

# **SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY**

## **Policy Manual**

**SUBJECT:** Delegation of Authority

**NUMBER:** Policy IX-17

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### **Introduction & Purpose**

There are two essential functions of the grant accounting process in relation to charging expenditures to an award. The first is the determination of whether or not an expense is allowable and properly allocated to the award. The second is the ability to ensure that only authorized individuals are approving expenditures on an award. The purpose of this policy is to ensure that only those authorized to approve expenditures on an award do so.

### **Policy**

The Principal Investigator (PI) listed in the award document shall automatically be given authority to approve expenditures on behalf of the award project. This authority may be delegated to other individuals at the discretion of the PI. The PI or their designee shall approve all transactions on their award. Some items, such as Budget Revisions, **MUST** be approved by the PI on an award.

### **Definitions**

Business Manager – someone authorized to approve the expenditure of funds on behalf of the Institution and/or specifically designated by a Principal Investigator to approve expenses for their Award. For institutional administrative accounts: Department Chairs/Heads, Directors, Vice Presidents, Provost and President.

Principal Investigator (PI) - person designated by an award document as the lead on a specific award. This person is the de facto Business Manager for all Funds associated with the award.

### **Regulations & Guidelines**

OMB Circulars A-21 - Cost Principles for Educational Institutions  
OMB Circular A-87 - Cost Principles for State, Local, and Indian Tribal Governments  
OMB Circular A-110 - Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations  
OMB Circular A-122 - Cost Principles for Non-Profit Organizations  
OMB Circular A-133 – Audits of States, Local Governments, and Non-Profit Organizations

SDSM&T Accounts Payable Manual

SDSM&T Policies:

V C. 13 Basic Cost Principles

V C. 14 Budget and Expense Monitoring/Monthly Financial Reconciliation

V C. 16 Cost Transfers

Specific Guidelines from funding sources (e.g., NSF FATCs)

### **Responsibility**

Business Services: maintains record of the PI delegation for verification of signature on approval of all expenditure.

PI: determine the appropriate other individuals (if any) who should also be allowed to approve expenditures on behalf of the PI to further the goals of the award.

Sponsored Programs: maintains record of PI delegation for reconciliation and verification purposes.

### **Procedures**

1. PI completes and signs the Delegation of Authority Form.
2. Submits form to Research Affairs and Business Services.
3. Research Affairs will keep a copy of the form with the award agreement; Business Services will keep a copy of the form in a file.

NOTE: the Delegation of Authority Forms kept on file are for verification of authority not comparison of signatures.

### **Associated Forms**

Delegation of Authority Form

### **Related Training Modules**

Monthly Reconciliation Process

Submitting A Proposal

Unallowable and Allowable Expenditures