

Electronic Transaction Approval Policy

Policy

All financial transactions shall follow appropriate approval procedures. Transaction approvals shall follow, to the extent possible, the formal chain of command illustrated in the Agricultural Experiment Station's (AES) organizational chart.

Purpose

The purpose of this policy is to:

- Ensure complete, accurate and timely managerial review of financial accounting transactions
- Mitigate the risks inherent in delegating approval authority, which include:
 - Over expenditure of AES budgets
 - Committing to new fixed costs
 - Making expenditures that are not mission-appropriate
 - Making expenditures not legal for State entities
 - Fraudulent activities
- Provide for the separation of duties

Procedures

Transaction approvals will be facilitated using the University's administrative computing system on-line application, TARGET (Transaction Approval Review Gateway via Electronic Transmission). The Office of Financial Affairs is the TARGET application owner and has responsibility for establishing review chains, creating emergency proxy and alternate authorizations, and providing user training. Contact information is available on the Financial Affairs web site. The AES Office of Finance & Administration will have the responsibility of managing desk assignments for Station personnel.

Materiality thresholds are established by each BASIS application owner and approved by the Vice Chancellor for Finance and Administration, UAF. They are listed at the end of the Fayetteville Campus Transaction Routing Policy, 330.1. A Primary Reviewer or an Alternate Reviewer must approve all transactions that equal or exceed the materiality threshold established by the BASIS application owner. Proxies are not permitted for transactions at this level. Proxy approvals will be permitted for immaterial transactions

below the established thresholds. An appropriate TARGET chain must be established to review material transactions.

The transaction approval chains (material and immaterial) will include the appropriate personnel from the AES Finance & Administration Office and the Department Head as Primary Reviewers. Although these personnel are strongly encouraged to personally review transactions, primary review responsibility may be delegated to an appropriate management/faculty member in consultation with the AES Office of Finance & Administration. To supplement the normal chain of approval, each Primary Reviewer on a material review chain may designate an Alternate Reviewer. The Alternate Reviewer must have BASIS application access and appropriate reviewer training. The Alternate Reviewer should be in a position appropriate for that responsibility and should also be selected in consultation with the AES Office of Finance & Administration.

Proxies may be established to allow appropriate persons, other than the Primary Reviewer, to approve transactions below the materiality thresholds. All proxy requests will be routed to the UAF Financial Affairs Office for approval. Proxies will systematically expire when either the person assigning or receiving the proxy leaves his or her position or ceases to be employed by the Experiment Station. Proxies must hold a position at pay grade 17 or higher. Exemptions from this guideline include primary reviewers and their proxies who are non-required reviewers.

A minimum of two persons must be involved in the initiation and review of all TARGET financial transactions. Regardless of who initiates a material transaction, no single person may perform all review steps unless there is only one required review step. Temporary emergency Alternate Reviewers and proxies may be established by the TARGET administrator upon receipt of a signed request form submitted by an appropriate administrator.

In accordance with the University of Arkansas Code of Computing Practices Section III(C)(4), system passwords should not be shared.