RULE – RESPONSIBILITY AND AUTHORITY OF MANAGERS TO DISPOSE OF THE UNIVERSITY’S FUNDS

This document has been translated from Swedish into English. If the English version differs from the original, the Swedish version takes precedence.
Table of contents

Rule – Responsibility and authority of managers to dispose of the University’s funds .... 1

1. Description ..................................................................................................................... 3

2. Background ................................................................................................................... 3

3. Introduction ................................................................................................................... 3
   2.1 The department as a profit centre ...................................................................... 4

3. Internal controls ............................................................................................................. 4

4. Purchases of goods and services ................................................................................... 5

5. Outgoing payment decisions ........................................................................................ 5
   5.1 Authorisation ....................................................................................................... 5
      5.1.1 Authorisation of an order ........................................................................... 5
      5.1.2 Authorisation of an invoice ........................................................................ 6
   5.2 Rules on sample signatures and delegations ..................................................... 6
      5.2.1 Sample signatures ....................................................................................... 6
      5.2.2 Delegation ................................................................................................... 6

6. Decisions on external revenue ....................................................................................... 7

7. Internal-university transactions ................................................................................... 7
1. Description

The purpose of this rule is to clarify the rules governing which employees may dispose of the University’s funds and to explain what this financial responsibility entails. The regulations are to be read together with the Financial Management Rules.

2. Background

The University, which is classed as a public authority in Sweden, is required to select which employees have authority to dispose over the University’s funds. This authority over funds is specified in the delegation of authority. A list of authorised individuals is drawn up by the Financial Office and is updated regularly.

An important part of the manager’s financial responsibility is making decisions about payments and other aspects that will result in future payments. Financial responsibility means that:

- the expenditure is within the framework of the University’s activities;
- the expenditure is within the framework of the department’s resources; and
- the funds are used in accordance with the applicable rules.

The manager may, if justified for practical reasons, delegate the right to sign decisions regarding payments. However, the manager remains responsible for the department’s finances. Delegation may only be made to a person with sufficient financial insight and is to be adapted to other levels of responsibility and authority. The manager is responsible for ensuring that no single individual can decide over a case with financial consequences.

The manager is responsible for ensuring that the appointed purchaser has good knowledge of the Public Procurement Act (LOU) and the University’s policy and rules on procurement.

The manager is responsible for ensuring that all the department’s funds/resources are used in the best possible way and within the established framework. The manager is responsible for maintaining good internal financial controls.

In this respect, departments are the equivalent of faculties, University Administration units, University Library units, university colleges and centres. References to managers also apply to heads of department.

3. Introduction

At Umeå University, responsibilities are determined in the Vice-Chancellor’s delegation of authority and

- the delegation of authority by the respective faculty, the University Library and the administration;
- the financial management rules and other governing financial documents adopted by the University Board; and
the adopted financial sub-processes

According to Swedish National Financial Management Authority’s (ESV) regulations, the University must designate which employees have the right to dispose of the University’s funds. The authority is to be determined by rules of procedure or by other means that determine areas of authority.

This rule replaces FS 1.6.1-368-18 “Rule – Responsibility and authority of managers to dispose of the University’s funds”.

2.1 The department as a profit centre
At Umeå University each department is a profit centre. The responsibility for budgets, financial statements and financial follow-up and forecasts is described in the Rules for financial management at Umeå University (FS 1.1-611-22).

3. Internal controls

The manager is responsible for ensuring that the department complies with the University’s internal financial administration regulations, as specified in the Financial Handbook. These regulations are based on the government regulatory framework, available on an online site (“EA-boken”), the digital publication published annually by the Swedish National Financial Management Authority (ESV). The manager is to ensure that the department has well-functioning financial administration procedures and that good internal controls are maintained. The latter means that the necessary controls are to be built into the department’s organisation and procedures. Tasks and responsibilities need to be divided to ensure no individual alone can administer a case with financial consequences.

The department is to book financial events as they occur. Each financial event requires attestation. The attestation provides information on the documents on which the financial event is based and where those documents can be found. The department’s accounts are to be complete and correct so that the University’s accounts can be compiled into correct four-month reports and annual accounts.

Machinery, equipment and other fixed assets must be inventoried once a year according to the directions issued by the Financial Office. Cash is to be audited and inventory of goods is to be taken prior to the annual accounts. A person who is not directly responsible for the assets must be appointed to perform the inventory. The inventory report is to be signed electronically by the person who performed the inventory and the manager and sent to the Financial Office.

