Departmental Authorization Function

Effective Date: July 9, 2012

Policy Statement
It is the policy of Columbia University to adopt and adhere to standards designed to ensure the proper delegation of authority to University officers to approve transactions in the University’s systems. DAF Administrators are responsible for the administrative and financial leadership of their academic or administrative unit and are authorized to delegate authority to within their unit based on the employee's scope of responsibilities.

Reason for the Policy
DAF authority is a critical component of the University's internal control system. This policy guides the delegation of authority to University employees to approve key transactions on the University's behalf.

Responsible University Office
Office of the Controller

Who is Governed by This Policy
This policy applies to DAF Administrators and all University employees delegated authority to approve transactions in the University’s financial systems.

Who Should Know This Policy
- All persons governed by this Policy (see above)
- Deans, Department Chairs, Directors of Institutes, Centers, and other University units
- Senior Business Officers, Departmental Administrators and other departmental staff
- Office of the Controller and Procurement Services staff

Exclusions & Special Situations
None

POLICY STATEMENT

DEPARTMENTAL AUTHORIZATION FUNCTION (“DAF”) AUTHORITY
DAF authority is a critical component of the University's control system. It assigns levels of authority to University employees to approve key transactions on the University's behalf. DAF authority is assigned for many transactions, including approval of purchase requisitions, invoice payments, payroll transactions, journal entries, and Purchasing Card ("P-Card") transactions. For certain transactions, DAF authority is based on dollar thresholds that limit how much an individual is authorized to approve.
Who Can Have DAF Authority?
Any University officer\(^1\) may be delegated DAF authority by a "DAF Administrator" (see below). DAF authority is assigned by department and is limited to the department(s) for which DAF has been authorized.

Individuals may be assigned one or more types of DAF authority but not others. For example, an individual may not have DAF authority to approve purchase requisitions and invoice payments, but may have DAF authority to approve journal entries.

In addition, an individual may be assigned different DAF authority for different departments. For example, an individual may have DAF authority to approve journal entries and purchase requisitions in one department but only to approve journal entries in another.

Senior Officers with Unlimited DAF Authority
All DAF authority except "unlimited DAF authority" is subject to limitations on the type or size of transactions that may be authorized. However, certain officers at the Executive Vice President ("EVP") level and above will have unlimited authority to approve any level of purchase requisitions and payments or to approve any other transaction subject to this policy. These individuals are designated as having "unlimited DAF authority." In certain cases, other individuals may be granted unlimited DAF authority as discussed in "Dollar Limits on DAF" below.

Dollar Limits on DAF
University employees are assigned dollar limits on approval authority for purchase requisitions and payments (whether by voucher or by P-Card). It is not permitted for a DAF to split the purchase of merchandise in order to circumvent these transaction limits.

Dollar Limits for Purchase Requisitions and Voucher Payments
The dollar limits for purchase requisitions and voucher payments (excluding Travel and Business Expense Reports and P-cards) are:

- Up to $500,000
- Up to $100,000
- Up to $30,000
- Up to $15,000
- Up to $2,500

\(^1\) In certain circumstances, non-officers may be granted "P-Card Reconciler or Reviewer" authority. This is not considered an exception to the policy provided that such authority is commensurate with the individual's job responsibilities and provided that no other DAF authority is granted, including "P-Card Approver" authority. In addition, there may be instances where non-University employees are granted P-Card Reconciler or Reviewer authority in accordance with the P-Card Policy. For further information, please refer to the P-Card Policy located in the Administrative Policy Library.
• Up to $500

However, there may be recurring operational needs to approve transactions greater than $500,000 for which it is not necessary to obtain the approval of an individual with "unlimited DAF authority". Examples of these special circumstances include recurring payments to utility companies and benefits providers, and construction payments where projects have already been approved through established policies. With the approval of the EVP for Finance, the Controller's Office may delegate DAF authority higher than $500,000 (including unlimited) to appropriate individuals to authorize such transactions. This authority is reviewed on at least an annual basis.

**Dollar Limits for Travel and Business Expense Reports**

The dollar limits for the approval of Travel and Business Expense Reports and Travel Advances are:

- Up to $50,000
- Up to $15,000
- Up to $2,500
- Up to $500

In addition, approval may be granted to certain individuals to approve above $50,000, with Controller’s Office approval.

This authority should be granted only to individuals holding senior officer positions who can effectively enforce travel and business policy and budgetary requirements for their unit.

