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Supersedes: Procedure 1.9 dated July 1, 2011
Applies To: Colleges and the System Office
Reference: Business Procedures 1.10, 1.11, 4.2, 4.3, 4.16, and 5.1
Procedure Responsibility: System Director of Business Services

Financial Delegation of Authority

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Section 1.9.1 - General

The Kentucky Community and Technical College System (KCTCS) President is authorized by the KCTCS Board of Regents to enter into agreements and authorize payments on behalf of KCTCS. The President of KCTCS delegates this financial authority to certain administrative officers of KCTCS. This delegation is outlined in this procedure and the KCTCS business procedures of 1.10 and 1.11. Please see http://www.kctcs.edu/businessservices/BusProcedures.htm KCTCS can be committed in these respects only in a manner consistent with this delegation.

In making these delegations, minimum levels of responsibility for approval of transaction documents and contracts are as indicated in the applicable procedures. All general and specific delegations of authority under this policy must be consistent with these final levels of responsibility. Even though signatory or approval authority may be delegated below the final levels of responsibility indicated in business procedures (BP) 1.10 and 1.11, the assigned officer remains fully responsible for all transactions executed under the delegated authority.

Section 1.9.2 - Delegations Authorized by Procedures 1.10 and 1.11

A college president/chief executive officer (CEO) has absolute delegation authority

within a college. Delegations may be granted to individuals allowing the delegated employee to delegate to a lower level (See BP 1.10.2).

The following delegations have been made by BP 1.11 - Approval Authority for Contracts and Agreements.

A. The KCTCS President has been delegated specific authority which cannot be delegated to a lower level for approving contracts for certain services and/or activities as noted in BP 1.11.2. These are as follows:

- Bond Indentures,
- Endowments, and
- Contracts between KCTCS, as a system, and other universities or state or local government agencies.

B. The KCTCS President has delegated definitive authority for approving specific contracts to the KCTCS Vice President – Finance as stated in BP 1.11, sections 1.11.3 and 1.11.4. This delegation cannot be delegated by the Vice President – Finance to a lower level. These are as follows:

- Banking,
- Insurance,
- Real Estate Purchases or Leases,
- Easements,
- Architectural and Engineering Services,
- Capital Construction,
- Hazardous Waste Disposal, and
- Personal Service Contracts, regardless of amount. (See BP 4.16 for details.)

C. The KCTCS President has delegated definitive authority for approving specific transaction documents to selected administrative officers of KCTCS as indicated in BP 1.10, sections 1.10.7 and 1.10.8. These officers may delegate approval authority by submitting a Delegation of Authority Form (BC1 – Signature Authority) to the KCTCS System Director of Business Services' Office. For audit and recording keeping the KCTCS System Director of Business Services' Office shall be the repository office.

Further, the KCTCS President has the authority to delegate the approval of withholding and tax remittances such as garnishments, liens, payroll benefits other withholding payments, and procurement card service provider payments, as may be necessary (regardless of the dollar amount) to ensure compliance, continuity of business and expediency in provision. In such instances, the

KCTCS President's delegation may then be delegated to the lowest reasonable level of assurance for internal controls for the payments to be processed timely and without interruption. Example, the KCTCS President may delegate the signature/approval authority for such payments to the KCTCS Vice President of Finance who may delegate the signature/approval authority to the KCTCS System Director of Business Services who may delegate the signature/approval authority to the KCTCS Director of Payroll.

D. The KCTCS Vice President – Finance or delegated agent will be responsible for final review and approval of all payments as to the appropriateness of documentation and adherence to appropriate policies, procedures, and regulations (See BP 1.11, section 1.11.8.)

Section 1.9.3 – Delegation of Timesheet Approval

Timesheet approval is the responsibly of the employee's immediate supervisor. If an employee's supervisor is unable to approve timesheets, then the next higher-level supervisor of the employee must approve the employee's timesheet. A formal delegation of authority form is not required for verification of the timesheet. Also see BP 5.1, Timesheets.

Section 1.9.3 – Delegation of Travel Voucher Approval

A travel voucher must have: 1) the approval of the employee's supervisor, and 2), the person responsible for the budget to which the travel expense is being charged, if that person is different than the supervisor. *Note:* The designated travel auditor within the business unit who can verify the accuracy of the charge to the particular budget may serve as the budget approver. To document the budget approver locally, a Signature Authority Form (BC1) shall be on file at the college for college personnel and System Office for System Office personnel. To document the travel auditor approving in lieu of the person responsible for the budget to where the expense will be charged, a Signature Authority Form (BC1) shall be filed with the System Director of Business Services with the type of authority clearly marked in Part I of the form. The System Director of Business Services shall forward a copy of this delegation to the KCTCS Travel Auditor for purposes of auditing travel vouchers for proper signature authority approval.

A. If an employee's supervisor is unable to approve timesheets or travel vouchers, then the next higher-level supervisor of the employee must approve the employee's timesheet or travel voucher. A formal delegation of authority form is not required for verification of the travel, but is required for the responsible

person who has been delegated the budget to which the travel will be charged. It is the responsibility of the operating unit to which the traveler is an employee to ensure compliance to this procedure.

