

ASI Policy 225 – Signature Authority

Summary of Proposed Revisions

October 5, 2023

Rationale for Revision:

1. The policy revisions are recommended and aligned with the current signature practices of other Auxiliaries in the CSU and Cal State LA in accordance with CSU and Cal State LA policies, and California State laws regarding non-profit corporations. The revised policy provides a robust and comprehensive articulation of ASI's fiscal and legal obligations and the individuals who have authority to approve items, much of which is lacking from the current policy.
2. ASI did not have a full management staff nor an Executive Director the last time the policy was revised, and the University served in the capacity of ASI management to review and approve transactions. Now that ASI has a full staff with three management personnel, the ASI's financial management can reflect the standards of other Auxiliaries and appropriately place the responsibilities for financial oversight on the Executive Director and the ASI staff.
3. Several of the signature practices are no longer valid and must change to current operating procedures, such as the travel approval process and performance agreements.
4. Several of the ASI staff positions listed in the current policy are no longer a part of the staffing structure and therefore the policy must be updated to include the current staffing structure.
5. Additional procedures exist in the current policy, such as purchase order processing, that does not pertain to signature authority and are included in another ASI policy and these should be removed to reduce confusion and duplication.
6. The current policy does not address important areas in ASI's delegation of authority and approval authority such as the annual budget, transfers from the investment fund, and oversight of ASI's bank accounts.

Summary of Substantive Changes:

The proposed policy changes constitute a significant revision and as such, a new policy has been proposed to replace the existing policy, rather than using tracked changes. This requires a side-by-side review of the policies, and this summary captures the major substantive changes.

[Entire document] The revised policy has restructured the format based on types of transactions and the delegation of authority for each, which is a change from the previous format that listed individuals and their signature responsibilities. The revised policy has been updated to ASI's current policy template for consistency.

Section 1:

- Purpose statement added for clarity and to follow ASI's policy template
- Establishes the presiding authorities over ASI's finances

Section 2:

- A listing of supporting policies and documents is provided with links to the online resources

Section 4:

- The revised policy identifies the required Auxiliary delegation of authority that complies with CSU policy and State of California laws, which includes the Campus President and Chief Financial Officer.
- Clearly states the authority given to the ASI Executive Director who is has the primary financial responsibility for the corporation
- Clearly states the Executive Director shall serve as the legal agent, which is in the ED position description
- Articulates a means for further delegation of authority with the approval of the ED
- Clearly states a signature authority line of succession in case the ED is unable to sign naming the Associate Executive Director and the Director for Graphics and Marketing, ASI's management employees.
- Clearly states the ASI President shall sign on behalf of the Board of Directors

Section 5.1.:

- There is no mention of ASI's annual budget and the approval requirements for the budget in the current policy. This clearly states who is responsible for and signs the annual budget for ASI, in addition to the quarterly budget revisions.
- In section 5.1.3., the new statement requires Finance Committee APPROVAL for changes in the budget outside of the quarterly revisions. The current policy states that the ED and Executive Officers, can adjust the budget lines within 10% with only a "consultation" with the Finance Committee. Any changes to the approved budget, as articulated in the policy, require Finance and BOD approval and the current policy goes against this premise.

Section 5.2.:

- The operating budget section refers to the management of the expenses and paperwork within the approved annual budget.
- The revised policy retains the current policy's co-signature from ASI Executive Officers for expenses within the programmatic and student government line items but removes the need for their co-signature signature for the personnel and corporate costs allocations.
- Added VPF co-signature on RPP's for purchases over \$15,000

Section 5.3.:

- This section is added to the policy and was not included in the current policy, which articulates the oversight and authority of ASI's bank accounts.

Section 5.4.:

- In accordance with the changes to the Bylaws and Personnel Committee Code of Procedure, and as articulated in the ED's job description, the ED is responsible for the hiring, termination, training, and supervision of ASI's employees. The signature authority, therefore, rests with the ED and is articulated in the revised policy.

- The section on travel retains the approval authority of the current policy that rests with the ED and includes the employee's supervisor approval. Additional procedures and provisions for travel is included in the ASI travel policy.

Section 5.5.:

- Section 2.7. of the current policy starts with performance agreements and meanders into travel and budget adjustments. This section is highly problematic and needed revision. Section 5.5 of the revised policy clearly articulates the responsibilities of the ED to sign agreements as the legal agent of the corporation. The other aspects of section 2.7. in the current policy are articulated in other sections of the revised policy.
- The revised policy adds the ASI President's co-signature (as witness) of corporate agreements and requires them to be shared with the BOD, which is not in the current policy.

Section 5.6.:

- This section is added to clearly articulate the ASI President's role in signing on behalf of the Board of Directors, which is missing from the current policy.

Section 5.7.:

- The revised policy retains the involvement of the VPF in reviewing club funding proposals. The revision articulates the VPF shall sign award letters on behalf of the Finance/Club Funding Committee.
- The revised policy retains the VPF as co-signatory on all RPP's related to club expenses
- The revised policy cites the guiding CSU policy for student travel, which was not cited in the current policy

Section 5.8.:

- The revised policy retains and expands on the approvals needed for Student Leader paperwork such as biweekly reports, GIA payments, and student leader travel.
- Executive Officers shall remain involved in approving all items under this section, which was stated in the current policy.

Section 6:

- Segregation of duties is a critical practice in accounting and approving financial documents to prevent fraud and uphold standards of accountability and review. This was not clearly stated in the current policy and was added to reinforce ASI's current practices for segregation of duties.

Section 7: Rewording of the acceptable signature formats and includes current practice with digital signatures.

Section 8:

- This section was also added to clearly state ASI's expectations for the proper use of funds and includes the Whistleblower policy that protects anyone from reporting misuse of student body fees.