# TEMPLE UNIVERSITY

## POLICIES AND PROCEDURES MANUAL

**Title:** Administrative Policy and Procedures on Approval Authorization for Personnel Actions and Internal Financial Transactions Related to Externally Sponsored Agreements
**Policy Number:** 05.20.15
**Effective Date:** July 1, 2002, amended June 26, 2008
**Issuing Authority:** Office of the Senior Vice President for Research and Strategic Initiatives

**Scope of Policy**

This policy sets out the approval authorizations required for processing internal financial transactions and personnel actions related to externally sponsored agreements. (For the approval authorizations required for processing internal financial transactions and personnel actions generally within the University, see Administrative Policy #05.20.14, Administrative Policy and Procedures on Approval Authorization for Personnel Actions and Internal Financial Transactions).

This policy does not address approval of or signatures necessary to enter into a contract with an outside entity. (See Board of Trustees Policy #04.50.01, Contract Signing – Authorized Signatures)

**Definitions**

1. An externally sponsored agreement is an agreement for which a Principal Investigator or Project Director is responsible. It is funded by an entity outside of the University, centered around an organized activity or project and intended to produce a specific research, instruction or public service outcome.

2. Each externally sponsored agreement will have its own grant center, starting with one of the following numbers:

   24
   26
   27
   29
   3X (e.g. 30, 31, etc.)
   4X (e.g. 40, 42, etc.)
   55 (clinical trials)

   Externally sponsored agreements do not include 1X centers, contributions accounted for in 21, 51, 6X, 7X, and 8X centers and endowment income accounted for in 23 and 53 centers.

3. An internal financial transaction may be any one of the following:
   Purchase Requisition
   Check Request
   Facilities Management Work Order
   Travel and Entertainment Expense Approval
   Petty Cash Reimbursement
   Approval of Payroll Hours
   Approval of Tuition Remission

4. A personnel action may be any one of the following:
   - Employee Requisition
   - Hiring Decision
   - Request for Position Reevaluation
   - Request for Salary Change
   - Request for Special Compensation Payments
   - Approval of (Non-Study) Leave Request

5. If an employee is "fully authorized" for purposes of this policy, he or she is defined as having the authority to approve the type of financial transaction or personnel action in question, the authority to approve the amount in question (where applicable) and authority over the relevant cost center.

6. A Principal Investigator/Project Director (PI/PD) is the person responsible for all programmatic, scientific and financial aspects of an externally sponsored agreement.

7. A Cognizant Post-Award Office (CPO) is the central administration unit responsible for ensuring compliance with all financial aspects of externally sponsored agreements. The CPOs are: the Office of Cost Analysis and Compliance, the Office of Grant and Contract Accounting and the Office of Clinical Trials for clinical trials only.

**Policy**

1. All internal financial transactions and all personnel actions related to externally sponsored agreements must be approved by a fully authorized University employee(s).

2. When any internal financial transaction or personnel action involves University funds in addition to funds from externally sponsored agreements, compliance with Administrative Policy #05.20.14, Administrative Policy and Procedures on Approval Authorization for Personnel Actions and Internal Financial Transactions, is also required.

3. For any employee fully authorized to approve a financial transaction(s) or a personnel action(s) related to an externally sponsored agreement, a document must be on file in the Controller's Office containing a specimen of his/her signature, a list of financial transactions and/or personnel actions he or she is authorized to approve, the maximum approval amount for each type of transaction or personnel action (where applicable), and the cost centers over which he or she has approval authority.

   The only exceptions will be PIs/PDs, for whom signature specimens will be the only item required.

4. An employee shall be designated as Level 1, Level 2, Level 3, or Level 4, which automatically associates approval authority and/or a limit for each internal financial transaction and each type of personnel action. The President shall always be Level 1.

The following are further Level designations:

Level 1: Provost, Senior Vice President for Research and Strategic Initiatives, and positions in the CPOs approved by the Senior Vice President for Research and Strategic Initiatives.[1]

Level 2: Department Chairs, Principal Investigators and/or Business Managers, as approved by their Dean (authority vested for personnel actions only).

Level 3: Principal Investigators/Principal Directors, Business Managers and others approved by Level 1, for cost centers over which they have budget authority.

Level 4: Individuals approved by Level 1 or Level 3.

5. The following limits or authorization approvals are established for Level 1, Level 2, Level 3 and Level 4 employees for each type of internal financial transaction and each type of personnel action:

***EMPLOYEE LEVELS-FINANCIAL TRANSACTIONS***

| | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Purchase Requisitions: | | | | |
| Capital Expenditures | 50,000 | N/A | 5,000 | N/A |
| Architects and Engineers | 10,000 | N/A | 5,000 | 1,000 |
| All Other Requests | maximum* | N/A | 5,000 | 1,000 |
| Check Request | maximum | N/A | 5,000 | 1,000 |
| Facilities Management Work Order | maximum | N/A | 5,000 | 1,000 |
| Travel and Entertainment | maximum | N/A | 5,000 | 1,000 |
| Petty Cash Reimbursement | yes | N/A | yes | yes |
| Approving Hours for Payroll | no | N/A | yes | no |
| Tuition Remission | yes | N/A | no | no |

* "Maximum is defined as the full amount of funds available in the cost center to be charged."

