Completing the Signature Authorization Form

Due Date: Signature Authorization Forms for FY 2009 are due in the Controller’s Office on October 15, 2008.

Distribution and Submission Process: The forms will be distributed to members of the Finance & Administration Advisory group for distribution to departments within their representative area. Completed forms should include signatures of the supervisory Vice Chancellor or Dean, before being forwarded to the Controller’s Office.

Pre-Printed Information: The Signature Authorization Form was produced from information recorded in the university’s financial accounting system as of September 1, 2008. The pre-filled information appears in shaded areas, and includes the following:

• Department ID: The unique 10-character code that represents an entity of the campus for budgeting and accounting purposes.
• Department Description: The description associated with a department ID.
• Department Manager: The university official responsible for financial activities in the department. This person is assumed to be the primary authorized signer of all financial transactions for the department, and the only individual who can delegate signatory authority for the listed funds.
• Fund Code/Fund Description: The university funds allocated to the department, and for which the Department Manager is responsible.
• Proj/Grant #/Proj/Grant Description: If a department has any university funds that are managed as a project, they will be pre-printed and shaded.

Note: If the Department Head/Manager for FY 2009 has changed since September 1st, please strike through the Department Manager listed on the form, and print the name of the new Department Head/Manager above it.

Information to be Completed by Departments: If additional persons are to be authorized to sign financial transactions on behalf of a department, the following information should be entered on the form:

• Name of Additional Authorized Signer: Please print the individual’s name.
• Signature of Additional Authorized Signer: The individual must sign.
• TA (Transactions Authorized): For additional signers, the department must specify what transactions the individual is authorized to sign. (Refer to the Legend on the form.)
• Department Manager Signature & Date: The form must be signed and dated by the Department Manager, as identified in the upper right corner of the form.
• Dean or Provost/Vice Chancellor Signature & Date: The form must be signed and dated by the following:
  o For academic departments that report to a Dean, the Dean should sign here.
  o For academic departments that report to the Provost, the Provost must sign here.
  o For other units/departments, the applicable Vice Chancellor must sign here.

This process replaces all other signature authorizations except for external grants that are subject to a similar process for each grant by the Office of Research and Sponsored Programs. Thank you for paying attention to this important authorization process. You have about two weeks to return the form to the Controller’s Office. If you have questions about completing the form, please Nancy Mendonca at 7-5134.