



## TEXAS TECH UNIVERSITY™

### Operating Policy and Procedure

#### **OP 10.18: Proxy Authorization**

**DATE:** February 27, 2020

**PURPOSE:** The purpose of this Operating Policy/Procedure (OP) is to set university policy for establishing proper authorization and controls for efficiency operation during the absence of an administrator.

**REVIEW:** This OP will be reviewed in January of even-numbered years by the Chief of Staff for the President with substantive revisions forwarded to the President.

#### **1. Introduction**

The university maintains internal controls that strive to accomplish the following objectives:

- a. Adequate authorization and record-keeping procedures to achieve accuracy and reliability of accounting data or other management information;
- b. Promotion of operational efficiency and effectiveness;
- c. Reasonable compliance with all applicable policies, laws, regulations, and rules;
- d. Proper segregation of duties in order to avoid one person controlling all phases of a transaction; and
- e. An effective process of continuous assessment and adjustment for any changes in conditions that affect the internal controls.

#### **2. Definitions**

- a. Departmental Approver

A departmental approver is anyone who has legitimate authority to take action or make a decision. It is the responsibility of the delegator to maintain proper internal control and management for his/her area of responsibility. The delegator is responsible for assigning proxy approval to an appropriate subordinate employee. The departmental approver is ultimately held responsible for all transactions for the account.

- b. Proxy

The proxy is the person assigned to act on behalf of the departmental approver in his or her absence. The proxy is responsible for ensuring that transactions meet all required standards and is accountable for all transactions he or she approves. Any person assigned as a proxy

will ensure all login and password information is kept confidential and not shared with any other person.

The proxy will not approve any transactions for himself or herself or that directly benefits him/her, or in any way creates a conflict of interest with the responsibilities to the department. Such transactions must be approved by the delegator.

### **3. Delegation of Authority**

- a. Proxy authorization should be limited in scope, number, and time frame to those who are necessary to achieve efficiency while maintaining accountability.
- b. Designating a proxy is appropriate where the delegation will enhance the effectiveness and efficiency of the operation without risking the integrity of the internal control necessary for accountability.
- c. It is recommended that no delegation should be made of all or substantially all the powers held by any person making the delegation or where checks and balances would be minimized.
- d. Delegation of authority should be commensurate with the employee's role within the department. No delegation should be made to any employee whose level of responsibility within the department is lower than the level of employee who reasonably could be expected to understand and act with respect to the power being delegated.
- e. The delegation of authority shall become effective on the date the delegation is assigned and it shall continue until revoked or modified. If the proxy leaves the department, delegation should be reassigned immediately to an appropriate employee, or if the proxy assumes different responsibilities or duties, the assignment of proxy should be reviewed for continued appropriateness.
- f. Each department or college is responsible for maintaining a current list of proxy assignments at all times. Department managers will utilize available ad hoc reports as frequently as needed, but at least quarterly, to monitor lists of proxy approvers for appropriateness.
- g. A proxy should not act on behalf of an approver when recommending or approving terminations of employment, except for routine terminations ending the normal limited employment periods for student employees and temporary workers.

### **4. Right to Change Policy**

Texas Tech University reserves the right to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time without the consent of employees.