

## Best Practices for effective separation of duties in Procurement

The following roles in procuring a good or service should be handled by different individuals whenever possible.

- End User
- Requested by
- Requestor
- Approver
- Receiver
- Verifier of accounting transaction in General Ledger

Maintain clear separation of the following roles when possible.



At minimum, as departments are of varying sizes, the requestor, approver and receiver must be different individuals.

## Financial Transaction Control Standards

All the of the individuals involved in a financial process, through the performance of their individual control duties, are expected to ensure each transaction complies with all the following control standards applicable to the process.

- **Appropriate.** Directly related to achieving the mission of the University.
- **Valid.** Allowed by policy, law, contractual agreement, and/or professional standard.
- **Reasonable.** Fair amount is recorded as being paid, received, or adjusted for.
- **Funded.** Sufficient funding exists to cover expenses or the results of an expenditure adjustment.
- **Accurately recorded.** Amount is consistent with value received, provided, or adjusted for; and is free from accounting coding or arithmetic errors.
- **Supportable.** Amount and good or service received or provided, or justification for adjustment is consistent with supporting documentation, standard, situation, or practice.
- **Timely recorded.** Transaction date is accurate.

### Signature Authority for Contracts

- The President has further delegated contracting authority to the Director of Purchasing for purchase orders or purchase contracts. Purchasing commitments made by employee who do not have contracting authority are void-able.
- All contracts and license agreements between a vendor and the University must be handled by the Purchasing department. Any contract, whether it is for goods or services, can only be signed and approved by the Director of Purchasing. Even if you are an authorized approver of a department, you are not authorized to sign a contract or license agreement. Signing a contract makes you personally liable and past practice does not create valid signatory authority.