The manager is responsible for managing accounts receivable. If the accounts receivable are not paid after the payment reminder has been sent, the manager is responsible for investigating the matter. If payment is not made despite the measures taken by the department, the Financial Office needs to be informed as soon as possible of the measures to be taken.
4. Purchases of goods and services

The manager is responsible for ensuring that the person appointed as the purchaser at the department has good knowledge of the Public Procurement Act (LOU) and the University’s policy and rules for procurement. When purchasing goods and services, always use existing framework agreements.

5. Outgoing payment decisions

An important part of the manager’s financial responsibility is making decisions on outgoing payments and decisions that give rise to future outgoing payments. The manager’s financial responsibility means ensuring that:

- the expenditure is within the framework of the University’s activities;
- the expenditure is within the framework of the department’s resources; and
- the funds are used in accordance with the applicable rules.

Outgoing payment decisions, such as when placing an order, known as order authorisation, may be made when approving an invoice (payment authorisation) or when approving outlays in the self-service system.

The manager may not decide on a matter that entails payment to or otherwise benefits the manager or their related parties, whether the related party is a natural or juridical person. In such cases, the outgoing payment must be authorised by the manager’s immediate manager. Examples include reimbursement of outlays in service, the manager’s own invoices for official entertainment or their own mobile phone costs.

Decisions on the employment of staff are made at the level of the organisation defined in the relevant delegation of authority.

5.1 Authorisation

Managers cannot be expected to know about every single payment. So that the manager can make decisions that lead to outgoing payments, a person who knows the circumstances must first authorise the order or invoice. The manager appoints those individuals with permission to authorise payments. An authorisation system is to be drawn up and be on file at the department. The authorisation system is to specify the authorisation permissions that apply to each project and their duration and must state any threshold amounts.

5.1.1 Authorisation of an order

An order is first authorised when it is placed in the e-commerce system. The manager may decide that orders must be authorised even if they are placed outside the e-commerce system.

Authorisation of an order means certifying that:

- there is a need for the good/service;
- it is purchased in accordance with the applicable rules;
• the expenditure lies within the framework of the University’s activities;
• the specified project may be debited.

If an order is placed in the e-commerce system, the delivery is to be confirmed so that the invoice can then be automatically matched with the order and subsequently paid. Normally, a delivery is received by the buyer, but the manager may appoint another person to confirm the delivery.

5.1.2 Authorisation of an invoice
Authorisation of an external or internal invoice means certifying that:

• the goods have been received or the service has been performed;
• the expenditure lies within the framework of the University’s activities;
• the specified project may be debited.
• the attachments and supporting documents are complete.

5.2 Rules on sample signatures and delegations
According to Swedish National Financial Management Authority’s (ESV) regulations, the University must designate which employees have the right to dispose of the University’s funds. This authority is defined in the delegation of authority or by other means to establish the areas of authority. A list of those authorised to dispose of the University’s funds is drawn up by the Financial Office and updated regularly, based on the documentation submitted by the department/unit.

The manager is responsible for reporting changes to the delegation of authority to the Financial Office.

5.2.1 Sample signatures
According to the Swedish National Financial Management Authority’s (ESV) requirement for good internal control, a sample signature or equivalent is required for all managers with profit and loss responsibility. An electronic sample signature form is completed and signed digitally by the person concerned. It also is to be certified through electronic signature by another person. The form is to be sent to the Financial Office, where it is securely stored. The documents are stored and exempt from data erasure.

5.2.2 Delegation
If practical reasons call for it, the manager may delegate the authority to authorise payment decisions. Please note that the manager’s responsibility for the department’s overall finances always remains intact. Authority may only be delegated to a person with sufficient financial insight and must be adapted to other levels of responsibility and authority within the department. The manager is responsible for ensuring that no single individual has authority to administer a matter with financial consequences. Decisions on delegation are to be made in writing and are valid for a limited period. Managers may not delegate for a longer period than their own appointment. A delegation can be signed for a maximum of two years.
The digital form for *Delegation* is filled in and signed electronically by both the manager and the recipient of the delegation. It is sent to the Financial Office, where it is securely stored. These documents are preserved and are to be exempted from data erasure.

Previous delegations cease once there is a change of manager.

### 6. Decisions on external revenue

Decisions on activities to be carried out with external funds, i.e. grants or revenue from contracted work, are made by the manager in accordance with the Vice-Chancellor’s delegation of authority, with any restrictions set out in it. For contracted activities, the manager is responsible for ensuring that full cost coverage is achieved and that the fair distribution of costs is recorded at least every four months.

### 7. Internal-university transactions

Internal transactions can be divided into internal allocations of expenses and revenue, internal invoicing, and corrections of erroneous transactions. The manager decides on the recording of internal transactions by authorising journal vouchers electronically.