

## Vice Chancellor-Marine Sciences, Scripps Institution of Oceanography

### Ratification Process

The ratification process defined below is effective September 1, 2013 and is applicable to Vice Chancellor-Marine Sciences, Scripps Institution of Oceanography.

#### Principles of Accountability and Delegation of Authority for Commitments

The Chancellor of the University of California, San Diego has delegated various financial, administrative, and management responsibilities to administrative officials responsible for the operation of their departments or business units. This delegation from the Chancellor also passes through the dean of each division and school (reference <http://blink.ucsd.edu/finance/accountability/delegation/admin-accountability.html>).

Administrative officials may delegate many of their responsibilities, but cannot delegate accountability. They retain accountability for the following activities in their areas of responsibility:

- Compliance with all applicable laws and regulations, university policies, and collective bargaining agreements, and with the terms and conditions of gifts, contracts, and grants;
- Maintenance of a sound financial condition and good business practices for the department or business unit;
- Establishment of an effective system of internal controls consistent with the UCSD Principles of Accountability and Regulatory Compliance;
- Adherence to ethical business standards;
- Administration of human resource activities in a manner that fosters diversity in the workforce and ensures due process;
- Ensuring appropriate access to, and use of, university information and systems, including the integrity of data and transactions entered or modified by staff in their area of responsibility; and
- Protecting university assets, including the proper use and disposition of personal and sensitive information.

“Administrative official” refers to any UCSD employee or academic appointee who holds one of the following positions, and/or to whom financial, administrative, or management responsibility has been delegated:

- Associate Chancellor
- assistant vice chancellors
- associate vice chancellors
- deans
- directors
- department chairs
- department business officers
- managers

No University staff member or academic appointee may commit University funds or resources without specific delegation of purchase authority granted by the Vice Chancellor of Business Affairs or the purchasing manager (reference Administrative Responsibilities Handbook). Additionally, no solicitation or application for extramural support of research, training, or public service programs shall be made officially

in the name of The Regents of the University of California without the prior approval of The Regents or of an authorized official of the University; such authorization is by formal delegation of contract and grant authority.

Every employee who conducts transactions that commit University resources must comply with applicable laws, regulations, and special restrictions. To ensure compliance, each administrative official should adopt the following principles and responsibilities:

- Individuals conducting business transactions shall do so in accordance with University policy.
- Any person who is aware of fraudulent or illegal business transactions conducted in the name of the University shall report those transactions immediately.
- Each unit is responsible for the restitution of any disallowance due to noncompliance with laws, regulations, or special restrictions. In certain circumstances, such restitution may be wholly or partially mitigated by higher authorities within the organization.
- Employees conducting University business transactions are responsible for maintaining knowledge and understanding of legal and regulatory requirements.

#### **Vice Chancellor Marine Sciences, Scripps Institution of Oceanography Ratification Process**

Scripps Institution of Oceanography (“Scripps”) employees must exercise caution in dealing with external contracting officers, program officers, subcontractors, sub-recipients, and suppliers to stay within the delegated authority granted to them by the University of California. *An unauthorized commitment is an agreement, purchase, or informal understanding that is not binding on Scripps because the Scripps employee who made the commitment was not formally authorized to do so.* Any Scripps employee who suspects that an unauthorized commitment has been made shall immediately report the relevant facts to his/her Business Officer, who shall notify the Scripps Assistant Vice Chancellor - Marine Sciences (“AVC-MS”). If any other party appears to be trying to expand, amend, modify, or enlarge any contractual obligation (either incoming or outgoing funds), or amend the Statement of Work, a similar report shall also immediately be made. The following procedures establish the process by which Scripps may ratify after the fact a commitment that was, may have been, or is argued to be, an unauthorized commitment.

The AVC-MS will require that the individual responsible for an unauthorized commitment work with the relevant business officer to provide a Ratification Request Summary. The Ratification Request Summary (“Summary”) must include 1) a description of the circumstances surrounding the unauthorized commitment; 2) a description of supplies or services provided and how the Division and Scripps benefited from the performance of the unauthorized act, if applicable; 3) a summary of the impact on Scripps in terms of personnel, time, effort, dollars, risk exposure and space utilization (if applicable); 4) steps or action taken or attempts made to resolve the unauthorized commitment, including specific corrective action(s) taken in accordance with University policy; 5) procedures within standard business operations to prevent future unauthorized commitments from occurring; and 6) a request for an approval of the unauthorized commitment. The Summary must be signed by the cognizant Business Officer, Division Head and Section Head, all of whom, by signing, assert that the information is true, accurate, and complete. The Summary is then presented to the Assistant Vice Chancellor-Marine Sciences for review.

The AVC-MS will review the Summary and prepare a written statement (“Findings and Determination”) addressing the following:

- Whether the documents provided are satisfactory;
- Whether the unauthorized commitment is an action Scripps would be reasonably expected to have undertaken;
- Whether the action otherwise would have been proper and allowable had the individual followed standard procedures and policies within delegated authority; and
- Whether the proposed corrective actions/steps to be taken are satisfactory.

The AVC-MS’s statement is appended to the Summary.

The AVC-MS will consult with the Scripps and/or UCSD Authorized Organizational Representative (“AOR”), as determined by the nature of the unauthorized commitment, who will review the Summary and determine if the unauthorized commitment can be ratified under the provisions of the award terms and conditions, other applicable federal and state regulations, University of California policies, and Scripps and University of California, San Diego policies. The AVC-MS will prepare a written recommendation in consultation with the Vice Chancellor-Marine Sciences, Scripps Executive Council (as necessary), and UCSD Campus Counsel (as applicable) to either recommend approval or disapproval of the unauthorized commitment.

The AVC-MS will forward the Summary, supporting documents and the written recommendation for approval or denial of ratification to the Vice Chancellor-Marine Sciences for final review and approval.

If the determination is affirmative and the unauthorized commitment is approved (ratified) by the Vice Chancellor-Marine Sciences, the VC-MS shall sign the Summary and submit the final written recommendation with supporting documents to the appropriate Authorized Organizational Representative (“AOR”). The AOR will take the necessary contractual action(s) to officially formalize and conclude the unauthorized commitment.

If the AVC-MS is unable to make an affirmative determination, the recommendation shall include the reasons that an affirmative determination cannot be made, recommend that the action not be ratified, and offer an alternative resolution to settle the unauthorized commitment. In the event the unauthorized commitment is not ratified, Divisional and/or Section funds or the Principal Investigator’s discretionary funds may (but are not required to, as determined by the VC-Marine Sciences in consultation with Scripps Executive Council) be used to reimburse the affected account(s) and rectify the unauthorized commitment. The AVC-MS will arrange with the appropriate Scripps/University official(s) for the action(s) necessary to make the affected party whole.

After the conclusion of the determination process, the AVC-MS will retain a file for all unauthorized commitments including the Summary, supporting documentation, and recommendation provided for the ratification process. The AVC-MS shall notify relevant parties of the determination (in the case when Scripps is a subrecipient, the AVC-MS shall notify the prime agency). The relevant business office shall also maintain a copy of all documentation.

Related Forms attached:

Ratification Request Summary

Findings and Determination Ratification of Unauthorized Commitment and Official’s Statement