B. The KCTCS System Director of Business Services is delegated to approve travel vouchers of College CEOs. The KCTCS Director of Business Services further delegates authority to the college chief business officer to sign the supervisor portion of the request for travel and then the travel voucher forms for the College CEO before they are forwarded through the college travel auditor to the System Office for final approval and payment.

C. The KCTCS Vice President – Finance is delegated to approve travel vouchers for members of the KCTCS cabinet.

D. Out-of-State travel approval may be delegated on Form BC 1 – Signature Authority.

E. Out-of-Country travel is delegated to the KCTCS Chancellor per BP 8.4.2, Out-of-Country Travel, Pre-Travel Authorization.

Section 1.9.4 – Delegation of Procurement Card Statement Approval

The approval of the Procurement cardholder's statement is the responsibility of the employee's immediate supervisor and cannot be delegated except as stated below. Also see Procedure 4.2, Procurement Card.

A. If an employee's supervisor is unable to approve an employee's procurement card statement, then the next higher-level supervisor of the employee must approve the statement. A formal delegation of authority form is not required for verification of the items purchased, but is required by the responsible person who has been delegated the budget to which the charges are posted. It is the responsibility of the operating unit to which the procurement card user is an employee to ensure compliance to this procedure.

B. The KCTCS Vice President – Finance is delegated to approve ProCard statements vouchers for members of the KCTCS cabinet.

Section 1.9.5 – Delegated Authority for PeopleSoft Workflow Approvals

KCTCS currently uses PeopleSoft workflow approval process. For purposes of internal control and audit documentation, a formal Delegation of Authority (BC1) form must be submitted to the Office of the KCTCS System Director of Business Services with the approval level clearly marked in Part IV of the form.

For requisition approvals see BP 4.3.3 Requisitioning. Delegated approval must meet the requirements and approval levels as stated in BP 1.10, sections 1.10.7 and 1.10.8.

Section 1.9.6 - Permanent Delegation of Authority

A permanent delegation of authority for signatory and approval authority may be delegated to persons under the direct supervision of the responsible person. Examples of such delegations are to allow an individual to exceed the approval levels as stated in BP 1.10 or to have another individual, not listed in the procedure authorize expenditures. In such instances, a formal Delegation of Authority (BC1) form must be submitted to the KCTCS System Director of Business Services Office with the type of authority clearly marked “permanent” in Part I of the form.

Section 1.9.7- Temporary Delegation of Authority

Business travel and meeting requirements will, at times, dictate that an officer with approval authority is unavailable to approve transaction documents. The officer may delegate on a temporary basis the authority to approve financial transactions and documents. Even though signatory or approval authority is delegated below the minimum levels of responsibility, the assigned officer remains fully responsible for all transactions executed under the delegated temporary authority. The delegation form must provide the dates of the temporary delegation and the type of transactions or documents included.

Section 1.9.8 – Cancelled Delegation Authority

The delegating authority must notify the KCTCS System Director of Business Services’ Office in writing that a delegation has been cancelled (E-mail notification will suffice). It is the responsibility of the person granting the original delegation to ensure that delegations are active and current. To ensure delegations are current, units are strongly encouraged to regularly review personnel changes and make updates to the delegation of authority on a regular basis (not less than annually).

Section 1.9.9 – Authenticity of Signatures

A. Each member of the KCTCS cabinet must submit a Delegation of Authority Form (BC1 – SIGNATURE AUTHORITY) in order to provide signature authenticity.

B. Each college CEO must submit a Delegation of Authority Form (BC1) in order to provide signature authenticity.

C. Delegation of authority (Signature Authority) forms (BC1) for college CEO's and the KCTCS cabinet are to be submitted to the KCTCS Office of Business Services.

D. Delegation of authority (Signature Authority) forms (BC1) for approvers, below the cabinet level (College or System Office), are to be retained at the business office/KCTCS Office of Business Services as applicable.

Section 1.9.10 - Interim College President/CEO

A. An interim college president/CEO must submit a Delegation of Authority (Signature Authority) Form (BC1) in order to provide signature authenticity.

B. Delegations of authority approved by the previous college president/CEO may remain effective during an interim president's/CEO's term, unless the interim president/CEO changes the delegation authority.

Section 1.9.11 - Delegation of Authority Form - Instructions

A. Signature Authority Form (BC1), must be completed and signed by both the delegating authority and the individual that the authority is being delegated.

B. After the delegation form is completed, the original should be forwarded to the college business office, and as necessary to the KCTCS System Director of Business Services' office, with the submitter retaining a copy.

C. The delegation form (BC1 – Signature Authority) should be completed as follows:

1. Print names of delegation grantor and grantee.
2. Complete Part I – Type of Delegation.
   a. Signature Authenticity (See Section 1.9.7 and 1.9.8).
   b. Permanent Delegation.
   c. Temporary Delegation (specific time period).
   d. Delegation for all financial forms.
3. Complete Part II – Specific Forms.
   List forms allowed if all forms in Part I was not selected.
4. Complete Part III – Accounting Information.
   List accounting chartfield information that the employee is delegated to approve.

5. Complete Part IV – PeopleSoft Workflow Approval Delegation.
   All approvers must be established as a PeopleSoft user with a valid sign-on.

   List the business unit and approval level that is being delegated to the user by specific module.

6. Signatures – Two signatures required. Signature of Delegating Authority and the signature of the Employee receiving Delegated Authority and date.

END OF PROCEDURE