Regardless of DAF Authority, under no circumstances may an individual approve his or her own report or that of a person to whom he or she reports. Deans and VPs must have their reports signed by the appropriate approver (President, Provost, Senior Executive VP, Executive VP of Finance).

**Dollar Limits for P-cards**

P-cards are set with a single transaction limit (generally no more than $2,500 per transaction) and a monthly credit limit. For further information, please refer to the P-Card Policy located in the Administrative Policy Library.

**DAF Administrators**

DAF Administrators are the only individuals authorized to delegate DAF authority and approve the creation, modification or deletion of DAF authority within the departments for which they have been designated. A DAF Administrator may be a senior officer such as a Dean, Vice
President or a Senior Financial Officer such as an Associate Dean or Assistant Vice President. The Controller's Office may also delegate or modify DAF authority in any department and may be required to provide final approval of DAF authority designation in certain circumstances.

DAF Administrators are responsible for the administrative and financial leadership of their academic or administrative unit and must have knowledge of those authorized to commit their unit to financial transactions. DAF Administrators should consider the employee's scope of responsibilities when assigning levels of authority.

**Considerations When Exercising or Delegating DAF Authority**

DAF Administrators should assign appropriate DAF authorization to employees of their unit, considering what is necessary within the scope of the employee's responsibilities. In general, individuals with DAF authority that are responsible for approving transactions within University systems should be separate from the individuals initiating/entering transactions in University financial systems.

When delegating DAF authority within a unit, the DAF Administrator should consider the hierarchy within their unit, so that an individual would generally not be assigned transactional authority that exceeds that of the person to whom he or she reports, unless appropriate due to the scope of responsibilities.

The DAF Administrator may delegate authority to approve and initiate transactions and to inquire in University systems, and should consider the responsibilities set forth below.

**Responsibilities of an Approver**

Someone with the authority to approve transactions must act as a steward of University resources, conducting the proper due diligence in reviewing a transaction and being accountable for the decision to approve or reject. When approving any type of transaction, the approver is confirming:

- An understanding of the nature and purpose of the transaction
- Availability of funding
- Propriety and accuracy of the transaction
- Existence of sufficient documentation to support the transaction
- Compliance with University policy and procedures
- Compliance with regulatory and granting agency policies and procedures and specific restrictions or terms set by a granting agency or donor
- Any questions or concerns have been investigated, escalated and resolved before approving

Individuals with DAF authority should exercise care in relying on information provided by others when approving transactions, and are in all instances ultimately responsible for personally reviewing the transaction and granting approval.
Responsibilities of an Initiator

Someone with the authority to initiate transactions must act as a steward of University resources, conducting the proper due diligence and being accountable for initiating a transaction. When initiating a transaction and releasing it for approval, the initiator is confirming:

- An understanding of the nature and purpose of the transaction sufficient to correctly initiate a transaction
- Accuracy of the transaction (i.e. proper payment mechanism, correct amount)
- Existence of sufficient documentation to support the transaction
- Any questions or concerns have been investigated, escalated and resolved before releasing the transaction for approval

Responsibilities of an Inquirer

Someone with the authority to make queries and view data must be accountable for the safeguarding of information and should:

- Only view information that is required as part of one’s role and specific to a transaction or request
- Ensure appropriate security of data whenever it is exported from the system or shared in any manner
- Maintain confidentiality of data and information

Annual Recertification

DAF Administrators are responsible for maintaining the roster of current DAF authorized individuals in their department(s) and should modify or delete an individual’s DAF authority when warranted by a change in his/her status.

In addition, DAF Administrators will review a roster of current DAF authorized individuals on an annual basis and either confirm that the authorizations are appropriate or make modifications and deletions. The recertification must be completed by the requested date or approval authority will be suspended. This annual recertification of DAF authority plays a central role in ensuring that everyone continues to maintain the correct level of DAF authority.

FURTHER GUIDANCE

For further guidance on types of transactions covered and setting up an individual with DAF authority, please refer to the Finance Gateway website [http://finance.columbia.edu]

CONTACTS
Any questions or inquiries should first be directed to the senior officer within the appropriate school or department, typically the DAF Administrator. The senior officer may then contact the Controller’s Office for further direction, clarification or assistance with respect to any issue.

Office of the Controller
Contact: Georgia Pike
Email: gp213@columbia.edu

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