[1] The referenced positions provide mandatory secondary approvals for: 1) financial transactions in excess of $5,000 and tuition remission; 2) any approvals by the Provost or Senior Vice President for Research and Strategic Initiatives; and 3) all employee requisitions, requests for salary changes, requests for position reevaluations and requests for special compensation payments. These positions are not authorized to approve themselves.

***EMPLOYEE LEVELS-PERSONNEL ACTIONS***[2]

| | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| Employee Requisitions | yes | no | yes | no |
| Hiring Decision | no | yes | yes | no |
| Requests for Position Reevaluations | yes | yes | yes | no |
| Request for Salary Changes | yes | yes | yes | no |
| Request for Special Comp. Payments | yes | yes | yes | no |
| Approval of Non-Study (Leave) Req. | no | yes | yes | no |

A. Requisitions for full-time positions must have a position control number, which can serve as Level 1 approval. Temporary and part-time positions will still require Level 1 signatures. All purchase requisitions are subject to the Purchasing Department's Policies and Procedures.

B. Capital Projects in excess of $50,000 and architects/engineers' fees in excess of $10,000 require additional approvals. Capital projects between $50,000 and $300,000 require the approval of the President. Architects/engineers' fees between $10,000 and $50,000 require the approval of the President. Capital projects over $300,000 and architects/engineers fees over $50,000 and any real estate transactions involving acquisition, disposition or lease of University property require Board Approval. These approvals are obtained by filling out a CER form, obtained in Facilities Management. (See Board of Trustees Policy #04.32.01, Approval of Capital Expenditures)

C. Some expenditures will also require additional approval depending on the service or item to which the expenditure relates, e.g., all computer related expenditures in excess of $1,000 must be authorized by the Office of Computer Business Services. For a complete list of these requirements, see Purchasing Department Policies and Procedures.

6. Expenditure Authorization forms will not be required for new externally sponsored agreements associated with existing PIs/PDs whose Expenditure Authorization forms are already on file. The Controller's Office will update the Signature Authorization System to indicate that a particular PI/PD has been assigned to an externally sponsored agreement.

7. At least annually, each cognizant Budget Line Head must review and approve a list, to be provided by the Controller's Office, of all individuals designated as Level 2, Level 3, and Level 4 employees under his/her supervision.

8. A unit may wish to further restrict authority in one or more of the categories listed in #4 above as part of an internal procedure, i.e. limiting a Level 3 employee to $1,000 check request approvals rather than $5,000. This policy does not restrict this practice, but the central administrative offices will only enforce the official limits established herein.

[2] For each personnel action listed above, all employee levels listed as a "yes" on the chart must approve the action.

9. A Level 2, Level 3, or Level 4 employee may not delegate his/her authority to approve internal financial transactions or personnel actions to another employee in his/her absence. During such absences, the above employees must arrange for an employee at an equivalent or the next higher level to provide the necessary approvals.

10. Each person approving an internal financial transaction or personnel action must affix his/her own signature to the appropriate document. Signing someone else's signature is strictly prohibited.

11. No individual at the University may authorize his/her own Travel expenses. (See the University's Travel Reimbursement Policy and Procedures)

12. Petty cash replenishments may only be approved by the petty cash custodian for that account. The maximum petty cash reimbursement will be established by the Bursar. (See the University's Petty Cash Policy)

**Procedures**

1. The Temple University Expenditure Authorization for Externally Sponsored Agreements form, available at www.temple.edu/controller/forms, must be used when authorizing an employee to approve financial transaction(s) or a personnel action(s) related to an externally sponsored agreement. This form can be used for these purposes:

    - New authorization
    - Change authority
        - Amount
        - Centers
    - Remove authority

    A specimen signature must accompany the form whenever it is used, except to remove an individual's authority. The completed Expenditure Authorization form should be delivered to the University Controller's Office for distribution. No facsimile signatures will be accepted as approval for payment.

2. The University Controller's Office will be responsible for maintaining the scanned images available on-line.

3. The University Controller's Office will be responsible for creating and operating a computerized system which will provide each appropriate office with on-line access to the limits and account numbers for each fully authorized employee, and for entering all data into the system.

**Notes**

**1. Dates of official enactment and amendments:**

Approved by the Vice President for Research on June 25, 2002, and effective July 1, 2002.

Amended on June 26, 2008.

**2. History:**

This Policy replaces section VIII. F, Signature Authorization, of "Guidelines for the Conduct of Research and Other Sponsored Activities", Third Edition, published by the OVPR.

The June 26, 2008, amendment increased the dollar thresholds for Level 3 and Level 4 employees.

**3. Cross References**

Administrative Policy #05.20.14, Administrative Policy and Procedures on Approval Authorization for Personnel Actions and Internal Financial Transactions
Board of Trustees Policy #04.32.01, Approval of Capital Expenditures
Policies and Procedures of the Senior Vice President for Research and Strategic Iniatives
Policies and Procedures of the Office of Grant and Contract Accounting
Purchasing Department Policies and Procedures
University Travel Reimbursement Policy and Procedures
University Petty Cash Policy
Sponsoring agency regulations, terms and conditions